

# Exhibit 3

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF FLORIDA  
GAINESVILLE DIVISION

IN RE: THE PROGRESSIVE  
CORPORATION INSURANCE  
UNDERWRITING AND RATING  
PRACTICES LITIGATION

MDL Docket No. 1519  
Consolidated Cases:  
No. 1:00cv210; No. 3:01cv1465; No. 3:303cv0302;  
No. 5:02cv2384; No. 3:02cv2552; No. 3:03cv1176;  
No.4:05cv1647; No. 2:05cv1900; No. 1:05cv0150  
Judge: Maurice Paul

**OBJECTION TO PROPOSED SETTLEMENT AND  
OBJECTION TO APPLICATION FOR ATTORNEYS' FEES**

**To The Honorable Judge:**

COMES NOW SERGIO O. VILLEGAS, MICHAEL NEILL and SHEFFIA J. FULMER (hereinafter jointly referred to as "OBJECTORS"), and file this Objection to the Proposed Settlement and Objection to Application for Attorneys' Fees and would show as follows:

**1. Objectors**

A. Objector, SHEFFIA J. FULMER, hereby withdraws her Claim Form previously filed on or about July 3, 2006, Claim Number PF203078363, Control No. 0866120783.

B. OBJECTORS are a member of the class. The parties have already admitted that they are members of the class because they sent them notice of the class action settlement. OBJECTORS intend to appear at the final settlement hearing through OBJECTORS' attorneys.

**2. Objectors Assert Their Rights as a Party**

OBJECTORS hereby assert party status to this proceeding under the U.S. Supreme Court's opinion in *Devlin v. Scardelletti*, 536 US 1 (2002). OBJECTORS assert these rights as a party for all purposes, including, but not limited to, the right to: object to the settlement, appeal a decision approving the settlement, receive notice of all hearings, receive copies of all filings by the Settling Parties, and participate as a party at all hearings and conferences with the Court in this case.

**3. Objections to Settlement**

3.1. The settlement is not fair, reasonable, or adequate, and OBJECTORS object to the settlement, because it fails to provide relief to the vast majority of the class. Under the Fair Credit Reporting Act, 15 U.S.C. §§ 1681 *et seq.*, Progressive was required to provide notice of an adverse action to every member of the class. Progressive was required to provide this notice *even if there were no errors in the class member's credit report*. The vast majority of the class either did not have an error in their report or did not have an error

that adversely affected their insurance rates. Thus, they will not be entitled to any payment under the settlement. They were already entitled to *timely* free credit reports under the FCRA, and the settlement does nothing to compensate them for Progressive's failure to follow the law. The "Plus" score is without value to the class because they have no use for that number.

- 3.2. The settlement is not fair, reasonable, or adequate, and OBJECTORS object to the settlement, because it fails to require Progressive to re-rate all class members who have had a corrected credit report *in the past*. For those class members, Progressive already has everything it needs to re-rate their policies. There is no basis for requiring these class members to file a claim, other than to substantially reduce the number of actual claims.
- 3.3. The settlement is not fair, reasonable, or adequate, and OBJECTORS object to the settlement, because there are no standards as to what constitutes "credible evidence" of an inaccurate credit report. Indeed, Progressive appears to have final determination on this matter. The Court is only given the right to settle disputes as to *the amount* due a claimant, not whether the claimant is entitled to a payment in the first place.
- 3.4. The settlement is not fair, reasonable, or adequate, and OBJECTORS object to the settlement, because Progressive is given final authority as to whether a claimant's corrected credit report has improved the financial responsibility category. The Court is only given the right to settle disputes as to *the amount* due a claimant, not whether the claimant is entitled to a payment in the first place.
- 3.5. The settlement is not fair, reasonable, or adequate, and OBJECTORS object to the settlement, because it does not provide for interest on the claims payments. If there is an appeal of the settlement approval, there could be a delay of several years in payment. Progressive should not get the benefit of the delay, the claim members to whom the money is owed should receive the time value of that money.
- 3.6. The settlement is not fair, reasonable, or adequate, and OBJECTORS object to the settlement, because the settling parties have failed to provide a non-electronic claim form on their website. The claim form page at <https://cert.gardncitygroup.com/pfc/fs/claim> states that "If you do not wish to file a claim electronically, you may file a claim by going to the *Court Documents*, printing a copy of the claim form, and mailing it to the address provided on the claim form." However, the *Court Documents* page, located at <http://www.fcranoticsettlemnt.com/court.php3> does not contain a claim form to print and send in.
- 3.7. The settlement is not fair, reasonable, or adequate, and OBJECTORS object to the settlement and the application for attorneys' fees, because the proposed fees are excessive. The amount of the proposed attorneys' fees is an integral element in determining whether

the settlement is fair, reasonable, and adequate. The proposed fees are excessive in relation to the benefits being provided to the class. The Court should deny the request.

WHEREFORE, OBJECTORS pray that the Court disapprove the proposed settlement, deny the application for attorneys' fees, grant OBJECTORS party status in this proceeding, and grant OBJECTORS such other and further relief as to which it may be entitled.

Respectfully submitted,

**SIEGEL & HUGHES, P.A.**

By: \_\_\_\_\_  
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- and -

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**ATTORNEYS FOR OBJECTORS**

**CERTIFICATE OF SERVICE**

A copy of the foregoing has been delivered electronically to Terry Smiljanich, James, Hyer, Newcomer, & Smiljanich requested, 4830 West Kennedy Blvd., Suite 550, Tampa FL 33609 and Barry Richard, Greenberg Traurig, Greenberg Traurig PA, 101 East College Avenue, Tallahassee FL 32301, this 1st day of August, 2006.

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**Brent G. Siegel**