

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA

**In re Farmers Insurance Co., Inc.,
FCRA Litigation**

} Western Dist. Case No. CIV-03-158-F
MDL No. 1564

The Honorable Stephen P. Friot

} **This Document Relates to Corl,
Watts & Mobbs**

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement and Release of Claims, which includes the Recitals and all Exhibits attached hereto (collectively, the "Agreement") is made and entered into by and between the Class Representatives (as hereinafter defined), the Class Members that they represent (as hereinafter defined), and Class Counsel (as hereinafter defined), on the one hand, and Defendants (as hereinafter defined), on the other hand.

RECITALS

WHEREAS, the initial complaint in *Mobbs v. Farmers Insurance Company, Inc.*, NO. 03-CV-158-F (W.D. Okla.), was filed on March 7, 2003, in the Western District of Oklahoma as a proposed class action (the "*Mobbs* Action"), alleged that the defendants named therein violated the Fair Credit Reporting Act by taking adverse action against insureds without providing sufficient notice as required by 15 U.S.C. § 1681m, and sought statutory damages.

WHEREAS, the initial complaint in *Corl, et al. v. Farmers Insurance Company, Inc., et al.*, No. 03-CV-456 (E.D. Ark.), was filed on June 13, 2003, in the Eastern District of Arkansas as a proposed class action (the "*Corl* Action"), alleged that the defendants named therein violated the Fair Credit Reporting Act by taking adverse action against insureds without providing sufficient notice as required by 15 U.S.C. § 1681m, and sought statutory damages.

WHEREAS, the initial complaint in *Watts, et al. v. Farmers Insurance Company, Inc., et al.*, No. 03-CV-4014 (W.D. Ark.), was filed on February 12, 2003, in the Western District of Arkansas as a proposed class action (the "*Watts* Action"), alleged that the defendants named therein violated the Fair Credit Reporting Act by taking adverse action against insureds without providing sufficient notice as required by 15 U.S.C. § 1681m, and sought statutory damages.

WHEREAS, in 2002 and 2003, other similar lawsuits were filed, several of which were transferred to the Western District of Oklahoma along with the *Mobbs* Action, the

Corl Action and the *Watts* Action by the Judicial Panel on Multidistrict Litigation. In addition to the *Mobbs* Action, the *Corl* Action and the *Watts* Action, the cases initially coordinated and consolidated in MDL 1564 included *Barr v. Farmers Insurance Co., Inc. et al.*, No. 03-CV-297 (E.D. Ark.) (the “*Barr* Action”); *Braxton v. Fire Ins. Exch.*, No. 01-CV-3174 (N.D. Ala.) (the “*Braxton* Action”); *Clark, et al. v. Farmers Group, Inc. et al.*, No. 02-CV-427 (W.D. Tex.) (the “*Clark* Action”); *Davenport, et al. v. Illinois Farmers Ins. Co.*, No. 03-CV-1180 (D. Minn.) (the “*Davenport* Action”); *Mitchell v. Farmers Ins. Co., Inc., et al.*, NO. 03-CV-881 (E.D. Ark.) (the “*Mitchell* Action”); *Ross v. Mid-Century Ins. Co.*, No. 03-CV-2904 (N.D. Ala.) (the “*Ross* Action”); and *Williams v. Farmers Insurance Group*, NO. 03-CV-70697 (E.D. Mich.) (the “*Williams* Action”).

WHEREAS, the Court dismissed the *Barr* Action, the *Braxton* Action, the *Mitchell* Action, and the *Ross* Action; the plaintiffs in the *Clark* Action and the *Williams* Action filed amended complaints with the Court, eliminating any class action allegations; and the *Davenport* Action remains a putative class action alleging violations of the Fair Credit Reporting Act and the Minnesota Insurance Fair Information Reporting Act.

WHEREAS, on or about January 24, 2005, the Court granted leave to file an Amended and Consolidated Class Action Complaint amending the complaints in the *Mobbs* Action, the *Corl* Action and the *Watts* Action, in which the plaintiffs alleged that the defendants named therein violated the Fair Credit Reporting Act by taking adverse action against insureds without providing sufficient notice as required by 15 U.S.C. § 1681m, and sought statutory damages (the “Class Action”).

WHEREAS, on April 13, 2006, the Court granted Class Representatives’ motion for class certification in the Class Action (the “First Class Certification Order”).

WHEREAS, on or about September 20, 2010, the Court granted in part and denied in part Class Representatives’ and Defendants’ motions to amend the class definition and redefined the class certified in the First Class Certification Order (the “Second Class Certification Order”).

WHEREAS, Defendants denied and continue to deny all of the allegations made by Class Representatives in the Class Action, and have denied and continue to deny that Defendants are liable or owe damages or other compensation or remedies to anyone with respect to the alleged facts or causes of action asserted in the Class Action. Nonetheless, without admitting or conceding any liability or damages whatsoever, without admitting that it violated the Fair Credit Reporting Act with respect to anyone, including the Class Members, and without admitting that class certification is appropriate in the Class Action, Defendants have agreed to settle the Class Action on the terms and conditions set forth in this Agreement, to avoid the burden, expense and uncertainty of continuing the Class Action.

WHEREAS, Class Counsel have conducted an extensive investigation in the Class Action, reviewing a large volume of documents produced by Defendants, conducting extensive discovery and investigation, and litigating multiple motions for class certification and summary judgment.

WHEREAS, the Parties (as hereinafter defined) conducted extensive discussions through formal and informal processes in an effort to resolve the Class Action, including, through multiple mediation sessions and in-person conferences over a number of years, including mediations before nationally respected mediators the Honorable Lawrence Irving (Ret.) on April 25 and 26, 2006, the Honorable Layne Phillips (Ret.) on November 9, 2007, and Randy Wulff on March 1, 2011.

WHEREAS, Class Counsel have analyzed and evaluated the merits of the claims made against Defendants in the Class Action and the impact of this Agreement on Class Representatives and Class Members. Class Counsel have weighed the strength of their claims against the substantial risks of continued litigation, including the possibility that the litigation might result in no recovery for Class Members, as in the case of *Ashby, et al. v. Farmers Insurance Company of Oregon*, CV 01-1446-BR (D. Or.), in which the jury returned a verdict in the defendants' favor, or a less favorable recovery than is available through this proposed Agreement, and the reality that recovery could be long delayed, perhaps by many years. In light of those factors, Class Counsel are satisfied that the terms and conditions of this Agreement are fair, reasonable, and adequate and that this Agreement is in the best interests of Class Members.

NOW THEREFORE, in consideration of the mutual covenants and promises set forth in this Agreement, as well as the good and valuable consideration provided for herein, the adequacy of which is hereby acknowledged, the Parties hereto agree to a full and complete settlement of the Class Action on the following terms and conditions:

1. DEFINITIONS

The terms set forth in this Section in boldface type will have the following meanings when used in this Agreement:

1.1 Agreement. "Agreement" means this document, including the Recitals and other text in and Exhibits to this document, which has been signed by Class Counsel and Defendants.

1.2 Class Action. "Class Action" means the consolidated *Mobbs* Action, *Corl* Action and *Watts* Action, as set forth in the Amended and Consolidated Class Action Complaint filed with the Court on January 24, 2005, and certified as a class action by the Court on April 13, 2006, and as amended on September 20, 2010.

1.3 Class Counsel. “Class Counsel” means Richard Norman and R. Martin Weber, Jr. of Crowley Norman LLP; William B. Federman of Federman & Sherwood; Gary D. Corum of Wilson, Engstrom, Corum & Coulter; and Scott E. Poynter of Emerson Poynter LLP.

1.4 Class Members. “Class Members” means all persons shown in Defendants’ records to fall within the class definition certified by the Court on September 20, 2010, in the Second Class Certification Order, which is set forth as:

(1) All persons who purchased a new policy of automobile and/or homeowners insurance from Farmers Insurance Company, Inc., Mid-Century Insurance Company, Farmers Insurance Exchange, or Fire Insurance Exchange and the premium charged for such policy was calculated using a FARA or FPRA factor greater than the weighted average FARA or FPRA factor, and

(2) All persons who renewed a policy of automobile and/or homeowners insurance from Farmers Insurance Company, Inc., Mid-Century Insurance Company, Farmers Insurance Exchange, or Fire Insurance Exchange and the premium charged for such policy was greater than the premium charged for the immediately prior policy period and for whom one or more of the following occurred:

(a) the first time a Farmers Auto Risk Assessment (“FARA”) factor or Farmers Property Risk Assessment (“FPRA”) factor was applied to the policyholder’s policy (the “transition renewal”), the inverse of the policyholder’s FARA or FPRA factor (1.0 divided by the policyholder’s FARA or FPRA factor) is less than the base rate offset (1.0 plus the base rate offset percentage) applied at implementation; and/or

(b) the renewal premium increase subsequent to transition renewal (the “subsequent renewal”) was caused, in whole or in part, by a negative change in the policyholder’s credit-based insurance score that resulted in application of a lower FARA or FPRA factor discount than was used to rate the policy on the immediately prior policy period, and

who received a form designated as follows:

25-7535 (version dated 6-00); or
25-7581 (version dated 9-00); or
25-7585 (version dated 9-00).

