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20 **UNITED STATES DISTRICT COURT**  
21 **CENTRAL DISTRICT OF CALIFORNIA**

22 DEDRIAN SMALL, individually and  
23 on behalf of all others similarly  
24 situated,

25 *Plaintiff,*

26 vs.

27 PAYPRO, USA, INC. D/B/A  
28 PAYPRO ADMINISTRATORS,  
California Corporation,

*Defendant.*

Case No. 5:20-CV-00553

**CLASS ACTION**

**COMPLAINT FOR VIOLATIONS  
OF 29 U.S.C. § 1166(A) AND 29  
U.S.C. § 2590.606 (COBRA)**

**JURY TRIAL DEMANDED**

**CLASS ACTION COMPLAINT**

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2           1. Plaintiff, Dedrian Small (“Plaintiff”), brings this action against  
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4 Defendant, PayPro, USA, Inc. D/B/A PayPro (“Defendant”) alleging Defendant  
5 violated the Employee Retirement Income Security Act of 1974 (“ERISA”), as  
6 amended by the Consolidated Omnibus Budget Reconciliation Act of 1985  
7 (“COBRA”), by failing to provide her with a COBRA notice that complies with the  
8  
9 law.

10           2. Despite having access to the Department of Labor’s Model COBRA  
11 form, Defendant chose not to use the model form which contains all information  
12 required by law in a single notice written in a manner calculated to be understood  
13 by the average plan participant. A copy of the Model Form is attached as Exhibit  
14  
15 A.

16  
17           3. The deficient COBRA notice at issue in this lawsuit both confused and  
18 misled Plaintiff. It also caused Plaintiff economic injuries in the form of lost health  
19 insurance and unpaid medical bills, as well as informational injuries.

20  
21           4. Defendant, the plan administrator of the Loot Crate Inc. group health  
22 plan (the “Plan”), has repeatedly violated ERISA by failing to provide participants  
23 and beneficiaries in the Plan with adequate notice, as prescribed by COBRA, of  
24 their right to continue their health coverage upon the occurrence of a “qualifying  
25 event” as defined by the statute.  
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28           5. Simply put, Defendant’s COBRA notice and process violates the law.

1 Rather than including all information required by law in a single notice “written in  
2 a manner calculated to be understood by the average plan participant,” Defendant’s  
3 COBRA notification process instead offers only part of the legally required  
4 information.  
5

6 6. For example, Defendant’s unlabeled “COBRA Enrollment Notice,”  
7 dated August 26, 2019, and attached as Exhibit B, violates 29 C.F.R. §§ 2590.606-  
8 4(b)(4)(iii) and 4(b)(4)(iv) because the notice *itself* never actually explains how to  
9 enroll dependents in COBRA.  
10

11 7. Additionally, Defendant’s COBRA enrollment notice violates §  
12 2590.606-4(b)(4)(xi) because while it appears that it is providing information about  
13 the amount due to continue coverage for all qualified beneficiaries under  
14 Defendant’s Plan, in fact, it only provides information related to the former  
15 employee. It also violates § 2590.606-4(b)(4)(xii) because it fails to provide an  
16 explanation of the consequences of delayed payment.  
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19  
20 **JURISDICTION AND VENUE**

21 8. This Court has jurisdiction over this action pursuant to 29 U.S.C. §  
22 1132(e) and (f), and also pursuant to 28 U.S.C. §§ 1331 and 1355.  
23

24 9. Venue is proper in this District pursuant to 29 U.S.C. § 1132(e)(2).  
25 Additionally, ERISA § 502(e)(2) provides that venue is proper “where the plan is  
26 administered, where the breach took place, or where a defendant resides or may be  
27 found.” 29 U.S.C. § 1132(e)(2). Because the breach at issue took place in this District,  
28

1 venue is also proper.

2 10. Plaintiff is domiciled and resides in Los Angeles County, California  
3 and is a citizen of the State of California. Plaintiff is a former employee of Loot  
4 Crate Inc. Plaintiff was covered based on her health plan through Loot Crate Inc.  
5 Plaintiff was thus a participant/beneficiary in the Plan before her termination on  
6 August 9, 2019 which constituted a qualifying event within the meaning of 29 U.S.C.  
7 § 1163(2), rendering her a qualified beneficiary of the Plan pursuant to 29 U.S.C.  
8 § 1167(3). Importantly, Plaintiff was not terminated for gross misconduct.

9 11. Defendant is a corporation with its headquarters in Riverside,  
10 California and is registered to do business in the State of California. Loot Crate Inc.,  
11 the sponsor under the Plan within the meaning of 29 U.S.C. §1002(16)(B), employed  
12 more than 20 employees who were members of the Plan in each year from 2013 to  
13 2019. Defendant is the Plan administrator within the meaning of 29 U.S.C. §  
14 1002(16)(A). The Plan provides medical benefits to employees and their  
15 beneficiaries, and is an employee welfare benefit plan within the meaning of 29  
16 U.S.C. § 1002(1) and a group health plan within the meaning of 29 U.S.C. § 1167(1).

## 17 **FACTUAL ALLEGATIONS**

### 18 ***COBRA Notice Requirements***

19 12. The COBRA amendments to ERISA included certain provisions  
20 relating to continuation of health coverage upon termination of employment or  
21 another “qualifying event” as defined by the statute.  
22

1           13.    Among other things, COBRA requires the plan sponsor of each group  
2 health plan normally employing more than 20 employees on a typical business day  
3 during the preceding year to provide “**each** qualified beneficiary who would lose  
4 coverage under the plan as a result of a qualifying event ... to elect, within the  
5 election period, continuation coverage under the plan.” 29 U.S.C. § 1161.  
6  
7 (Emphasis added).  
8

9           14.    Notice is of enormous importance. The COBRA notification  
10 requirement exists because employees are not expected to know instinctively of  
11 their right to continue their healthcare coverage.  
12

13           15.    Moreover, existing case law makes it ostensibly clear that notice is not  
14 only required to be delivered to covered employees but to qualifying beneficiaries,  
15 as well.  
16

17           16.    COBRA further requires the administrator of such a group health plan  
18 to provide notice to any qualified beneficiary of their continuation of coverage  
19 rights under COBRA upon the occurrence of a qualifying event. 29 U.S.C. §  
20 1166(a)(4). This notice must be “[i]n accordance with the regulations prescribed by  
21 the Secretary” of Labor. 29 U.S.C. § 1166(a).  
22  
23

