

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

KOBA KVIRIKASHVILI *and all others*
similarly situated

v.

**UNITED STATES FIRE INSURANCE
COMPANY, et al.**

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**CIVIL ACTION
No. 25-5474**

ORDER

This 10th day of July, 2026, it is hereby **ORDERED** that Plaintiff's Unopposed Motion for Preliminary Approval, ECF 24, is **GRANTED**.

Having considered the Motion, the Settlement Agreement and its exhibits (attached to the Motion), the record in this case, and the applicable law, and for good cause shown, it is **FURTHER ORDERED**:

1. **Preliminary Approval of Settlement.** The Court has reviewed the Settlement Agreement and preliminarily finds that the proposed settlement, taken as a whole, is within the range of possible approval under Federal Rule of Civil Procedure 23(e), is the product of arm's length negotiations by experienced counsel, and is sufficiently fair, reasonable, and adequate to warrant sending notice to the proposed settlement class and scheduling a final approval hearing. The Court notes that Settlement Class Members will not need to submit a claim form to receive the benefits of the Settlement, and that the benefits will not be reduced by other amounts paid in the Settlement, including the proposed attorneys' fees and expenses, Service Payment, and costs of settlement administration. The Settlement confers substantial benefits upon the Settlement Class and avoids the costs, uncertainty, delays, and other risks associated with continued litigation, trial, and/or appeal in this Litigation.

The Court preliminarily finds that the consideration provided to the Settlement Class under the Settlement Agreement falls within the range of reasonable recovery when balanced against the risks and delay of continuing the Litigation, and does not grant preferential treatment to Plaintiff, Class Counsel, or any subgroup of the Settlement Class. The plan of allocation appears fair and reasonable, and consequently, the Settlement is likely to gain final approval under Fed. R. Civ. P. 23(e)(2).

2. **Preliminary Certification of Settlement Class.** Solely for purposes of settlement, and subject to final approval under Rule 23(e), the Court preliminarily certifies, pursuant to Rule 23(b)(3), the following Settlement Class as defined in the Settlement Agreement:

All “Insureds,” defined as any Pennsylvania resident who (i) was covered under a USFIC Policy, and (ii) to whom Defendants issued a Lien Letter during the Class Period (September 23, 2021 through March 26, 2026) under which funds were returned to Defendants or a lien is outstanding.

Excluded from the Settlement Class are (i) any person who timely and validly requests exclusion in accordance with the Settlement Agreement and this Order; (ii) the Court and its staff; and (iii) Defendants and their current officers and directors.

For settlement purposes only, the Court preliminarily finds that the requirements of Rules 23(a) and 23(b)(3) are satisfied: numerosity, commonality, typicality, adequacy, predominance, and superiority. Because the Litigation is being settled rather than litigated, the Court need not consider manageability issues nor Defendants’ denial of Plaintiff’s allegations or its legal arguments.

3. **Appointment of Class Representative and Class Counsel.** The Court preliminarily appoints Plaintiff Koba Kvirikashvili as Class Representative of the Settlement Class, and preliminarily appoints Lynch Carpenter, LLP and Kalikhman & Rayz, LLC as Class Counsel to represent the Settlement Class for purposes of the settlement.

4. **Appointment of Claims Administrator.** The Court appoints RG/2 Claims Administration LLC (“RG/2”) as the Claims Administrator to perform the duties set forth in the Settlement Agreement and this Order.

5. **Form and Manner of Class Notice.** The Court has reviewed and approves, as to form and content, the proposed Class Notice materials attached as exhibits to the Settlement Agreement (the “Class Notice”), subject to any non-substantive formatting or conforming changes agreed upon by the Parties and the Claims Administrator and approved by the Court. The Class Notice includes the long-form Notice of Class Action Settlement to be mailed to Class members and posted on the Settlement Website (the “Long Form Notice”) and the email Notice of Class Action Settlement (the “Email Notice”). The mailing of the Long Form Notice will be completed by sending a Notice Packet consisting of the Long Form Notice, the statement that will show a class member’s portion of the Returned Amount or Non-Returned Amount, and the Request for Exclusion form.

The Court finds that the proposed Class Notice, and the manner of distribution described in the Settlement Agreement and in the Motion, constitute the best notice practicable under the circumstances and satisfy the requirements of Rule 23, due process, and all other applicable law. The Class Notice fairly and adequately describes the nature of the Action, the terms of the proposed settlement, the definition of the Settlement Class, the rights of Settlement Class Members (including the rights to opt out or object), and the procedures for exercising those rights. The Class Notice also appropriately directs members of the Class who are currently represented by a lawyer in connection with an insurance claim with Blue Star and USFIC, to share the notice with their attorneys.