Excluded from the class are: (1) defendants and all directors, officers, agents and employees of defendants; (2) claims by any person or entity who timely opts out of this proceeding; (3) all currently serving federal district court judges, their current spouses, and all persons (and their current spouses) within the third degree of consanguinity to such federal district court judges and spouses; and (4) any person who has given a valid release concerning the claims asserted in this suit.

1.5 Class Representatives. “Class Representatives” means Donna Mobbs, Harry Corl and David Watts.

1.6 Court. “Court” means the United States District Court for the Western District of Oklahoma, the Honorable Stephen P. Friot presiding, or such other judge of the Western District of Oklahoma to whom the Class Action may hereafter be assigned.

1.7 Defendants. “Defendants” means Farmers Insurance Company, Inc., Farmers Insurance Exchange, Fire Insurance Exchange, Fire Underwriters Association, Mid-Century Insurance Company, and Farmers Group, Inc.

1.8 Defendants’ Counsel. “Defendants’ Counsel” means Barnes H. Ellis and Timothy W. Snider of Stoel Rives LLP and Richard Ford of Crowe & Dunlevy.

1.9 Effective Date. “Effective Date” means the last date on which all of the following have occurred:

(a) The time for appeal from the Final Judgment approving the Settlement has elapsed without any appeals being filed; and/or

(b) All appeals from the Final Judgment approving this Settlement or from any appellate court decisions affirming the Final Judgment have been exhausted, and no further appeal may be taken.

1.10 Fairness Hearing. “Fairness Hearing” means the hearing on the Motion for Judgment and Final Approval of Settlement.

1.11 Final Judgment. “Final Judgment” means the Final Judgment and Order of Dismissal with Prejudice to be rendered by the Court consistent with this Agreement, in the form attached as Exhibit 1.

1.12 Parties. “Parties” means the Class Representatives, on behalf of themselves and Class Members, and Defendants.

1.13 Preliminary Approval Order. “Preliminary Approval Order” means the Preliminary Approval Order in the form as attached as Exhibit 2.

1.14 Released Parties. “Released Parties” means Defendants and each of their present, former, or future parents, subsidiaries, affiliates, vendors, agents, predecessors, successors, assignors, assignees, assigns, officers, directors, shareholders, owners, employees, representatives, agents, consultants, accountants, insurers, and attorneys.

1.15 Settlement Administrator. Means the entity approved by the Court to serve in the role of disseminating class notice, processing claims, and fulfilling the other requirements as set forth herein and in the orders of the Court. Subject to Court approval, the parties have agreed to request that “The Garden City Group, Inc.” serve in the capacity of Settlement Administrator at Defendants’ sole expense. The Court’s designation of a party other than The Garden City Group, Inc. shall not be cause for termination of this Settlement.

2. APPROVAL AND CLASS NOTICE

2.1 Preliminary Approval by the Court. Within 10 business days after this Agreement is fully executed, the Class Representatives and Defendants will submit this Agreement to the Court, together with a Motion for Order Preliminarily Approving Class Action Settlement, a proposed Notice of Class Action Settlement in the form attached as Exhibit 3 (the “Notice”), a proposed Preliminary Approval Order in the form attached as Exhibit 2; and a proposed Final Judgment in the form attached as Exhibit 1

(A) If the Court denies the Motion for Order Preliminarily Approving Class Action Settlement, the Class Action will resume unless the Parties jointly agree to seek reconsideration of the ruling or seek Court approval of a renegotiated settlement.

(B) If this Agreement and/or any renegotiated settlement is not approved, the Class Action will proceed as if no settlement has been attempted, and Defendants retain the right to contest whether any aspect of the Class Action should be maintained as a class action or collective action and to contest the merits of claims being asserted in the Class Action.

2.2 Class Notice.

(A) Within 30 days of entry of the Preliminary Approval Order, or a later date approved by the Court upon good cause shown, at Defendants’ expense the Settlement Administrator shall disseminate the Notice to all Class Members by First Class United States mail, postage prepaid.

(B) The Settlement Administrator paid for by Defendants and approved by the Court will run each Class Member's last known address through the National Change of Address database and will then use the best available address.

(C) The Parties have no obligation to attempt to locate Class Members beyond that stated in Section 2.2(B) or after the opt-out deadline.

2.3 Settlement Website. At Defendants' expense, the Settlement Administrator shall maintain a dedicated settlement website at www.farmersfcrasettlement.com, which shall (a) display the Notice; (b) provide a toll-free, interactive voice response number whereby Class Members may update their mailing address and receive answers to frequently asked questions, the content of which will conform to the Notice approved by the Court; and (c) make available for download the operative complaint in the Class Action, this Agreement, and any orders and other documents from the Court relating to this Agreement. Class Counsel shall have the right to post additional materials relevant to the Settlement on the website with Defendants' prior approval, which approval shall not be unreasonably withheld. One year after the Effective Date, the Settlement Website will terminate.

2.4 Class Member Opt Out.

(A) Any Class Member may request exclusion from the Class by "opting out." Class Members who choose to do so must submit a written and signed request for exclusion to the Settlement Administrator stating their name, address, telephone number, and the following: "I am requesting to be excluded from the class action settlement, and I understand that I will receive none of the consideration provided for under the class action settlement. I understand that if I am excluded from the class, I may bring a separate legal action, but I might lose my separate legal action, or win and recover nothing or less than what I would have recovered if I remained a class member and filed a claim under the provisions of the class action settlement." To be effective, such Opt-Out Statements must be postmarked by the date specified in the Notice, which will be 30 calendar days after the initial mailing of the Notice.

(B) The Settlement Administrator will compile a list of persons who have properly and timely excluded themselves from the Settlement. The list will be provided to Defendants' Counsel and Class Counsel 10 days following the close of the Opt-Out Period.

(C) The Parties shall tender to the Court copies of all Opt-Out Statements, with personal identification information other than names redacted, at least 14 days prior to the date specified by the Court for the Final Approval hearing.

2.5 Effect of Opt-Outs Exceeding 5% of Class.

(A) In the event that more than 5 percent of the total number of Class Members opt out of the settlement (and do not thereafter withdraw their Opt-Out Statement), Defendants shall have the right, in their sole discretion, to void this Agreement by filing with the Court a Notice of Withdrawal from Settlement within 15 calendar days after the end of the Opt-Out Period.

(B) If Defendants file a timely Notice of Withdrawal from Settlement, the Class Action will proceed as if no settlement has been attempted, and Defendants retain the right to contest whether any aspect of the Class Action should be maintained as a class action or collective action and to contest the merits of claims being asserted in the Class Action.

2.6 Objections to Settlement.

(A) Class Members who wish to present objections to the proposed settlement at the Fairness Hearing must first do so in writing. The objection must set forth the factual and legal bases for the objection. Additionally, the objection must have attached to it a declaration from the objector that they believe they are a member of the Class, and the basis for such belief. To be considered, such objection must be sent to Defendants' Counsel and Class Counsel via First Class United States mail, postage prepaid, and be postmarked by the deadline ("Objection Deadline") specified in the Notice, which shall be not less than 30 days before the Fairness Hearing. The Parties shall file all objections with the Court within 10 calendar days after the end of the Objection Deadline. Class Members who opt out are not entitled to file objections.

(B) An objector also has the right to appear at the Fairness Hearing either in person or through counsel. An objector who wishes to appear at the Fairness Hearing must state his or her intention to do so at the time he or she submits his or her written objections. The parties will not object to an objector seeking court approval to withdraw his or her objections. No Class Member may appear at the Fairness Hearing unless he or she has filed a timely objection that complies with the procedures provided in Section 2.6(A). A Class Member who has submitted an Opt-Out Statement and not withdrawn it may not object to the settlement.

(C) While the declaration described in subparagraph 2.6(A) is prima facie evidence that the objector is a member of the settlement class, Class Counsel or Defendants' Counsel or both may take discovery regarding those matters as well as the factual and legal basis of the objection, subject to court approval. Objectors will be notified in the Class Notice that they are subject to being deposed and to answering written discovery on an expedited basis.