24           17.    The relevant regulations prescribed by the Secretary of Labor  
25 concerning notice of continuation of coverage rights are set forth in 29 C.F.R. §  
26 2590.606-4 as follows:  
27

28                   (4) The notice required by this paragraph (b) shall be written in

1 a manner calculated to be understood by the average plan  
2 participant and shall contain the following information:

3  
4 (i) The name of the plan under which continuation  
5 coverage is available; and the name, address and  
6 telephone number of the party responsible under the plan  
7 for the administration of continuation coverage benefits;

8  
9 (ii) Identification of the qualifying event;

10 (iii) Identification, by status or name, of the qualified  
11 beneficiaries who are recognized by the plan as being  
12 entitled to elect continuation coverage with respect to the  
13 qualifying event, and the date on which coverage under  
14 the plan will terminate (or has terminated) unless  
15 continuation coverage is elected;

16 (iv) A statement that each individual who is a qualified  
17 beneficiary with respect to the qualifying event has an  
18 independent right to elect continuation coverage, that a  
19 covered employee or a qualified beneficiary who is the  
20 spouse of the covered employee (or was the spouse of the  
21 covered employee on the day before the qualifying event  
22 occurred) may elect continuation coverage on behalf of  
23 all other qualified beneficiaries with respect to the  
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qualifying event, and that a parent or legal guardian may elect continuation coverage on behalf of a minor child;

(v) An explanation of the plan's procedures for electing continuation coverage, including an explanation of the time period during which the election must be made, and the date by which the election must be made;

(vi) An explanation of the consequences of failing to elect or waiving continuation coverage, including an explanation that a qualified beneficiary's decision whether to elect continuation coverage will affect the future rights of qualified beneficiaries to portability of group health coverage, guaranteed access to individual health coverage, and special enrollment under part 7 of title I of the Act, with a reference to where a qualified beneficiary may obtain additional information about such rights; and a description of the plan's procedures for revoking a waiver of the right to continuation coverage before the date by which the election must be made;

(vii) A description of the continuation coverage that will be made available under the plan, if elected, including the date on which such coverage will commence, either

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by providing a description of the coverage or by reference to the plan's summary plan description;

(viii) An explanation of the maximum period for which continuation coverage will be available under the plan, if elected; an explanation of the continuation coverage termination date; and an explanation of any events that might cause continuation coverage to be terminated earlier than the end of the maximum period;

(ix) A description of the circumstances (if any) under which the maximum period of continuation coverage may be extended due either to the occurrence of a second qualifying event or a determination by the Social Security Administration, under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq. or 1381 et seq.) (SSA), that the qualified beneficiary is disabled, and the length of any such extension;

(x) In the case of a notice that offers continuation coverage with a maximum duration of less than 36 months, a description of the plan's requirements regarding the responsibility of qualified beneficiaries to provide notice of a second qualifying event and notice of



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a disability determination under the SSA, along with a description of the plan's procedures for providing such notices, including the times within which such notices must be provided and the consequences of failing to provide such notices. The notice shall also explain the responsibility of qualified beneficiaries to provide notice that a disabled qualified beneficiary has subsequently been determined to no longer be disabled;

(xi) A description of the amount, if any, that each qualified beneficiary will be required to pay for continuation coverage;

(xii) A description of the due dates for payments, the qualified beneficiaries' right to pay on a monthly basis, the grace periods for payment, the address to which payments should be sent, and the consequences of delayed payment and non-payment;

(xiii) An explanation of the importance of keeping the administrator informed of the current addresses of all participants or beneficiaries under the plan who are or may become qualified beneficiaries; and

(xiv) A statement that the notice does not fully describe

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continuation coverage or other rights under the plan, and that more complete information regarding such rights is available in the plan's summary plan description or from the plan administrator.

18. To facilitate compliance with these notice obligations, the United States Department of Labor (“DOL”) has issued a Model COBRA Continuation Coverage Election Notice (“Model Notice”), which is included in the Appendix to 29 C.F.R. § 2590.606-4. It is attached hereto as Exhibit A.

19. In the event that a plan administrator declines to use the Model Notice and fails to meet the notice requirements of 29 U.S.C. § 1166 and 29 C.F.R. § 2590.606-4, the administrator is subject to statutory penalties of up to \$110 per participant or beneficiary per day from the date of such failure. 29 U.S.C. § 1132(c)(1). In addition, the Court may order such other relief as it deems proper, including but not limited to injunctive relief pursuant to 29 U.S.C. § 1132(a)(3) and payment of attorneys’ fees and expenses pursuant to 29 U.S.C. § 1132(g)(1). Such is the case here. Defendant failed to use the Model Notice and failed to meet the notice requirements of 29 U.S.C. § 1166 and 29 C.F.R. § 2590.606-4, as set forth below.

***Defendant’s Notice Is Inadequate and Fails to Comply with COBRA***

20. Defendant partially adhered to the Model Notice provided by the

1 Secretary of Labor, but critical parts are omitted or altered in violation of 29 C.F.R.  
2 § 2590.606-4. Defendant authored and disseminated a notice deviating from the  
3 model form in violation of COBRA's requirements which failed to provide Plaintiff  
4 notice of all required coverage information, as explained further below. A copy of  
5 Defendant's first notice is attached hereto as Exhibit B. Among other things:  
6

- 7
- 8 **a. Defendant's COBRA enrollment notice, attached as Exhibit**
- 9 **B, violates 29 C.F.R. § 2590.606-4(b)(4)(xi) because the**
- 10 **notice fails to provide the amount that each qualified**
- 11 **beneficiary will be required to pay for continuation**
- 12 **coverage;**
- 13
- 14 **b. Exhibit B violates 29 C.F.R. § 2590.606-4(b)(4)(xii) because**
- 15 **it fails to provide what consequences, if any, would result**
- 16 **from a delayed payment;**
- 17
- 18 **c. Exhibit B violates 29 C.F.R. § 2590.606-4(b)(4)(vi) because**
- 19 **it fails to provide all required explanatory information.**
- 20 **There is no explanation that a qualified beneficiary's**
- 21 **decision whether to elect continuation coverage will affect**
- 22 **the future rights of qualified beneficiaries to portability of**
- 23 **group health coverage, guaranteed access to individual**
- 24 **health coverage, and special enrollment under part 7 of title**
- 25 **I of the Act, with a reference to where a qualified**
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**beneficiary could obtain more information;**

**d. Exhibit B violates 29 C.F.R. § 2590.606-4(b)(4)(iii) because it fails to provide a description by status or name of the qualified beneficiaries who are recognized by the plan as being entitled to elect continuation coverage; and, finally,**

**e. Exhibit B violates 29 C.F.R. § 2590.606-4(b)(4) because Defendant has failed to provide a notice written in a manner calculated to be understood by the average plan participant.**

21. Defendant’s COBRA notice confused Plaintiff and resulted in her inability to make an informed decision as to electing COBRA continuation coverage. In fact, Plaintiff attempted, and thought that she had elected COBRA for herself and her three dependents.

