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15 **UNITED STATES DISTRICT COURT**  
16 **NORTHERN DISTRICT OF CALIFORNIA**  
17 **SAN FRANCISCO DIVISION**

19 JOE S. YEARBY, on behalf of himself and all  
20 others similarly situated,

21 Plaintiff,

22 v.

23 AMERICAN NATIONAL INSURANCE  
COMPANY,

24 Defendant.

Case No. 3:20-cv-09222-EMC

**DECLARATION OF VAUGHN R.  
WALKER IN SUPPORT OF  
PLAINTIFF'S MOTION FOR  
PRELIMINARY APPROVAL OF  
SETTLEMENT**

1 I, Vaughn R. Walker, declare as follows:

2 1. I submit this declaration in connection with the motion for preliminary approval of  
3 the proposed class action settlement between the named plaintiff Joe S. Yearby, in Case No. 3:20-  
4 cv-09222-EMC, for himself and on behalf of the proposed settlement class, and defendant  
5 American National Insurance Company (“ANICO”). I have personal, first-hand knowledge of the  
6 matters set forth herein and, if called to testify as a witness, could and would testify competently  
7 thereto.

8 2. I am an arbitrator and mediator with FedArb, a nationwide ADR firm. I am an  
9 attorney admitted to practice before the Supreme Court of the United States and all courts in  
10 California and various federal courts in the United States. In 2011, I retired as a United States  
11 District Judge for the Northern District of California, having served on that court from 1990 and as  
12 Chief Judge of that court from 2004 through 2010. During my 20-plus years as a federal judge, I  
13 presided over thousands of cases and hundreds of trials involving disputes under United States  
14 federal law and the laws of several states, predominantly California. I also sat by designation as an  
15 appellate judge with the United States Courts of Appeals for the Ninth Circuit and the Federal  
16 Circuit. From 2006 to 2011, I served on the Civil Rules Advisory Committee of the Judicial  
17 Conference of the United States. Prior to serving as a judge, I practiced law in San Francisco from  
18 1972 to 1990. My practice principally involved complex civil litigation, including securities,  
19 antitrust, environmental, land use, and sports law.

20 3. Since retiring from the federal bench, I have served as a mediator and arbitrator in  
21 private practice in San Francisco and elsewhere. I have also taught law courses as an adjunct  
22 instructor at the University of California Berkeley School of Law, Stanford University School of  
23 Law, and the University of California College of Law at San Francisco.

24 4. I am a 1966 graduate of the University of Michigan. I worked briefly at the  
25 Securities and Exchange Commission and was a Woodrow Wilson Fellow in economics at the  
26 University of California (Berkeley). I studied law at the University of Chicago and Stanford  
27 University and received my J.D. from Stanford 1970. From 1971 to 1972, I was a law clerk to the  
28 Honorable Robert J. Kelleher of the United States District Court in Los Angeles, and from 1972 to

1 1990, I practiced with Pillsbury Madison & Sutro (now Pillsbury Winthrop Shaw Pittman) in San  
2 Francisco and became a partner in 1978.

3 5. I was retained by the Parties in the above-referenced matter to serve as a private  
4 mediator to facilitate potential settlement discussions. As discussed below, the settlement of the  
5 class action was negotiated after an extended mediation process and hard-fought litigation. The  
6 settlement represents an arms-length, well-reasoned, and sound resolution of highly uncertain  
7 litigation. The Court, of course, will determine the fairness, reasonableness, and adequacy of the  
8 settlement under applicable legal standards. From the mediator's perspective, however, I can attest  
9 that the proposed settlement was a reasonable result, obtained at arm's-length after a difficult,  
10 protracted, adversarial negotiation, and is consistent with the the parties' apprehension of the risks  
11 and potential rewards of the claims asserted when measured against the "no-agreement alternative"  
12 of continued, uncertain litigation. Based on my experience as a mediator, and my personal  
13 discussions with the Parties, I believe that the proposed settlement is reasonable. Without waiving  
14 the mediation privilege, I provide the following information in support of my view.

15 6. The first in-person mediation was conducted at the office of Pillsbury Winthrop  
16 Shaw Pittman LLP on February 16, 2022. In advance of the mediation, counsel for the Parties  
17 submitted detailed mediation statements, with multiple exhibits, setting forth their positions on the  
18 key liability, class certification, and damages issues. During this mediation session, the Parties  
19 engaged in vigorous, arms-length debate about all aspects of the merits of the case and damages. I  
20 met with each party individually to discern areas of common ground. In these individual sessions,  
21 I engaged in candid discussions with counsel from each party concerning my perception of the risks  
22 associated with their respective positions. The session lasted the entire day, but this meeting did  
23 not result in an agreement to settle the Plaintiffs' claims.

24 7. The Parties renewed mediation discussions in September 2022, with my assistance.  
25 On November 22, 2022, the Parties attended another mediation via Zoom and reached an agreement  
26 for a final settlement amount of a non-reversionary fund of up to \$5 million, a COI-rate freeze for  
27 five years, and an agreement not to void, cancel, or deny coverage due to an alleged lack of  
28 insurable interest or misrepresentation. I observed no collusion in reaching the terms of the

1 settlement. I believe the settlement agreement now before the Court is in the best interest of all  
2 parties and the Class.

3 8. Throughout the settlement process, including the negotiations outside the formal  
4 mediation process, this case was conducted on both sides by highly experienced and capable  
5 counsel who were fully prepared and had an excellent understanding of the strengths and  
6 weaknesses of the contrasting claims and defenses. The quality of the advocacy on both sides was  
7 impressive. All counsel were professional and cooperative, but each side zealously advanced their  
8 respective arguments in the best interests of their clients. Moreover, each side demonstrated a  
9 willingness to continue to litigate rather than accept a settlement that they did not perceive to be in  
10 the best interest of their clients. During the negotiations, the Parties had extensive discussions  
11 about potential resolutions, and made several proposals, offers, and counteroffers, after extensive  
12 discussions with the mediator.

13 9. As a result of the facts and circumstances presented by the Parties and my experience  
14 in the mediation of class actions, it is my opinion that the settlement warrants serious consideration  
15 by the court as an excellent result for the settlement class.

16  
17 I declare under penalty of perjury under the laws of the United States of America that the  
18 foregoing is true and correct.

19 Executed this 1st day of May, 2023, in San Francisco, California.

20  
21 

22 Vaughn R. Walker  
23 United States District Judge (Ret.)