(D) A Class Member who submits an objection remains bound by this Agreement.

2.7 Motion for Judgment and Final Approval of Settlement. Not later than 10 calendar days before the Fairness Hearing (or such other time as the Court may require), Class Counsel will submit a Motion for Judgment and Final Approval of Settlement.

2.8 Entry of Judgment. At the Fairness Hearing, the Parties will request that the Court, among other things, (a) enter Final Judgment in accordance with this Agreement; (b) approve the settlement and Agreement as final, fair, reasonable, adequate and binding on all Class Members who have not timely opted out pursuant to Section 2.4; (c) enter an order as to Class Counsel's request for attorneys' fees and costs; (d) dismiss the Class Action with prejudice and without further fees or costs to any party; and (e) enter an order permanently enjoining all Class Members who do not opt out from pursuing and/or seeking to reopen claims that have been released by this Agreement.

2.9 Effect of Failure to Grant Final Approval. In the event the Court fails to enter Final Judgment in accordance with this Agreement, or any judgment does not become a Final Judgment as defined herein, the Parties shall proceed as follows: The Class Action will resume unless (a) either Party seeks reconsideration or appellate review of the decision denying entry of Final Judgment, or (b) the Parties renegotiate the settlement and seek Court approval of the renegotiated settlement. In the event any motion for reconsideration and/or appellate review is denied, or a renegotiated settlement is not approved, the Class Action will proceed as if no settlement has been attempted. In that event, Defendants retain the right to contest whether the Class Action should be maintained as a class action or collective action and to contest the merits of the claims being asserted by the Class Representatives and Class Members.

3. SETTLEMENT PROCEEDS

The parties have agreed to the following consideration to be provided to the Class:

3.1 Credit Report.

(A) Each Class Member will receive a Claim Form with the Notice in the form attached as Exhibit 4 (the "Claim Form"). Class Members will have until 90 days after the Fairness Hearing to mail the Claim Form to the Settlement Administrator. A timely submitted and completed Claim Form entitles the Class Member to access and review at no cost their individual credit report maintained by Equifax, Inc.

(B) Within 15 business days after the deadline to mail the Claim Form to the Settlement Administrator, the Settlement Administrator will send each Class Member who timely completes and submits a Claim Form a Credit Report Code and accompanying letter in the form attached as Exhibit 5, which will include instructions on how Class Members may use the Credit Report Code to review their individual credit report for accuracy. The Credit Report Code will expire 30 days from the date of mailing by the Settlement Administrator.

3.2 Settlement Payment. Each Class Member who uses the Credit Report Code and reviews their credit report for accuracy will be given the opportunity to certify online that they reviewed their individual credit report for accuracy. The certification will read as follows: "I certify that I have reviewed my Equifax consumer credit report for errors and inaccuracies." The Settlement Administrator will send each Class Member who so certifies a check in the amount of thirty-five dollars (\$35.00 US) (the "Settlement Payment") within 60 days following receipt of the Class Member's certification by the Settlement Administrator.

3.3 Credit Report Educational Brochure. Each Class Member will receive a Credit Report Educational Brochure with the Notice in the form attached as Exhibit 6.

3.4 Eligibility. Class Members who opt out under Section 2.4 are not entitled to any of the benefits provided in Section 3. Each Class Member will receive only one Claim Form and is eligible for only one Credit Report Code and only one Settlement Payment.

4. RELEASE OF CLAIMS

4.1 Class Claims. Upon entry of Final Judgment and the Effective Date, the Class Representatives, each Class Member who has not opted out of the Settlement in accordance with this Agreement, and each of their respective executors, administrators, representatives, agents, heirs, successors, assigns, trustees, guardians, and all those who claim through them or who assert claims on their behalf (including the federal or any state government in its capacity as *parens patriae*) will be deemed to have unconditionally, irrevocably, and completely released and forever discharged the Released Parties, and each of them, from any claim, right, demand, charge, complaint, action, cause of action, obligation, or liability of any and every kind, based on alleged violations of the Fair Credit Reporting Act, or any other federal, state, or local law, statute, regulation, or common law, and all claims for monetary, equitable, declaratory, injunctive, or any other form of relief arising thereunder, of whatever kind or nature, in law or in equity, whether known or unknown, suspected or unsuspected, matured or unmatured, fixed or contingent, apparent or concealed, under the law of any jurisdiction, which the Class Representatives or any Class Member ever had or now has, resulting from or arising out of the claims raised in the Class Action or the transactional nucleus of facts alleging failure to give any notice or to give adequate notice of adverse action, whether or not previously brought before any state or federal court or any state or federal or any other governmental agency. Nothing in the foregoing shall preclude any Class Member from also being a class member in *State of Texas v. Farmers Group, Inc.*, No. GV202501 (Travis County Dist. Ct., 261st Judicial Dist, Texas).

4.2 Unknown Claims. The Class Representatives and Class Members each waive and release any and all provisions, rights, and benefits conferred either (a) by section 1542 of the California Civil Code, or (b) by any federal law or law of any state or territory of the United States, or by any principle of common law that is similar,

comparable, or equivalent to section 1542 of the California Civil Code, with respect to the claims released pursuant to Section 4.1. Section 1542 of the California Civil Code reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Class Representatives and Class Members acknowledge that they may hereafter discover facts or law other than or different from those that they know or believe to be true with respect to the subject matter of the claims released pursuant to the terms of Section 4.1, but each of those individuals expressly agrees that this Agreement and the releases contained in it shall be and remain effective in all respects notwithstanding such different or additional facts or law, and upon entry of the Final Judgment, he or she shall have waived and fully, finally, and forever settled and released any known or unknown, suspected or unsuspected, asserted or unasserted, contingent or non-contingent claim with respect to the claims released pursuant to Section 4.1, whether or not concealed or hidden, without regard to subsequent discovery of the existence of such different or additional facts.

4.3 Bar of Future Suits. The Class Representatives and Class Members who do not opt out in accordance with this Agreement shall be enjoined from prosecuting any legal proceeding against any Released Party with respect to the claims released pursuant to Section 4.1 and 4.2. The Court shall retain jurisdiction to enforce the judgment, releases, and bar to suits contemplated by this settlement. The settlement may be pleaded as a complete defense to any proceeding subject to this section.

4.4 Non-Admission of Liability. By entering into this Agreement, Defendants in no way admit any violation of law or any liability whatsoever to the Class Representatives or Class Members, individually or collectively, all such liability being expressly denied. Likewise, by entering into this Agreement, Defendants in no way admit to the suitability of this case for class or collective action litigation other than for purposes of settlement. Rather, Defendants enter into this Agreement to avoid further protracted litigation and to resolve and settle all disputes with the Class Representatives and Class Members. Settlement of the Class Action, negotiation and execution of this Agreement, and all acts performed or documents executed pursuant to or in furtherance of this Agreement or the settlement: (a) are not, shall not be deemed to be, and may not be used as an admission or evidence of any wrongdoing or liability on the part of Defendants or of the truth of any of the factual allegations made in the Class Action; (b) are not, shall not be deemed to be, and may not be used as an admission or evidence of fault or omission on the part of Defendants in any civil, criminal, administrative, or arbitral proceeding; and (c) are not,

shall not be deemed to be, and may not be used as an admission or evidence of the appropriateness of these or similar claims for class certification or administration or collective action treatment other than for purposes of administering this Agreement. The Class Representatives and Class Members understand and agree that this Agreement and all exhibits thereto are settlement documents and shall be inadmissible for any purpose in any proceeding, except an action or proceeding to approve, interpret, or enforce the terms of the Agreement. Class Representatives, Class Counsel and Class Members further agree that this Agreement will not be used as the basis for objecting to any settlement agreement in any other matter, regardless of the type of proceeding or forum for such proceeding. The Parties agree, however, that to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against any action, suit or other proceeding that may be instituted, prosecuted or attempted in breach of this Agreement.

5. COSTS OF ADMINISTRATION

Settlement administration costs—specifically, the costs of mailing the Notice, the Credit Report Code, and Settlement Payments to Class Members who properly certify within the time provided that they have reviewed their credit report for accuracy, the cost of establishing the Settlement Website, and any other costs incurred by the Settlement Administrator—are to be borne by Defendants. The Parties and Class Counsel agree that other than as set forth in Section 6 below, Defendants are not responsible for and shall not reimburse Class Counsel or the Class Representatives for any fees or costs incurred by Class Counsel or Class Representatives in connection with the Class Action and/or the negotiation or administration of this Agreement.