22. However, Plaintiff learned, after incurring medical bills for herself and her family, that Defendant did not process her COBRA because although she paid exactly the premiums listed on the Notice, the premiums did not include coverage for her dependents in violation of the law.

23. As a result, Plaintiff could not make an informed decision about her health insurance and lost health coverage.

***Plaintiff’s First Concrete Injury: Informational Injury***

24. Furthermore, Defendant’s deficient COBRA notice caused Plaintiff an

1 informational injury when Defendant failed to provide her with information to  
2 which he was entitled to by statute, namely a compliant COBRA election notice  
3 containing all information required by 29 C.F.R. § 2590.606-4(b)(4) and 29 U.S.C.  
4 § 1166(a). Through ERISA and then COBRA, Congress created a right—the right  
5 to receive the required COBRA election notice—and an injury—not receiving a  
6 proper election notice with information required by 29 C.F.R. § 2590.606-4(b)(4)  
7 and 29 U.S.C. § 1166(a). Defendant injured Plaintiff and the class members she  
8 seeks to represent by failing to provide all information in its notice required by  
9 COBRA.  
10  
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13 ***Plaintiff's Second Concrete Injury: Loss of Insurance Coverage***

14 25. Besides the informational injury suffered, Plaintiff also suffered a  
15 tangible injury in the form of economic loss, specifically the loss of insurance  
16 coverage for her and her family and incurred medical bills, due to Defendant's  
17 deficient COBRA election notice. Besides a paycheck, insurance is one of the most  
18 valuable things employees get in exchange for working for an employer. Insurance  
19 coverage has a monetary value, the loss of which is a tangible and an economic  
20 injury.  
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23

24 ***Plaintiff Dedrian Small***

25 26. Plaintiff Dedrian Small is former employee of Loot Crate, Inc. and was  
26 a participant in Loot Crate, Inc.'s health plan.  
27  
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1           27. Plaintiff's employment was terminated on August 9, 2019.  
2           Importantly, she was not terminated for gross misconduct.

3  
4           28. Following this qualifying event, Defendant mailed Plaintiff the  
5           deficient COBRA enrollment notice dated August 26, 2019, which *inter alia*, failed  
6           to provide the premium amounts for Plaintiff's dependents.

7  
8           29. As such, Plaintiff paid the full amount as indicated on the enrollment  
9           notice, but Defendant did not issue COBRA coverage for Plaintiff and her  
10          dependents.

11  
12          30. Defendant learned that she did not have COBRA coverage months  
13          later, when doctor bills indicated such, and called COBRA immediately to  
14          understand the issue.

15  
16          31. Defendant attempted to send a subsequent notice, four months later,  
17          dated December 5, 2019, attempting to cure the missing and inaccurate information  
18          on the previous COBRA enrollment notice and effectively advising Defendant that  
19          she now owes \$4,049.26 in addition to the amount she had already paid to  
20          Defendant for coverage.

21  
22          32. At that point, Defendant had already relied, to her detriment, on the  
23          premium prices provided in the first COBRA enrollment notice and could not now  
24          afford to pay this significantly higher amount.

25  
26          33. Moreover, Defendant cannot cure its first form's deficiencies with a  
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1 “follow up” form. The applicable regulation mandates use of a single “notice”  
2 rather than the dual “notices”. *See* 29 C.F.R. § 2590.606-4(b)(4)(1) (“The  
3 administrator shall furnish to each qualified beneficiary, not later than 14 days after  
4 receipt of the notice of qualifying event, a notice meeting the requirements of  
5 paragraph (b)(4) of this section.)  
6

7  
8 34. The deficient COBRA notice that Plaintiff received was violative of  
9 COBRA’s mandates for the reasons set forth above.

10 35. Defendant has in place no administrative remedies Plaintiff were  
11 required to exhaust prior to bringing suit.  
12

13 36. Additionally, because no such administrative remedies exist, any  
14 attempt to exhaust the same would have been futile.  
15

16 ***Violation of 29 C.F.R. 29 C.F.R. § 2590.606-4(b)(4)(xi)***  
17 ***Failure to provide premiums for each qualified***  
18 ***beneficiary***

19 37. The governing statute clearly requires that “[t]he notice ... shall be  
20 written in a manner calculated to be understood by the average plan participant and  
21 shall contain the following information:...(xi) [a] description of the amount, if any,  
22 that each qualified beneficiary will be required to pay for continuation coverage.”  
23 29 C.F.R. § 2590.606-4(b)(4)(xi).  
24

25 38. Instead, Defendant’s COBRA enrollment notice lists a monthly  
26 premium amount of \$607.13, an amount Plaintiff paid for continuation coverage,  
27  
28

1 but which failed to include coverage for Plaintiff's dependents.

2  
3 39. In short, Defendant failed to include the premium amount for the  
4 dependents.

5 40. Plaintiff, understandably confused by this Notice, paid the premium  
6 according to the Notice, and made financial decisions based on the amount she was  
7 instructed to pay for continuation coverage for her and her family.  
8

9 41. To Plaintiff's detriment, after incurring medical bills, Defendant  
10 advised, four months later, that the actual monthly premium was significantly  
11 higher and that she owed back payments for approximately \$4,049.26 more than  
12 she already paid.  
13  
14

15 42. Plaintiff, unable to afford this sudden and significant expense, lost  
16 coverage for her and her family.  
17

18 **CLASS ACTION ALLEGATIONS**

19 43. Plaintiff brings this action as a class action pursuant to the Federal  
20 Rules of Civil Procedure on behalf of the following persons:  
21

22 All participants and beneficiaries in the Loot Crate, Inc.'s  
23 Health Plan who were sent a COBRA notice by Defendant  
24 during the applicable statute of limitations period as a result of a  
25 qualifying event, as determined by Defendant's records, and  
26 did not elect continuation coverage.  
27  
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1           44. No administrative remedies exist as a prerequisite to Plaintiff's claims  
2 on behalf of the Putative Class. As such, any efforts related to exhausting such non-  
3 existent remedies would be futile.  
4