6. **Notice Procedure and Deadlines.**

a. **Insureds' Data to Claims Administrator.** Within **seven (7) calendar days after** entry of this Preliminary Approval Order, Defendants shall provide to the Claims Administrator and Class Counsel the Insureds' Data as set forth in Section 4.6 of the Settlement Agreement.

b. **Mailing and Emailing of Class Notice.** Within **ten (10) calendar days after** receiving the Insureds' Data, the Claims Administrator shall cause the Notice Packet to be mailed by First Class U.S. Mail to all Insureds at their last known mailing addresses, after updating those addresses through the National Change of Address database, and shall send the Email Notice by email to all Insureds for whom an email address is available, as provided in the Settlement Agreement. Upon mailing the Notice Packet, the Claims Administrator shall establish a settlement website (or a link on their existing website), as provided in the Settlement Agreement.

c. **Bar Date (Opt-Outs, Objections, and Disputes).** The deadline for Settlement Class Members to (i) submit Requests for Exclusion, (ii) submit written objections, and/or (iii) submit any written declaration requesting a review of their Returned Amount or Non-Returned Amount, shall be **forty-five (45) days after** the date on which the Claims Administrator first mails the Notice Packets (the "Bar Date").

d. **CAFA Notice.** The Claims Administrator shall cause notice to be served in accordance with the Class Action Fairness Act ("CAFA") as set forth in the Settlement Agreement.

7. **Final Approval Hearing.** A Final Approval Hearing shall be held on the 4th day of November, 2026, at 1:30 p.m. in Courtroom 9-B of the United States District Court for the Eastern District of Pennsylvania, before the Honorable Gerald A. McHugh, to:

- a. determine whether the Settlement Agreement should be finally approved as fair, reasonable, and adequate under Rule 23(e);
- b. determine whether the Settlement Class should be finally certified for settlement purposes and whether the Class Representative and Class Counsel should be finally confirmed;
- c. consider any objections to the Settlement and to the requested attorneys' fees, costs, and Service Payment;
- d. determine whether to enter a Final Approval Order and Judgment substantially in the form attached as Exhibit E to the Settlement Agreement; and
- e. consider such other matters as the Court may deem appropriate.

The Final Approval Hearing may be adjourned, continued, or rescheduled by the Court without further notice to the Settlement Class, other than an announcement in open court or a docket entry.

8. **Objections.** Any Settlement Class Member who wishes to object to the Settlement or appear at the Final Approval Hearing must do so in the manner set forth in the Settlement Agreement and by the deadline set forth in the Class Notice.

9. **Requests for Exclusion.** Any Insured who wishes to be excluded from the Settlement Class ("opt out") must submit a timely and valid Request for Exclusion in the manner and by the deadline set forth in the Class Notice and Settlement Agreement. Settlement Class Members who submit timely and valid Requests for Exclusion shall not be bound by the

Settlement, shall not be entitled to any benefits under the Settlement, and shall not have standing to object to the Settlement.

10. **Stay of Proceedings.** All proceedings in this Action, other than those necessary to carry out or enforce the terms and conditions of the Settlement Agreement and this Order, will remain stayed pending further order of the Court.

11. **Injunction.** Pending final determination of whether the Settlement should be approved, Plaintiff and all members of the proposed Settlement Class who do not timely and validly request exclusion are hereby preliminarily enjoined from filing, commencing, prosecuting, intervening in, or participating in (as class members or otherwise) any other lawsuit or administrative, regulatory, or arbitration proceeding in any jurisdiction asserting any Released Claims against any of the Released Parties, as those terms are defined in the Settlement Agreement.

12. **No Admission.** Neither this Order, the Settlement Agreement, nor any of their terms or provisions, nor any of the negotiations or proceedings connected with them, shall be construed as an admission or concession by any Party of the truth of any allegations in the Action, of any liability, fault, or wrongdoing of any kind, or of the appropriateness of class certification for litigated (non-settlement) purposes.

13. **Exclusive Jurisdiction.** The Court retains exclusive jurisdiction over the Settlement to consider and determine all further matters arising out of or connected with the Settlement.

14. **Deadlines for Motions.**

a. Plaintiff shall file his Motion for Final Approval of the Settlement no later than **twenty-one (21) days before** the Final Approval Hearing.

b. Class Counsel shall file any motion for an award of attorneys' fees, costs, and Service Payment no later than **twenty-one (21) days before** the Final Approval Hearing.

c. Any papers in further support of final approval or in response to objections shall be filed no later than **seven (7) days before** the Final Approval Hearing.

/s/ Gerald Austin McHugh
United States District Judge