6. ATTORNEYS' FEES AND LITIGATION EXPENSES AND REIMBURSEMENTS

6.1 Attorneys' Fees and Expenses.

(A) Class Counsel agree to request approval of attorneys' fees and costs in an amount not to exceed eight million dollars (\$8,000,000 US), and Defendants agree not to oppose such a request. Defendants shall have no additional liability for attorneys' fees and costs in connection with the Class Action, including, without limitation, administration costs (except for those administrative costs identified in Section 5 above), or expert fees and costs. Defendants agree to pay Class Counsel the amount of attorneys' fees and costs awarded by the Court, not to exceed eight million dollars (\$8,000,000 US) no later than 14 days after the Effective Date. By the Effective Date, Class Counsel shall transmit instructions to Defendants as to how the award of attorneys' fees and costs shall be paid. Class Counsel agrees that they are responsible for allocating attorneys' fees and costs among themselves and other counsel for Class Representatives and Class Members. In the event an attorneys' lien is asserted relating to this Agreement, Defendants shall tender the uncontested amount of attorneys' fees and costs awarded by the Court to Class

Counsel per the provided instructions and shall tender the contested amount to the Court, and shall thereafter be released from any attorneys' lien claim.

(B) The substance of Class Counsel's application for attorneys' fees and costs is not part of this Agreement and is to be considered separately from the Court's consideration of the fairness, reasonableness, adequacy, and good faith of the settlement of the Class Action. The outcome of any proceeding relating to Class Counsel's application for attorneys' fees and costs shall not terminate this Agreement or otherwise affect the Court's ruling on the Motion for Judgment and Final Approval of Settlement.

(C) If Class Counsel's application for attorneys' fees and costs is denied, in whole or in part, Class Counsel has the right to appeal such denial.

6.2 Incentive Award. Class Counsel will request Court approval of an incentive award not to exceed \$5,000 for each Class Representative. Defendants will not oppose any such request, and will pay each Class Representative any incentive award approved by the Court in an amount that does not exceed \$5,000, and will do so no later than 14 days after the Effective Date.

6.3 No Additional Parties with Financial Interest. The Class Representatives and Class Counsel warrant and represent that they are not aware of any entities or persons (natural or legal) having any interest in any award of attorneys' fees, costs, and/or litigation expenses in connection with the Class Action other than Class Counsel and those persons and firms who are associated with Class Counsel by joint prosecution agreements. Class Counsel and those persons and firms who are associated with Class Counsel by joint prosecution agreements agree to defend, indemnify and hold harmless Defendants from any claim by any entity or person (natural or legal) for an award of attorneys' fees, costs, and/or litigation expenses in connection with the Class Action.

6.4 No Further Attorneys' Fees or Costs. Except as explicitly provided herein, the Parties agree to bear their own attorneys' fees and expenses incurred in connection with the Class Action, the negotiation or execution of this Agreement, or any released claim. No further claims or demands for attorneys' fees or costs shall be made.

7. NO PRIOR ASSIGNMENTS OR UNDISCLOSED LIENS

The Class Representatives and Class Counsel represent and warrant that they have not assigned, transferred, conveyed, or otherwise disposed of, or purported to assign, transfer, convey, or otherwise dispose of any released claims. Class Counsel further represent and warrant that they are not aware of any liens or claims against any of the amounts being paid by Defendants as provided in this Agreement. Class Counsel and the Class Representatives agree to defend, indemnify, and hold Defendants harmless from any and all liens or claims against any of the amounts being paid to Class Counsel and the Class Representatives and from any liability, losses, claims, damages, costs, or

expenses, including reasonable attorneys' fees, arising out of a breach of the representations and warranties contained in this section.

8. DISMISSAL OF LITIGATION

The Class Representatives, on behalf of themselves and the Class Members, consent to the dismissal of the Class Action with prejudice and in accordance with the terms of this Agreement, and the Parties hereby stipulate to entry of the Final Judgment in the form attached as Exhibit 1.

9. NON-DISPARAGEMENT

Class Counsel and the Class Representatives agree to refrain from disparaging the Released Parties with respect to any issue related to the Class Action. Defendants agree to refrain from disparaging the Class Representatives publicly or in the media regarding any issue related to the Class Action.

10. NOTICES

Any communication, verification, or notice sent by Class Counsel or a Party in connection with this Agreement shall be effected in writing sent by facsimile and First Class United States mail as follows:

To Plaintiffs:

R. Martin Weber, Jr.
Richard Norman
Crowley Norman LLP
Three Riverway, Suite 1775
Houston, Texas 77056
Telephone: (713) 651-1771
Facsimile: (713) 651-1775

To Defendants:

Barnes H. Ellis
Timothy W. Snider
Stoel Rives LLP
900 S.W. Fifth Ave., Ste. 2600
Portland, OR 97204
Telephone: (503) 294-9557
Facsimile: (503) 220-2480

11. MISCELLANEOUS

11.1 Cooperation Between the Parties; Further Acts. The Parties shall cooperate fully with each other and shall use their best efforts to obtain the Court's approval of this Agreement and all of its terms. Each of the Parties, upon the request of any other party, agrees to perform such further acts and to execute and deliver such other documents as are reasonably necessary to carry out the provisions of this Agreement.

11.2 Papers to be Filed with the Court. All papers to be filed with the Court by Defendants or Class Counsel in connection with this Agreement shall be submitted to the other Party at least one day prior to filing. The other Party shall have no right to object to the papers unless they do not conform to the terms and conditions of this Agreement.

11.3 Press Releases. None of the Parties, Class Counsel or Defendants' Counsel shall issue a press release regarding the Agreement or the Class Action without first submitting a copy to the other Party at least one day prior to publication. The other Party shall have no right to object to any press release unless it does not conform with the terms and conditions of this Agreement.

11.4 Documents and Discovery. Within 150 days after the Effective Date, Class Counsel shall return to Defendants all documents and data produced by Defendants in connection with the Class Action or destroy said documents and data. Class Counsel shall certify to Defendants their good faith efforts to comply with this provision. Class Counsel shall be entitled to keep a copy of all pleadings, depositions, and any other materials required to be maintained by any insurance carrier and/or that may be appropriate to retain in the event that any subsequent litigation or claims arise out of or in connection with the prosecution of the Class Action for a period of ten years after Final Judgment is entered herein, after which such documents and data will be destroyed.

11.5 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with regard to the subject matter contained herein, and all prior and contemporaneous negotiations and understandings between the Parties shall be deemed merged into this Agreement.

11.6 Binding Effect. This Agreement shall be binding upon the Parties and, with respect to the Class Representatives and Class Members, their spouses, children, representatives, agents, heirs, administrators, executors, beneficiaries, conservators, trustees, attorneys and assigns.

11.7 Arms'-Length Transaction; Materiality of Terms. The Parties have negotiated all the terms and conditions of this Agreement at arms' length. All terms and conditions of this Agreement in the exact form set forth in this Agreement are material to this Agreement and have been relied upon by the Parties entering into this Agreement.

11.8 Captions. The captions or headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall have no effect upon the construction or interpretation of any part of this Agreement.

11.9 Construction. The determination of the terms and conditions of this Agreement has been by mutual agreement of the Parties. Each party participated jointly in the drafting of this Agreement, and therefore the terms and conditions of this Agreement are not intended to be, and shall not be, construed against any Party by virtue of draftsmanship.

11.10 Continuing Jurisdiction. The Court shall retain jurisdiction over the implementation of this Agreement as well as any and all matters arising out of, or related to, the implementation of this Agreement and of the settlement contemplated thereby. The Court shall not have jurisdiction to modify the terms of the Agreement.

11.11 Waivers, Modifications and Amendments. No waiver, modification or amendment of the terms of this Agreement, whether purportedly made before or after the Court's approval of this Agreement, shall be valid or binding unless in writing, signed by or on behalf of all Parties and then only to the extent set forth in such written waiver, modification or amendment, subject to any required Court approval. Any failure by any party to insist upon the strict performance by the other party of any of the provisions of this Agreement, shall not be deemed a waiver of future performance of the same provisions or of any of the other provisions of this Agreement, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

11.12 No Attempt by Parties to Object. The Class Representatives, Class Counsel and Defendants each represent and warrant that they have not attempted, nor will they (a) attempt to void this Agreement in any way, other than as allowed by the provisions set forth herein; or (b) solicit, encourage, or assist in any fashion in any effort by any entity or person (natural or legal) to object to the settlement set forth in this Agreement.