5           45. Numerosity: The Class is so numerous that joinder of all Class  
6 members is impracticable. On information and belief hundreds of individuals satisfy  
7 the definition of the Class.  
8

9           46. Typicality: Plaintiff's claims are typical of the Class. The COBRA  
10 notice that Defendant sent to Plaintiff was a form notice that was uniformly provided  
11 to all Class members. As such, the COBRA notice that Plaintiff received were typical  
12 of the COBRA notices that other Class Members received and suffered from the same  
13 deficiencies.  
14

15           47. Adequacy: Plaintiff will fairly and adequately protect the interests of  
16 the Class members, he has no interests antagonistic to the class, and has retained  
17 counsel experienced in complex class action litigation.  
18

19           48. Commonality: Common questions of law and fact exist as to all  
20 members of the Class and predominate over any questions solely affecting individual  
21 members of the Class, including but not limited to:  
22

- 23
- 24           a. Whether the Plan is a group health plan within the meaning of 29  
25           U.S.C. § 1167(1).  
26
  - 27           b. Whether Defendant's COBRA notice complied with the  
28

- 1 requirements of 29 U.S.C. § 1166(a) and 29 C.F.R. § 2590.606-4;
- 2 c. Whether statutory penalties should be imposed against Defendant
- 3 under 29 U.S.C. § 1132(c)(1) for failing to comply with COBRA
- 4 notice requirements, and if so, in what amount;
- 5
- 6 d. The appropriateness and proper form of any injunctive relief or other
- 7 equitable relief pursuant to 29 U.S.C. § 1132(a)(3); and
- 8
- 9 e. Whether (and the extent to which) other relief should be granted
- 10 based on Defendant's failure to comply with COBRA notice
- 11 requirements.
- 12

13 49. Class Members do not have an interest in pursuing separate individual  
14 actions against Defendant, as the amount of each Class Member's individual claims  
15 is relatively small compared to the expense and burden of individual prosecution.  
16 Class certification also will obviate the need for unduly duplicative litigation that  
17 might result in inconsistent judgments concerning Defendant's practices and the  
18 adequacy of its COBRA notice. Moreover, management of this action as a class action  
19 will not present any likely difficulties. In the interests of justice and judicial  
20 efficiency, it would be desirable to concentrate the litigation of all Class Members'  
21 claims in a single action.  
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25 50. Plaintiff intends to send notice to all Class Members to the extent  
26 required the Federal Rules of Civil Procedure. The names and addresses of the Class  
27 Members are available from Defendant's records.  
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**CLASS CLAIM I FOR RELIEF**

***Violation of 29 U.S.C. § 1166(a) and 29 C.F.R. § 2590.606-4***

51. The Plan is a group health plan within the meaning of 29 U.S.C. § 1167(1).

52. Defendant is the plan administrator of the Plan and was subject to the continuation of coverage notice requirements of COBRA.

53. Plaintiff and the other members of the Class experienced a “qualifying event” as defined by 29 U.S.C. § 1163, and Defendant was aware that they had experienced such a qualifying event.

54. On account of such qualifying event, Defendant sent Plaintiff and the Class Members a COBRA notice.

55. The COBRA notice that Defendant sent to Plaintiff and other Class Members violated 29 U.S.C. § 1166(a) and 29 C.F.R. § 2590.606-4 for the reasons set forth above (among other reasons).

56. These violations were material and willful.

57. Defendant knew that its notice was inconsistent with the Secretary of Labor’s Model Notice and failed to comply with 29 U.S.C. § 1166(a) and 29 C.F.R. § 2590.606-4, but chose to use a non-compliant notice in deliberate or reckless disregard of the rights of Plaintiff and other Class Members.

**PRAYER FOR RELIEF**

***WHEREFORE***, Plaintiff, individually and on behalf of the Class, pray for relief as follows:

- a. Designating Plaintiff’s counsel as counsel for the Class;
- b. Issuing proper notice to the Class at Defendant’s expense;
- c. Declaring that the COBRA notice sent by Defendant to Plaintiff and other Class Members violated 29 U.S.C. § 1166(a) and 29 C.F.R. § 2590.606-4;
- d. Awarding appropriate equitable relief pursuant to 29 U.S.C. § 1132(a)(3), including but not limited to an order enjoining Defendant from continuing to use its defective COBRA notice and requiring Defendant to send corrective notices;
- e. Awarding statutory penalties to the Class pursuant to 29 U.S.C. § 1132(c)(1) and 29 C.F.R. § 2575.502c-1 in the amount of \$110 per day for each Class Member who was sent a defective COBRA notice by Defendant;
- f. Awarding attorneys’ fees, costs and expenses to Plaintiff’s counsel as provided by 29 U.S.C. § 1132(g)(1) and other applicable law; and
- g. Granting such other and further relief, in law or equity, as this Court deems appropriate.
- h. Designating Plaintiff’s counsel as counsel for the Class;
- i. Issuing proper notice to the Class at Defendant’s expense;

1 j. Declaring that the COBRA notice sent by Defendant to Plaintiff and  
2 other Class Members violated 29 U.S.C. § 1166(a) and 29 C.F.R. § 2590.606-4;

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4 k. Awarding appropriate equitable relief pursuant to 29 U.S.C. §  
5 1132(a)(3), including but not limited to an order enjoining Defendant from  
6 continuing to use its defective COBRA notice and requiring Defendant to send  
7 corrective notices;

8  
9 l. Awarding statutory penalties to the Class pursuant to 29 U.S.C. §  
10 1132(c)(1) and 29 C.F.R. § 2575.502c-1 in the amount of \$110 per day for each  
11 Class Member who was sent a defective COBRA notice by Defendant;

12  
13 m. Awarding attorneys' fees, costs and expenses to Plaintiff's counsel as  
14 provided by 29 U.S.C. § 1132(g)(1) and other applicable law; and

15  
16 n. Granting such other and further relief, in law or equity, as this Court  
17 deems appropriate.

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**JURY DEMAND**

Plaintiff hereby demand a trial by jury.