11.13 Best Efforts. The Parties agree that the terms of the Agreement reflect a good-faith settlement of disputed claims. Class Counsel, the Class Representatives, and Defendants consider the settlement effected by this Agreement to be fair and reasonable and will use their best efforts to seek approval of the Agreement by the Court, including responding to any objectors, intervenors, or other persons seeking to preclude the final approval of this Agreement.

11.14 Time Periods. The time periods and dates provided in this Agreement with respect to giving of notices and hearings are subject to Court approval and modification by the Court or by written stipulation of Class Counsel and Defendants' Counsel.

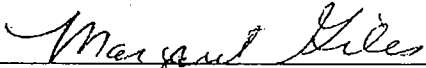
11.15 When Agreement Becomes Effective; Counterparts. This Agreement shall become effective upon its execution by all Parties and counsel. The Parties may execute this Agreement in counterparts, and execution in counterparts shall have the same force and effect as if the Parties had signed the same instrument.

11.16 Facsimile or Electronic Pages. Any party may execute this Agreement by causing its counsel to sign on the designated signature block below and transmitting that signature page via facsimile or e-mail to counsel for the other party. Any signature made and transmitted by facsimile or e-mail for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party whose counsel transmits the signature page by facsimile or e-mail.

11.17 Signature by Class Counsel. Class Counsel represent, by their signatures below, that they have been authorized by the Class Representatives to sign this Agreement on the Class Representatives' behalf, and on behalf of the Class Members they represent.

Dated: May 19, 2011

FARMERS INSURANCE COMPANY, INC., FARMERS INSURANCE EXCHANGE,
FIRE INSURANCE EXCHANGE, FIRE UNDERWRITERS ASSOCIATION, MID-
CENTURY INSURANCE COMPANY AND FARMERS GROUP, INC.

By: 
Margaret Giles
Assistant Secretary

CLASS COUNSEL, on behalf of CLASS REPRESENTATIVES AND CLASS
MEMBERS

Crowley Norman LLP

By: _____
Richard Norman
R. Martin Weber, Jr.

Federman & Sherwood

By: _____
William B. Federman

11.15 When Agreement Becomes Effective; Counterparts. This Agreement shall become effective upon its execution by all Parties and counsel. The Parties may execute this Agreement in counterparts, and execution in counterparts shall have the same force and effect as if the Parties had signed the same instrument.

11.16 Facsimile or Electronic Pages. Any party may execute this Agreement by causing its counsel to sign on the designated signature block below and transmitting that signature page via facsimile or e-mail to counsel for the other party. Any signature made and transmitted by facsimile or e-mail for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party whose counsel transmits the signature page by facsimile or e-mail.

11.17 Signature by Class Counsel. Class Counsel represent, by their signatures below, that they have been authorized by the Class Representatives to sign this Agreement on the Class Representatives' behalf, and on behalf of the Class Members they represent.

Dated: May __, 2011

FARMERS INSURANCE COMPANY, INC., FARMERS INSURANCE EXCHANGE,
FIRE INSURANCE EXCHANGE, FIRE UNDERWRITERS ASSOCIATION, MID-
CENTURY INSURANCE COMPANY AND FARMERS GROUP, INC.

By:

Margaret Giles
Assistant Secretary

CLASS COUNSEL, on behalf of CLASS REPRESENTATIVES AND CLASS MEMBERS

Crowley Norman LLP

By:

Richard Norman
R. Martin Weber, Jr.


Federman & Sherwood

By:

William B. Federman

Wilson, Engstrom, Corum & Coulter

By:



Gary D. Corum

Emerson Poynter LLP

By:

Scott E. Poynter

Wilson, Engstrom, Corum & Coulter

By: _____
Gary D. Corum

Emerson Poynter LLP

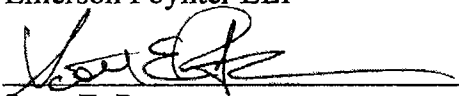
By:  _____
Scott E. Poynter

EXHIBIT 1

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

In re Farmers Insurance Co., Inc., FCRA Litigation)	Western Dist. Case No. CIV-03-158-F
)	MDL No. 1564
The Honorable Stephen P. Friot)	This Document Relates to Corl, Watts & Mobbs

FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE

The Settlement Agreement and Release of Claims between the Class Representatives, the Class Members they represent, Class Counsel, and Defendants Farmers Insurance Company, Inc., Farmers Insurance Exchange, Fire Insurance Exchange, Fire Underwriters Association, Mid-Century Insurance Company and Farmers Group, Inc. (“Defendants”) provides for the settlement of *Mobbs v. Farmers Insurance Company, Inc.*, NO. 03-CV-158-F (W.D. Okla.); *Corl, et al. v. Farmers Insurance Company, Inc., et al.*, No. 03-CV-456 (E.D. Ark.), and *Watts, et al. v. Farmers Insurance Company, Inc., et al.*, No. 03-CV-4014 (W.D. Ark.), subject to approval by this Court of its terms and to entry of this Final Judgment.

Pursuant to this Court's Preliminary Approval Order, the Court scheduled a Fairness Hearing to consider the approval of the Agreement and the settlement reflected in it.

The Fairness Hearing was held before this Court on _____, to consider, among other things, whether the Agreement should be approved by this Court as fair, reasonable, and adequate, whether Class Counsel's request for approval of attorneys' fees and expenses is reasonable and should be approved by this Court, and whether Class Representatives' request for approval of incentive awards is reasonable and should be approved by this Court.

NOW, THEREFORE, GOOD CAUSE APPEARING, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. This Order incorporates by reference the definitions in the Agreement, and all capitalized terms used in this Order will have the same meanings as set forth in the Agreement, unless otherwise defined by this Order.
2. The Court finds that the Agreement is the product of good-faith, arm's-length negotiations by the Parties, each of whom was represented by experienced counsel.
3. The Court approves the settlement and all terms set forth in the Agreement and finds that the settlement is, in all respects, fair, reasonable, adequate, and in the best interests of the Class Members, and the Parties to the Agreement are directed to consummate and perform its terms.
4. The Parties dispute the validity of the claims in this Class Action, and their dispute underscores not only the uncertainty of the outcome but also why the Court finds

1
2 5

the Agreement to be fair, reasonable, adequate, and in the best interests of the Class Members. The relief negotiated by the Parties includes the ability for Class Members to obtain a free copy of their Equifax credit report, review that credit report for inaccuracies and errors, and receive a settlement payment of thirty-five dollars (\$35.00) for obtaining their credit report and certifying they reviewed the credit report for inaccuracies and errors. Class Members shall also receive an educational credit brochure explaining the importance of accurate credit reports and Class Members' rights to review their credit reports and dispute any inaccuracies or errors contained therein. The Court finds that the uncertainties of continued litigation in trial and appellate courts, as well as the tremendous expense associated with it, balanced against the benefits to Class Members provided by the Agreement, weigh in favor of approval of the Agreement.

5. Any and all objections to the Agreement, Class Counsel's request for approval of attorneys' fees and expenses, and Class Representatives' request for approval of incentive awards have been considered and are hereby found to be without merit and are overruled.

6. The Class Action is dismissed with prejudice, and without costs to any party, except as expressly approved in paragraphs 9 and 10 below.

7. Upon the Effective Date, the Class Representatives, and each Class Member who has not opted out of the settlement in accordance with the terms of the Agreement, and each of their respective executors, administrators, representatives, agents, heirs, successors, assigns, trustees, guardians, and all those who claim through them or who assert claims on their behalf (including the federal or any state government in its capacity

as *parens patriae*) will be deemed to have unconditionally, irrevocably, and completely released and forever discharged the Released Parties, and each of them, from any claim, right, demand, charge, complaint, action, cause of action, obligation, or liability of any and every kind, based on alleged violations of the Fair Credit Reporting Act, or any other federal, state, or local law, statute, regulation, or common law, and all claims for monetary, equitable, declaratory, injunctive, or any other form of relief arising thereunder, of whatever kind or nature, in law or in equity, whether known or unknown, suspected or unsuspected, matured or unmatured, fixed or contingent, apparent or concealed, under the law of any jurisdiction, which the Class Representatives or any Class Member ever had or now has, resulting from or arising out of the claims raised in the Class Action or the transactional nucleus of facts alleging failure to give any notice or to give adequate notice of adverse action, whether or not previously brought before any state or federal court or any state or federal or any other governmental agency. Nothing in the foregoing shall preclude any Class Member from also being a class member in *State of Texas v. Farmers Group, Inc.*, No. GV202501 (Travis County Dist. Ct., 261st Judicial Dist, Texas).