Dated: March 10, 2020

Respectfully submitted,

By: \_\_\_\_\_/s/\_\_\_\_\_  
William Litvak (CA State Bar No. 90533)  
**DAPEER ROSENBLIT LITVAK, LLP**  
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forthcoming*)  
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*Counsel for Plaintiff and the Proposed Class*

**Model COBRA Continuation Coverage Election Notice**  
**Instructions**

The Department of Labor has developed a model Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) continuation coverage election notice that the Plan may use to provide the election notice. To use this model election notice properly, the Plan Administrator must fill in the blanks with the appropriate plan information. The Department considers use of the model election notice to be good faith compliance with the election notice content requirements of COBRA. The use of the model notices isn't required. The model notices are provided to help facilitate compliance with the applicable notice requirements.

**NOTE:** Plans do *not* need to include this instruction page with the model election notice.

**Paperwork Reduction Act Statement**

According to the Paperwork Reduction Act of 1995 (Pub. L. 104-13) (PRA), no persons are required to respond to a collection of information unless such collection displays a valid Office of Management and Budget (OMB) control number. The Department notes that a Federal agency cannot conduct or sponsor a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB control number, and the public is not required to respond to a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. 3512.

The public reporting burden for this collection of information is estimated to average approximately four minutes per respondent. Interested parties are encouraged to send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Policy and Research, Attention: PRA Clearance Officer, 200 Constitution Avenue, N.W., Room N-5718, Washington, DC 20210 or email [ebsa.opr@dol.gov](mailto:ebsa.opr@dol.gov) and reference the OMB Control Number 1210-0123.

OMB Control Number 1210-0123 (expires 12/31/2019)]

**Model COBRA Continuation Coverage Election Notice**  
**(For use by single-employer group health plans)**

**IMPORTANT INFORMATION: COBRA Continuation Coverage and other Health Coverage Alternatives**

[Enter date of notice]

Dear: [Identify the qualified beneficiary(ies), by name or status]

**This notice has important information about your right to continue your health care coverage in the [enter name of group health plan] (the Plan), as well as other health coverage options that may be available to you, including coverage through the Health Insurance Marketplace at [www.HealthCare.gov](http://www.HealthCare.gov) or call 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage.** Please read the information in this notice very carefully before you make your decision. If you choose to elect COBRA continuation coverage, you should use the election form provided later in this notice.

**Why am I getting this notice?**

You're getting this notice because your coverage under the Plan will end on [enter date] due to [check appropriate box]:

- |  |   |
|--|---|
| <input type="checkbox"/> End of employment       | <input type="checkbox"/> Reduction in hours of employment |
| <input type="checkbox"/> Death of employee       | <input type="checkbox"/> Divorce or legal separation      |
| <input type="checkbox"/> Entitlement to Medicare | <input type="checkbox"/> Loss of dependent child status   |

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage through COBRA continuation coverage when there's a "qualifying event" that would result in a loss of coverage under an employer's plan.

**What's COBRA continuation coverage?**

COBRA continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries who aren't getting continuation coverage. Each "qualified beneficiary" (described below) who elects COBRA continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan.

**Who are the qualified beneficiaries?**

Each person ("qualified beneficiary") in the category(ies) checked below can elect COBRA continuation coverage:



- Employee or former employee
- Spouse or former spouse
- Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage
- Child who is losing coverage under the Plan because he or she is no longer a dependent under the Plan

**Are there other coverage options besides COBRA Continuation Coverage?**

Yes. Instead of enrolling in COBRA continuation coverage, there may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse’s plan) through what is called a “special enrollment period.” Some of these options may cost less than COBRA continuation coverage.

You should compare your other coverage options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage you may pay more out of pocket than you would under COBRA because the new coverage may impose a new deductible.

When you lose job-based health coverage, it’s important that you choose carefully between COBRA continuation coverage and other coverage options, because once you’ve made your choice, it can be difficult or impossible to switch to another coverage option.

**If I elect COBRA continuation coverage, when will my coverage begin and how long will the coverage last?**

If elected, COBRA continuation coverage will begin on [*enter date*] and can last until [*enter date*].

[*Add, if appropriate: You may elect any of the following options for COBRA continuation coverage: [list available coverage options].*]

Continuation coverage may end before the date noted above in certain circumstances, like failure to pay premiums, fraud, or the individual becomes covered under another group health plan.

**Can I extend the length of COBRA continuation coverage?**

If you elect continuation coverage, you may be able to extend the length of continuation coverage if a qualified beneficiary is disabled, or if a second qualifying event occurs. You must notify [*enter name of party responsible for COBRA administration*] of a disability or a second qualifying event within a certain time period to extend the period of continuation coverage. If you don’t provide notice of a disability or second qualifying event within the required time period, it will affect your right to extend the period of continuation coverage.

For more information about extending the length of COBRA continuation coverage visit <http://www.dol.gov/ebsa/publications/cobraemployee.html>.

### **How much does COBRA continuation coverage cost?**

COBRA continuation coverage will cost: *[enter amount each qualified beneficiary will be required to pay for each option per month of coverage and any other permitted coverage periods.]*

Other coverage options may cost less. If you choose to elect continuation coverage, you don't have to send any payment with the Election Form. Additional information about payment will be provided to you after the election form is received by the Plan. Important information about paying your premium can be found at the end of this notice.

**You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage.** You can learn more about the Marketplace below.

### **What is the Health Insurance Marketplace?**

The Marketplace offers “one-stop shopping” to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you'll also learn if you qualify for free or low-cost coverage from [Medicaid](#) or the [Children's Health Insurance Program \(CHIP\)](#). You can access the Marketplace for your state at [www.HealthCare.gov](http://www.HealthCare.gov).

Coverage through the Health Insurance Marketplace may cost less than COBRA continuation coverage. Being offered COBRA continuation coverage won't limit your eligibility for coverage or for a tax credit through the Marketplace.

### **When can I enroll in Marketplace coverage?**

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a “special enrollment” event. **After 60 days your special enrollment period will end and you may not be able to enroll, so you should take action right away.** In addition, during what is called an “open enrollment” period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit [www.HealthCare.gov](http://www.HealthCare.gov).

**If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?**

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a “special enrollment period.” But be careful though - if you terminate your COBRA continuation coverage early without another qualifying event, you’ll have to wait to enroll in Marketplace coverage until the next open enrollment period, and could end up without any health coverage in the interim.

Once you’ve exhausted your COBRA continuation coverage and the coverage expires, you’ll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage under any circumstances.

### **Can I enroll in another group health plan?**

You may be eligible to enroll in coverage under another group health plan (like a spouse’s plan), if you request enrollment within 30 days of the loss of coverage.

If you or your dependent chooses to elect COBRA continuation coverage instead of enrolling in another group health plan for which you’re eligible, you’ll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA continuation coverage.

### **What factors should I consider when choosing coverage options?**

When considering your options for health coverage, you may want to think about:

- **Premiums:** Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse’s plan or through the Marketplace, may be less expensive.
- **Provider Networks:** If you’re currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- **Drug Formularies:** If you’re currently taking medication, a change in your health coverage may affect your costs for medication – and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- **Service Areas:** Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.

- Other Cost-Sharing: In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

### **For more information**

This notice doesn't fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator.

If you have questions about the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, contact *[enter name of party responsible for COBRA administration for the Plan, with telephone number and address]*.

For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at <http://www.dol.gov/ebsa> or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace, and to locate an assister in your area who you can talk to about the different options, visit [www.HealthCare.gov](http://www.HealthCare.gov).

### **Keep Your Plan Informed of Address Changes**

To protect your and your family's rights, keep the Plan Administrator informed of any changes in your address and the addresses of family members. You should also keep a copy of any notices you send to the Plan Administrator.

**COBRA Continuation Coverage Election Form**

**Instructions:** To elect COBRA continuation coverage, complete this Election Form and return it to us. Under federal law, you have 60 days after the date of this notice to decide whether you want to elect COBRA continuation coverage under the Plan.

Send completed Election Form to: *[Enter Name and Address]*

This Election Form must be completed and returned by mail *[or describe other means of submission and due date]*. If mailed, it must be post-marked no later than *[enter date]*.

If you don't submit a completed Election Form by the due date shown above, you'll lose your right to elect COBRA continuation coverage. If you reject COBRA continuation coverage before the due date, you may change your mind as long as you submit a completed Election Form before the due date. However, if you change your mind after first rejecting COBRA continuation coverage, your COBRA continuation coverage will begin on the date you submit the completed Election Form.

Read the important information about your rights included in the pages after the Election Form.

I (We) elect COBRA continuation coverage in the *[enter name of plan]* (the Plan) listed below:

Name	Date of Birth	Relationship to Employee	SSN (or other identifier)
a. _____			
	<i>[Add if appropriate: Coverage option elected: _____]</i>		
b. _____			
	<i>[Add if appropriate: Coverage option elected: _____]</i>		
c. _____			
	<i>[Add if appropriate: Coverage option elected: _____]</i>		

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Relationship to individual(s) listed above

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Print Address

\_\_\_\_\_  
Telephone number

## **Important Information About Payment**

### *First payment for continuation coverage*

You must make your first payment for continuation coverage no later than 45 days after the date of your election (this is the date the Election Notice is postmarked). If you don't make your first payment in full no later than 45 days after the date of your election, you'll lose all continuation coverage rights under the Plan. You're responsible for making sure that the amount of your first payment is correct. You may contact [enter appropriate contact information, e.g., the Plan Administrator or other party responsible for COBRA administration under the Plan] to confirm the correct amount of your first payment.

### *Periodic payments for continuation coverage*

After you make your first payment for continuation coverage, you'll have to make periodic payments for each coverage period that follows. The amount due for each coverage period for each qualified beneficiary is shown in this notice. The periodic payments can be made on a monthly basis. Under the Plan, each of these periodic payments for continuation coverage is due [enter due day for each monthly payment] for that coverage period. [If Plan offers other payment schedules, enter with appropriate dates: You may instead make payments for continuation coverage for the following coverage periods, due on the following dates:]. If you make a periodic payment on or before the first day of the coverage period to which it applies, your coverage under the Plan will continue for that coverage period without any break. The Plan [select one: will or will not] send periodic notices of payments due for these coverage periods.

### *Grace periods for periodic payments*

Although periodic payments are due on the dates shown above, you'll be given a grace period of 30 days after the first day of the coverage period [or enter longer period permitted by Plan] to make each periodic payment. You'll get continuation coverage for each coverage period as long as payment for that coverage period is made before the end of the grace period. [If Plan suspends coverage during grace period for nonpayment, enter and modify as necessary: If you pay a periodic payment later than the first day of the coverage period to which it applies, but before the end of the grace period for the coverage period, your coverage will be suspended as of the first day of the coverage period and then retroactively reinstated (going back to the first day of the coverage period) when the periodic payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.]

If you don't make a periodic payment before the end of the grace period for that coverage period, you'll lose all rights to continuation coverage under the Plan.

Your first payment and all periodic payments for continuation coverage should be sent to:

[enter appropriate payment address]

PayPro Administrators  
6180 Quail Valley Ct.  
Riverside, CA 92507



8/26/2019

Dedrian Small  
2342 Manhattan Beach Blvd  
Gardena, CA 90249

Dear Dedrian Small:

On 8/9/2019, you experienced an event of a/an Termination which constitutes a qualifying event under the Loot Crate Inc. group health plan(s). As a result, your coverage, and that of your covered dependent(s), if any, will end on the date(s) set forth on the COBRA Continuation Election Form accompanying this letter. Under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) this entitles you and your covered dependent(s) if any, to elect to continue coverage (referred to as COBRA coverage) under the plan(s) enrolled as active member(s). COBRA coverage is the same coverage that the Plan gives to other participants or beneficiaries who aren't on COBRA. Each "qualified beneficiary" who elects COBRA will have the same rights under the Plan as other participants or beneficiaries covered under the component or components of the Plan elected by the qualified beneficiary, including open enrollment and special enrollment rights. (Certain newborns, newly adopted children, and alternate recipients under QMCSOs may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below. The first day of COBRA coverage and the maximum continuation period is determined by plan. Please refer to your COBRA Election Form enclosed to determine your first day of COBRA coverage and maximum continuation period ("Last Day of COBRA").

#### **How to Elect COBRA Coverage**

1. Visit [www.pagroup.us](http://www.pagroup.us)
2. Select Company/Participant COBRA Login
3. Select New User Registration
4. Enter Registration Code- See page 8 of this packet for registration code. (For some the package is shorter, reference the last page of your packet. )
5. Follow the prompts to create your unique user name and password.
6. Follow the prompts to elect coverage and make initial payment

Under COBRA, you have a limited number of days to elect continuation coverage. Your election window is determined by the plan and is calculated from the date your coverage under the plan is lost because of the event described above or the date this notice of your election rights is sent to you, whichever is later. To elect COBRA coverage, you must complete and submit the enclosed election form to PayPro Administrators known as the Plan administrator, no later than the Election Period End date ("Last Day to Elect") listed on the enclosed COBRA Election Form. Failure to do so will result in loss of the right to elect COBRA coverage under the Plan. This same notice is being sent separately to your spouse, if any; however, only one of you needs to elect continuation coverage for your spouse and dependent child(ren), if any, who wish to continue coverage. Furthermore, because COBRA gives you the right to elect coverage independently, you, your spouse or dependent child(ren), if any, may elect single coverage and not include those individuals who do not wish to continue coverage.