8. Class Representatives, and Class Members who did not opt out in accordance with the Agreement, are hereby enjoined from prosecuting any legal proceeding against any Released Party with respect to the claims released pursuant to the Agreement and dismissed by this Final Judgment and Order of Dismissal with Prejudice.

9. Class Counsel's request for approval of attorneys' fees and costs in the amount of \$ _____ is approved.

10. Class Representatives' request for approval of an incentive award in the amount of \$5,000 per Class Representative is approved.

11. Any person or entity wishing to appeal this Final Judgment shall post a bond with this Court in the amount of \$_____ as a condition to prosecuting the appeal.

12. If the Effective Date, as defined in the Agreement, does not occur for any reason whatsoever, this Final Judgment and the Preliminary Approval Order shall be deemed vacated and shall have no force and effect whatsoever.

13. Without affecting the finality of this Final Judgment in any way, this Court retains continuing jurisdiction for the purpose of enforcing the Agreement and this Final Judgment, and other matters related or ancillary to the foregoing.

14. The Parties having so agreed, good cause appearing, and there being no just reason for delay, it is expressly directed that this Final Judgment and Order of Dismissal with Prejudice be, and hereby it is, entered as a final and appealable order.

IT IS SO ORDERED.

Dated: _____

HONORABLE STEPHEN P. FRIOT
UNITED STATES DISTRICT JUDGE

Page 5 of 5

EXHIBIT 2

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

**In re Farmers Insurance Co., Inc.,
FCRA Litigation**

The Honorable Stephen P. Friot

) Western Dist. Case No. CIV-03-158-F
) MDL No. 1564
)
) **This Document Relates to Corl,
) Watts & Mobbs**

PRELIMINARY APPROVAL ORDER

The following matters: *Mobbs v. Farmers Insurance Company, Inc.*, NO. 03-CV-158-F (W.D. Okla.); *Corl, et al. v. Farmers Insurance Company, Inc., et al.*, No. 03-CV-456 (E.D. Ark.), and *Watts, et al. v. Farmers Insurance Company, Inc., et al.*, No. 03-CV-4014 (W.D. Ark.), having come before the Court upon the Motion of Class Representatives Harry Corl, David Watts and Donna Mobbs, individually and on behalf of Class Members, for preliminary approval of the Settlement Agreement and Release of Claims between Class Representatives, Class Counsel, and Defendants Farmers Insurance Company, Inc., Farmers Insurance Exchange, Fire Insurance Exchange, Fire Underwriters Association, Mid-Century Insurance Company and Farmers Group, Inc., and upon consideration of the Parties' Agreement,

IT IS HEREBY ORDERED AS FOLLOWS:

1. This Order incorporates by reference the definitions in the Agreement, and all capitalized terms in this Order will have the same meanings set forth in the Agreement, unless otherwise defined by this Order.
2. Based on the Court's review of the Agreement, the supporting briefs and declarations, argument of counsel, and the entire record, including Defendants' joinder in Plaintiffs' Motion, the Court finds that the proposed settlement is within the range of possible approval. Plaintiffs' Motion for Preliminary Approval of the Settlement Agreement is therefore granted.
3. If, for any reason, the Agreement is not finally approved or does not become effective, this provisional approval Order shall be null and void, and shall not be used or referred to for any purpose in this Class Action or any other action or proceeding.
4. Garden City Group, 815 Western Ave., Ste. 200, Seattle, WA 98104, is hereby appointed as Settlement Administrator to administer the notice procedures and other aspects of the proposed settlement, as more fully set forth in the Agreement.
5. Pursuant to Fed. R. Civ. P. 23, the terms of the Agreement, and the settlement provided for therein, are preliminarily approved as (a) fair, reasonable, and adequate in light of the relevant factual, legal, practical, and procedural considerations of the Class Action, (b) free of collusion to the detriment of Class Members, and (c) within the range of possible final judicial approval, subject to further consideration thereof at the Fairness Hearing described in paragraph 9 of this Order. Accordingly, the Agreement and

the settlement are sufficient to warrant notice thereof, as set forth below, and a full hearing on the Agreement.

6. Within thirty (30) days after entry of this Order, unless later extended by the Court upon good cause shown, the Settlement Administrator shall provide the Notice of Class Action Settlement, in accordance with the procedures detailed in the Agreement, to each Class Member by mailing a copy of the Notice in the form attached to this Order (initially attached to the Agreement as Exhibit 3) to each Class Member, together with a copy of the Farmers Fair Credit Reporting Act Settlement Claim Form, in the form attached to the Agreement as Exhibit 4. The Settlement Administrator shall format and prepare the Notice and Claim Form to conform to the notice provisions of the Agreement. The Claim Form shall notify Class Members that their Claim Form may be submitted at any time up to 90 days after the Fairness Hearing.

7. Upon review of the Parties' submissions, and the terms of the Agreement, the Court finds that the Agreement's plan for class notice, as further described in sections 2.2 and 2.3 of the Agreement, satisfies the requirements of due process and Fed. R. Civ. P. 23. That plan is approved and accepted. This Court further finds that the Notice and the Claim Form comply with Fed. R. Civ. P. 23 and are appropriate as part of the notice plan and the settlement, and thus they are hereby approved and adopted. This Court further finds that no notice other than that identified in the Agreement is reasonably necessary in this Class Action.

8. Any Class Member who wishes to be excluded from the settlement and not bound by the Agreement must mail a request for exclusion ("Opt-Out") to the Settlement

2
307

Administrator. To be effective, an Opt-Out must be postmarked no later than 30 calendar days from the date specified in the Notice, which date shall be the date of mailing of the Notice. For a Class Member's Opt-Out to be valid, it must be timely (as judged by the postmark deadline set forth above), submitted to the Settlement Administrator, and must:

(a) state the name of this Class Action, *In re Farmers Ins. Co., Inc. FCRA Litigation*, MDL No. 1564; (b) state the Class Member's full name, address and telephone number; (c) contain the Class Member's signature; and (d) state the following: "I am requesting to be excluded from the class action settlement, and I understand that I will receive none of the consideration provided for under the class action settlement. I understand that if I am excluded from the class, I may bring a separate legal action, but I might lose my separate legal action, or win and recover nothing or less than what I would have recovered if I remained a class member and filed a claim under the provisions of the class action settlement." Any Class Member who does not submit a timely Opt-Out, and otherwise comply with all requirements for requesting exclusion from the settlement as set forth above and in the Notice, shall be bound by the Agreement, including the Release, as embodied in sections 4.1, 4.2, 4.3 and 4.4 of the Agreement, and any Final Judgment entered in the Class Action. Further, any Class Member who is a successful Opt-Out will be deemed to have waived any rights or benefits under the settlement, and will not have standing to object to the settlement or to seek to intervene in the Class Action.

9. A Fairness Hearing shall be held before this Court on _____, at _____ to hear any objections and determine: (i) whether the proposed settlement and compromise of this Class Action set forth in the Agreement is fair, reasonable, and

adequate to the Class Members and should be approved by the Court; (ii) whether the Final Judgment approving the settlement should be entered; (iii) whether to approve the request of Class Counsel for payment of attorneys' fees and reimbursement expenses; and (iv) whether to approve the request of Class Representatives for incentive awards. Notice of such hearing shall be provided to Class Members in the Notice and on the dedicated settlement website at www.farmersfcsettlement.com, which is described further in section 2.3 of the Agreement. The date for the Fairness Hearing may be moved to a later date and/or different time by the Court without the requirement of additional notice being disseminated to the Class Members. If the date and/or time is changed, the settlement website shall be updated to reflect such change.

10. Any interested person may appear at the Fairness Hearing to show cause why the proposed settlement should or should not be approved as fair, reasonable, adequate, and in good faith and/or why the request of Class Counsel for approval of attorneys' fees and expenses and litigation-related reimbursements should or should not be approved as fair and reasonable; provided, however, that no person shall be heard or entitled to contest the approval of the terms and conditions of the proposed settlement or the fees, costs, and reimbursements requested by Class Counsel, unless that person has sent, via First Class United States mail, postage prepaid, a declaration that they are a Class Member and written objections and copies of any supporting papers and briefs to Class Counsel, Richard Norman and R. Martin Weber, at Crowley Norman LLP, 3 Riverway Ste. 1775, Houston, TX 77056, and Defendants' Counsel, Barnes H. Ellis and Timothy W. Snider, at Stoel Rives LLP, 900 SW Fifth Ave., Ste. 2600, Portland, OR 97204,

postmarked no less than 30 days in advance of the Fairness Hearing. Class Counsel shall file all objections received with the Court within 10 calendar days after the end of the Objection Deadline. Any person who submits a timely objection may appear at the Fairness Hearing in person or through counsel, provided, however, that any such person must state his or her intention to do so at the time he or she submits objections. Any Class Member who does not submit an objection in the manner provided above shall be deemed to have waived any objection to the settlement and shall forever be foreclosed from making any objection to the fairness, adequacy, or reasonableness of the settlement, and to any attorneys' fees and reimbursements approved. Class Members who submit an objection may be deposed by Class Counsel and Defendants' Counsel and may be required to answer written discovery propounded by Class Counsel or Defendants' Counsel on an expedited basis.

11. All memoranda, affidavits, declarations, and other evidence in support of the request for final approval of the settlement, Class Counsel's request for approval of attorneys' fees, costs and reimbursements of expenses, and Class Representatives' request for approval of incentive awards payments shall be filed at least 10 days before the Fairness Hearing.

12. This Court expressly reserves the right to adjourn the Fairness Hearing from time to time without further notice other than to counsel of record and to approve the proposed settlement and request for approval of attorneys' fees and expenses and request for approval of Class Representative incentive awards at or after the originally scheduled Fairness Hearing.

13. Pending final determination of whether the proposed settlement should be approved:

a. All Class Members (and their heirs, executors, administrators, predecessors, successors, affiliates, and assigns) who have not validly and timely requested exclusion are preliminarily enjoined from filing, commencing, prosecuting, intervening in, participating in (as class members or otherwise), or receiving any benefits or other relief from any other lawsuit, arbitration, or administrative, regulatory, or other proceeding or order in any jurisdiction, arising out of, or relating in any way to the claims released in sections 4.1, 4.2, 4.3 and 4.4 of the Agreement; and

b. All persons are preliminarily enjoined from filing, commencing, or prosecuting any other lawsuit as a class action (including by seeking to amend a pending complaint to include class allegations or by seeking class certification in a pending action in any jurisdiction) on behalf of any Class Members as to any of the Released Parties, if such other lawsuit is based on or relates in any way to the claims released in sections 4.1, 4.2, 4.3 and 4.4 of the Agreement.

IT IS SO ORDERED.

Dated: _____

HONORABLE STEPHEN P. FRIOT
UNITED STATES DISTRICT JUDGE

EXHIBIT 3

NOTICE OF CLASS ACTION SETTLEMENT

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA

If you purchased a new automobile and/or homeowners insurance policy and/or renewed such a policy from Farmers Insurance Company, Inc., Farmers Insurance Exchange, Fire Insurance Exchange, and/or Mid-Century Insurance Company between September 28, 1999, and September 28, 2002, you may be eligible to receive benefits from a class action settlement.

*A federal court authorized this communication. This is **not** a solicitation from a lawyer.*

Plaintiffs filed a lawsuit contending that Defendants violated the Fair Credit Reporting Act (FCRA) by not providing sufficient “notice of the adverse action.” Defendants deny these allegations. The case has now been settled.

The settlement provides for each eligible Class Member to receive a Credit Report Code which will allow Class Members to access and review, at no cost, their individual consumer credit report maintained by Equifax for accuracy.

In addition, each Class Member who certifies online that they have reviewed their individual consumer credit report for errors and inaccuracies will receive a thirty-five dollar (\$35.00) payment.

Your legal rights are affected whether you act or don’t act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM	This is the only way to receive certain benefits of the settlement, if you are eligible.
EXCLUDE YOURSELF	You may “opt out” of the settlement. If you do so, you will not be eligible for any benefits. You keep your right to sue on your own regarding any claims that are part of the settlement.
OBJECT	You may write to Class Counsel and Defendants’ Counsel and explain why you disagree with the settlement.
GO TO A HEARING	You may appear and speak at the Fairness Hearing on your own or through your own lawyer to object to or comment on the settlement.
DO NOTHING	You will not receive a Credit Report Code or a monetary award. You will give up your right to sue on your own regarding any claims that are part of the settlement.

These rights and options – **and the deadlines to exercise them** – are explained in this notice.

COMMENT 3
 DATE 4/2

QUESTIONS? VISIT WWW.FARMERSFCRASETLEMENT.COM OR CALL TOLL FREE 1(877)313-2291.

PARA UNA NOTIFICACIÓN EN ESPAÑOL, VISITE NUESTRO SITIO DE INTERNET.

WHAT THIS NOTICE CONTAINS

[TOC to be Inserted]

FILED 3
L. 2 of 7

QUESTIONS? VISIT WWW.FARMERSFCRASETLEMENT.COM OR CALL TOLL FREE 1(877)313-2291.

PARA UNA NOTIFICACIÓN EN ESPAÑOL, VISITE NUESTRO SITIO DE INTERNET.

BASIC INFORMATION

1. Why is Notice being provided?

The parties are providing this Notice to inform potential Class Members about the proposed settlement of this class action lawsuit before the Court decides whether to give final approval to the settlement. This Notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for those benefits, and how to receive them.

Judge Stephen P. Friot of the United States District Court for the Western District of Oklahoma is overseeing this class action. The case is known as In re Farmers Insurance Co., Inc., FCRA Litigation, Case No. CIV-03-158-F, MDL No. 1564.

2. What is a class action and who is involved?

In a class action lawsuit, one or more persons, called class representatives after a class is certified, sue on behalf of people who have similar claims. The people together are called the class or class members. In this class action, the Class Representatives (all capitalized terms used herein have the same meaning set forth in the Settlement Agreement and Release of Claims (“Agreement”)) have reached a proposed class-wide settlement with Defendants. The Court has allowed this matter to proceed as a class action, and all decisions the Court makes concerning the settlement will affect all Class Members.

3. What is this lawsuit about?

The lawsuit alleges that Defendants violated Section 1681(m) of the FCRA, which requires any person who takes any adverse action with respect to any consumer, based in whole or in part on any information contained in a consumer report, to notify the affected consumer.

The Class Representatives allege that Defendants violated the FCRA by using certain consumer credit information to set premiums for consumers purchasing auto or homeowners insurance and not providing sufficient notice of the adverse action to those consumers.

Defendants deny these claims and any wrongdoing. They have agreed to settle only to avoid the burden, expense, and uncertainty of further litigation.

4. Why is there a settlement?

Class Representatives and Class Counsel believe that the claims asserted in the action have merit but that the settlement is in the best interests of the Class. Class Counsel has evaluated information made available in the course of the action and settlement negotiations and has taken into account the risks and uncertainties of proceeding with the action. Those risks include the uncertainty of prevailing on the merits, post-trial motions, and likely appeals. After considering these factors and the substantial time and expense that will be incurred in further litigating this matter, Class Counsel believes that the settlement provides for a fair, efficient, and expeditious resolution of the claims asserted by Class Members against Defendants and provides significant benefits to Class Members.

This settlement does not imply that the Class would have recovered any amount of damages or penalties if the action was not settled.

WHO IS INCLUDED IN THE SETTLEMENT?

5. Am I a Class Member?

The Class includes (1) all persons shown in Defendants’ records who purchased a new policy of automobile and/or homeowners insurance from the insurer defendants and the premium charged for such policy was calculated using a Farmers Auto Risk Assessment (“FARA”) or Farmers Property Risk Assessment (“FPRA”) factor greater than the

EXHIBIT 3
Page 3 of 7

QUESTIONS? VISIT WWW.FARMERSFCRASSETTLEMENT.COM OR CALL TOLL FREE 1(877)313-2291.

PARA UNA NOTIFICACIÓN EN ESPAÑOL, VISITE NUESTRO SITIO DE INTERNET.

weighted average FARA or FPRA factor; and (2) all persons who renewed a policy of automobile and/or homeowners insurance from the insurer defendants and the premium charged for such policy was greater than the premium charged for the immediately prior policy period and for whom one or more of the following occurred:

(a) the first time a FARA or FPRA factor was applied to the policyholder's policy (the "transition renewal"), the inverse of the policyholder's FARA or FPRA factor (1.0 divided by the policyholder's FARA or FPRA factor) was less than the base rate offset (1.0 plus the base rate offset percentage) applied at implementation; and/or

(b) the renewal premium increase subsequent to transition renewal (the "subsequent renewal") was caused, in whole or in part, by a negative change in the policyholder's credit-based insurance score that resulted in application of a lower FARA or FPRA factor discount than was used to rate the policy on the immediately prior policy period;

and who received a form designated as follows:

25-7535 (version dated 6-00); or

25-7581 (version dated 9-00); or

25-7585 (version dated 9-00).