In addition to COBRA coverage, other health coverage options may be available to you, such as coverage through the Health Insurance Marketplace at [www.healthcare.gov](http://www.healthcare.gov) or 1-800-318-2596. You may also be eligible to enroll in coverage through Medicaid or another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage.

#### **Payment of COBRA Coverage Premiums**

The current amount of this premium and the due date for payment are explained in the enclosed COBRA Election Form. The premium may change in the future. We have used the information supplied by Loot Crate Inc. to calculate your maximum continuation period under the plan(s) you were insured prior to your qualifying event. If there is a discrepancy between our calculation and the underwriting insurance carrier, the insurance carrier always governs. Please contact your insurance carrier(s) to determine the exact end of your maximum continuation period.

**Length of COBRA Coverage Period**

If you and your spouse or dependent child(ren), if any, elect coverage, it can last for a maximum continuation period ("Last Day of COBRA") described in the enclosed COBRA Election Form beginning on the date of your qualifying event, or loss of coverage, whichever is later. The first day of COBRA coverage will be determined by the plan. If you elect COBRA, you may be able to extend the length of COBRA coverage if a qualified beneficiary is disabled, or if a second qualifying event occurs. You must notify the Plan Administrator of a disability or a second qualifying event within a certain time period to extend the period of COBRA coverage. If you don't provide notice of a disability or second qualifying event within the required time period, you will lose your right to extend the period of COBRA coverage. The period of COBRA coverage under the Health FSA cannot be extended under any circumstances. The continuation period may be extended for the following reasons:

**1. Death of employee, divorce, legal separation or change in dependent status**

If these events occur during the original maximum continuation period of COBRA coverage, the period of coverage for your spouse and dependent child(ren), if any, may be extended. These events extend the original maximum continuation period of COBRA coverage only if they would have caused your spouse or dependent child(ren), if any, to lose coverage under the plan if the original qualifying event had not occurred. Note that to receive this extension, you and/or your spouse and dependent child(ren), must notify the Loot Crate Inc. Plan Administrator within 60 days of the occurrence of these events.

**2. Medicare entitlement of employee**

If you became entitled to Medicare BEFORE your qualifying event, COBRA laws allow you to remain eligible for up to 18 months of COBRA coverage. However, your spouse and dependent child(ren), if any, may receive extended COBRA coverage for up to the greater of either: (a) 36 months from the date of your Medicare entitlement; or (b) 18 months from the date of your qualifying event, or loss of coverage, whichever is later.

If you become entitled to Medicare AFTER your qualifying event but within the original maximum continuation period of your qualifying event, your spouse and dependent child(ren), if any, may receive an additional 18 months of COBRA coverage. Note that a person generally has become entitled to Medicare when he or she has applied for Social Security income payments or has filed an application for benefits under Part A or Part B of Medicare.

**3. Disability determination**

If any of the qualified beneficiaries is determined by the Social Security Administration to be disabled, the maximum COBRA coverage period that results from a covered employee's termination of employment or reduction of hours (generally 18 months, as described above) may be extended to a total of up to 29 months. The disability must have started at some time before the 61st day after the covered employee's termination of employment or reduction of hours and must last at least until the end of the period of COBRA coverage that would be available without the disability extension (generally 18 months, as described above). Each qualified beneficiary who has elected COBRA coverage will be entitled to the disability extension if one of them qualifies.

The disability extension is available only if you notify the Plan Administrator in writing of the Social Security Administration's determination of disability within 60 days after the latest of:

- (1) the date of the Social Security Administration's disability determination;
- (2) the date of the covered employee's termination of employment or reduction of hours; and
- (3) the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination or reduction of hours.

You must also provide this notice within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to a disability extension. If the notice is not provided to the Plan Administrator during the 60-day notice period and within 18 months after the covered employee's termination of employment or reduction of hours, then there will be no disability extension of COBRA coverage.

If the qualified beneficiary is determined by the Social Security Administration to no longer be disabled, you must notify the Plan Administrator of that fact within 30 days after the Social Security Administration's determination

**4. Bankruptcy filing**

If the employer files for bankruptcy reorganization and retiree health coverage is lost within one year before or after the bankruptcy filing, COBRA coverage could continue until the death of a retiree (or a surviving spouse of a deceased retiree) or for 36 months from the retiree's death (after the bankruptcy filing) in the case of the spouse and dependent child(ren).

**Newborns and Adoptees**



A child who is born to or placed for adoption with you during a period of COBRA coverage will be eligible to become covered under the plan. In accordance with the terms of the Loot Crate Inc. group health benefits plan and the requirements of Federal law, these qualified beneficiaries can be added to COBRA coverage upon proper notification to the Loot Crate Inc. Plan Administrator of the birth or adoption.



### **Early Termination of COBRA Coverage**

COBRA coverage may terminate early if:

- (1) The required premium payment is not paid when due.
- (2) After the date of your COBRA election, you and your spouse or dependent child(ren), if any, become covered under another group health plan.
- (3) After the date of your COBRA election, you, your spouse or dependent child(ren), if any, become entitled to Medicare benefits.
- (4) All of Loot Crate Inc. group health plans are terminated.
- (5) If coverage is extended an additional 11 months due to disability, a determination that the individual is no longer disabled.
- (6) COBRA coverage may also be terminated for any reason the plan would terminate coverage of a participant or beneficiary not receiving COBRA coverage (such as fraud).

Continuation coverage under COBRA is provided subject to your eligibility. The Loot Crate Inc. Plan Administrator reserves the right to terminate your COBRA coverage retroactively if you are determined to be ineligible for coverage. To be sure that you, your spouse and your dependent child(ren), if any, receive the necessary information concerning your rights, you should keep PayPro Administrators informed of any address changes.

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a "special enrollment period." If you terminate COBRA continuation early without another qualifying event, you'll have to wait to enroll in Marketplace coverage until the next open enrollment period and may be without health coverage in the interim. When you've exhausted COBRA continuation and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period even if the Marketplace open enrollment has ended. If you sign up for Marketplace coverage instead of COBRA, you cannot switch to COBRA continuation coverage.

Please be advised of your right to obtain a copy of the Summary Plan Description (SPD) for your group health plan by contacting the Loot Crate Inc. Human Resource Department at (800) 234-3375. The SPD contains a complete description of your benefits.

This notice is a summary of your COBRA rights. For answers to specific questions, please contact our Customer Service Department at (951) 656-9273 during business hours.

Sincerely,

PayPro Administrators



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**COBRA CONTINUATION COVERAGE ELECTION FORM**

**Loot Crate Inc.**



**IMPORTANT: PLEASE RETAIN A COPY OF THIS COBRA ELECTION FORM FOR FUTURE REFERENCE. THIS FORM CONTAINS INFORMATION ABOUT YOUR RIGHTS UNDER COBRA.**

To continue coverage, you must either elect online through the portal or complete and submit this election form to PayPro Administrators no later than the Election Period End date ("Last Day To Elect") listed below. If you do not elect through the portal, or this election form is not returned within the enrollment period described below for each plan, you will lose your right to elect coverage. After you have elected to continue coverage under COBRA, you must pay the Initial Premium, which includes the premiums for the period of coverage from your First Day of COBRA to the date of your election and any regularly scheduled monthly premiums that become due between your election date and the end of the Initial Premium Payment period. Your Initial Premium Period will end at the end of your Initial Grace Period which is listed below and which is measured as a number of days after the date of your election. To become "fully enrolled" under COBRA, you must "pay your account to current" no later than the end of your Initial Grace Period. You may certainly though "pay to current" and become fully enrolled under COBRA before the end of your Initial Grace Period. Paying to current is defined as paid to the month in which it currently is.

To elect online:

1. Visit [www.pagroup.us](http://www.pagroup.us)
2. Select Company/Participant COBRA Login
3. Select New User Registration
4. Enter Registration Code, you can find this on the Online Enrollment and Participant portal page of this packet
5. Follow the prompts to create your unique user name and password.

If you waive coverage under COBRA before the end of the enrollment period, you can change your mind and continue coverage by submitting your completed election form before the end of the enrollment period described below for each plan.

If you have questions about COBRA or need assistance to complete your election form, please contact our Customer Service Department at (951) 656-9273 during business hours.

**Qualified Beneficiary(QB):**

Dedrian Small  
 2342 Manhattan Beach Blvd  
 Gardena, CA 90249

Event Date: 8/9/2019  
 Event Type: Termination  
 Second Event: No

COBRA gives you the right to elect coverage independently. You, your spouse or dependent child(ren), if any, may elect single coverage and not include those individuals who do not wish to continue coverage.

**Premium Information:**

Plan Name	Coverage Level	Monthly Premium
Anthem DPPO	QB Only	\$37.57
Anthem PPO	QB Only	\$560.47
Anthem Vision	QB Only	\$9.09
<b>Total Premium:</b>		<b>\$607.13</b>

Plan Name	First Day of COBRA	Last Day of COBRA	# Months of COBRA	Last Day To Elect	Initial Grace Period Days	Subsequent Grace Period Days
Anthem DPPO	9/1/2019	2/28/2021	18	10/31/2019	45	30
Anthem PPO	9/1/2019	2/28/2021	18	10/31/2019	45	30
Anthem Vision	9/1/2019	2/28/2021	18	10/31/2019	45	30

**Election Options (Individuals Enrolled Prior to Qualifying Event):**

Please indicate the COBRA continuation coverage you are electing by checking the applicable box(es).



Name	Relationship
Dedrian Small	QB
Accept <input type="checkbox"/> Waive <input type="checkbox"/> Anthem DPPO	
Accept <input type="checkbox"/> Waive <input type="checkbox"/> Anthem PPO	
Accept <input type="checkbox"/> Waive <input type="checkbox"/> Anthem Vision	

For your benefit, we are documenting up to your next 12 months of continuation premiums. Please be advised, this table is prepared based upon current information and current rates in effect and is subject to change based upon completed elections.

### Projected Plan Premiums

Premium Due Date	Total Amount Owed
09/01/2019	\$607.13
10/01/2019	\$607.13
11/01/2019	\$607.13
12/01/2019	\$607.13
01/01/2020	\$607.13
02/01/2020	\$607.13
03/01/2020	\$607.13
04/01/2020	\$607.13
05/01/2020	\$607.13
06/01/2020	\$607.13
07/01/2020	\$607.13
08/01/2020	\$607.13

For all completed election forms and all other correspondence please use the following address:

PayPro Administrators  
6180 Quail Valley Ct.  
Riverside, CA 92507

Premium payments should be remitted directly to the address below. Payment must be in the form of a check or money order. DO NOT send cash.

PayPro Administrators  
PayPro Administrators  
PO Box 2167  
Omaha, NE 68103

[ ] I have read this form and the notice of my election rights. I understand my rights to elect continuation coverage and would like to take the action indicated above. I understand that if I elect continuation coverage, my continuation coverage will terminate under several circumstances according to COBRA regulations, including: non-payment of premium, the date I or a continued dependent become covered under another Group Health Plan or become entitled to Medicare after the COBRA election, or on the date which this Group Plan ends. I also understand that if I was determined to be disabled by the Social Security Administration within 60 days of my Qualifying Event, I may be eligible for extended continuation coverage and that any break in continued coverage of more than 63 days may cause loss of coverage portability.

I understand that future premiums are due the first of each month. I also understand that failure to pay the required premiums will result in termination of COBRA rights and coverage.



**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

\*NOTE: If signature line is on a second page, be sure to include all pages of the election form. We will not be able to process your election without the entire form.



As a COBRA Participant you have the added convenience of online account access. Please follow the instructions below to register for the participant portal. Here you can elect coverage, set up ACH or make one time payments, and view your account status at any time. You will also be able to see announcements and update your demographic information as needed.

1. Visit [www.pagroup.us](http://www.pagroup.us)
2. Select Company/Participant COBRA Login
3. Select New User Registration
4. Enter Registration Code RaWrk5S3
5. Follow the prompts to create your unique user name and password.

If you should ever have any questions or comments, please do not hesitate to contact our offices at (951) 656-9273 during business hours. Our entire staff is looking forward to getting to work for you.

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [PayPro Administrators Faces Class Action Over 'Deficient' COBRA Notices](#)

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