Excluded from the Class are: (1) Defendants and all directors, officers, agents and employees of Defendants; (2) claims by any person or entity who timely and validly requests exclusion ("opts out") from the settlement; (3) all currently serving federal district court judges, their current spouses, and all persons (and their current spouses) within the third degree descending from such federal district court judges and spouses; and (4) any person who has given a valid release concerning the claims asserted in this class action.

All persons in the Class who do not submit a valid exclusion will be bound by all determinations and judgments in the action and are considered Class Members.

THE TERMS OF THE PROPOSED SETTLEMENT

This Notice provides a summary of some, but not all, of the terms of the settlement.

The entire contents of the Agreement are posted on the settlement website: www.farmersfcrasettlement.com. To take effect, the Agreement must be approved by the Court.

6. What benefits does the settlement provide?

Class Members who submit an approved Claim Form will be eligible to receive a Credit Report Code which will allow them to access and review at no cost their individual credit report maintained by Equifax for accuracy. To view a credit report through Equifax, Class Members will need to enter their name, gender, address, social security number, date of birth, and other specific personal information.

In addition, each Class Member who certifies online that they have reviewed their Equifax consumer credit report for errors and inaccuracies will receive, after the Settlement Administrator confirms with Equifax that the Credit Report Code was used, a thirty-five dollar (\$35.00) payment.

Class Members may access links to Equifax and the settlement certification form on the settlement website: www.farmersfcrasettlement.com. Class Members who submit a Claim Form and are deemed eligible will receive a letter from the Settlement Administrator, with the Credit Report Code and instructions on how to access their credit report and the certification form, in the form attached as Exhibit ____.

7. Are the settlement benefits available now?

No. These benefits will become available in the future if the Court grants final approval of the settlement and that approval is upheld on any appeal. There is no guarantee that the benefits of the settlement will ever be distributed. However, if you want to make a claim in the settlement, you must submit the Claim Form provided with the Notice. The deadline to submit a Claim Form to the Settlement Administrator is **MONTH DAY, 2011** [90 days from the Fairness Hearing].

EXHIBIT 3
4 of 7

QUESTIONS? VISIT WWW.FARMERSFCRASETLEMENT.COM OR CALL TOLL FREE 1(877)313-2291.

PARA UNA NOTIFICACIÓN EN ESPAÑOL, VISITE NUESTRO SITIO DE INTERNET.

YOUR RIGHTS AND OPTIONS

8. What happens if I do nothing at all?

If you do nothing before the deadline described in this Notice, you will not receive a Credit Report Code or a \$35 payment under the settlement. You will lose the right to sue Defendants regarding any issues relating to this action. You will be considered part of the Class, and all of the Court's orders will apply to you and legally bind you. **Therefore, in order to make a claim, you must submit a valid Claim Form to the Settlement Administrator by mail postmarked by MONTH DAY, 2011 [90 days from the Fairness Hearing].** The Claim Form is attached to this Notice.

9. If I remain in the Class, what rights am I giving up?

If you remain in the Class, you give up your right to sue in court or be part of any other lawsuit or arbitration against Defendants or their agents regarding any issues relating to the settled claims. Additionally, all of the Court's orders will apply to you and legally bind you. The release and settled claims are set forth in the Agreement and the Court's class certification orders. These documents are available on the settlement website at www.farmersfcraSettlement.com. In summary, all persons in the Class who do not ask to be excluded will be deemed to have released the Released Parties from any claim, right, demand, charge, complaint, action, cause of action, obligation, or liability of any and every kind, based on alleged violations of the Fair Credit Reporting Act, or any other federal, state, or local law, statute, regulation, or common law, and all claims for monetary, equitable, declaratory, injunctive, or any other form of relief arising thereunder, of whatever kind or nature, in law or in equity, whether known or unknown, suspected or unsuspected, matured or unmatured, fixed or contingent, apparent or concealed, under the law of any jurisdiction, which the Class Representatives or any Class Member ever had or now has, resulting from, arising out of, or in any way, directly or indirectly, connected with the claims raised in the Class Action or claims which could have been raised in the Class Action based on the transactional nucleus of facts.

10. How do I exclude myself from the Class?

You may exclude yourself ("opt-out") from the Class by sending a written and signed request by mail to the Settlement Administrator. Exclusion requests must: (a) be signed; (b) include your full name, address, and telephone number; and (c) include the following statement: "I am requesting to be excluded from the class action settlement, and I understand that I will receive none of the consideration provided for under the class action settlement. I understand that if I am excluded from the class, I may bring a separate legal action, but I might lose my separate legal action, or win and recover nothing or less than what I would have recovered if I remained a class member and filed a claim under the provisions of the class action settlement."

No request for exclusion will be valid unless all of the information described above is included. To be effective, the exclusion must be postmarked by **MONTH DAY, 2011 [30 calendar days after Notice mailing]** and mailed to the following address:

In re Farmers Ins. Co., Inc. FCRA Litigation
c/o The Garden City Group, Inc.
P.O. Box 9729
Dublin, OH 43017-5629

You will **not** receive any benefits from the settlement if you exclude yourself.

11. Can I object to the settlement?

Yes, **but only if you do not exclude yourself** from the Class. Objecting is simply telling the Court that you disagree with something about the settlement. You will still be bound by all Court orders, even if your objection is rejected. Class Members who wish to present objections to the proposed settlement at the Fairness Hearing must do so in writing, and in order to be timely those objections must be sent to Defendants' Counsel and Class Counsel via First Class United

3
5 of 7

QUESTIONS? VISIT WWW.FARMERSFCRASETTLEMENT.COM OR CALL TOLL FREE 1(877)313-2291.

PARA UNA NOTIFICACIÓN EN ESPAÑOL, VISITE NUESTRO SITIO DE INTERNET.

States mail, postage prepaid, and be postmarked by MONTH DAY, 2011 [30 Days before the Fairness Hearing]. If you do not file an objection, you waive your right to appeal any Court order or judgment related to the settlement.

Your objection must include: (a) a heading referring to the action as In re Farmers Insurance Co., Inc., FCRA Litigation, Case No. CIV -03-158-F, MDL No. 1564; (b) a statement of the specific factual and/or legal objection(s) to any matter before the Court; (c) if you want to appear at the Fairness Hearing, a statement that you intend to appear, and the grounds or specific reason(s) why you want to appear and be heard; (d) any documents or statements you want the Court to consider at the Fairness Hearing; (e) a declaration stating your belief that you are a member of the Class and the factual basis for that belief, and (f) if you are represented by counsel, the counsel's name, address, and telephone number (if you hire an attorney, the attorney must also file a Notice of Appearance with the Clerk of the Court and also deliver a copy to Class Counsel and Defendant's Counsel before the Objection Deadline). Class Members who submit an objection are subject to being deposed by Class Counsel and Defendants' Counsel and to answering written discovery on an expedited basis.

All objections that are received by Defendants' Counsel and Class Counsel will be considered prior to the Court's Fairness Hearing on MONTH DAY, 2011 at X:XX a.m./p.m.

You must send your objection by first class mail, postage prepaid, to the addresses below, and your objection must be postmarked by MONTH DAY, 2011 [30 Days before the Fairness Hearing].

<u>CLASS COUNSEL</u>	<u>DEFENDANTS' COUNSEL</u>
Richard E. Norman R. Martin Weber, Jr. CROWLEY NORMAN, L.L.P. Three Riverway, Suite 1775 Houston, Texas 77056	Timothy W. Snider Barnes H. Ellis STOEL RIVES LLP 900 SW 5th Ave., Suite 2600 Portland, OR 97204

12. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing on MONTH DAY, 2011 at X:XX a.m./p.m. at the U.S. District Court for the Western District of Oklahoma, 200 NW 4th Street, Room 1210, Oklahoma City OK 73102. At the Fairness Hearing, the Court will consider whether the settlement is fair, reasonable, adequate, and should be granted final approval. If there are objections, the Court will consider them. Class Counsel will also ask the Court for approval of their request for attorneys' fees and costs and incentive awards to the Class Representatives. The Fairness Hearing may be rescheduled without further notice.

13. Do I have to attend the Fairness Hearing?

No. Your attendance at the Fairness Hearing is not required. Class Counsel and Defendants' Counsel will answer any questions the Court may have. If you submitted a written objection or comment, you do not have to come to the Fairness Hearing to talk about it. As long as your written objection was postmarked by MONTH DAY, 2011 [30 Days before the Fairness Hearing], the Court will consider it. However, you and/or your attorney may attend the hearing if you would like at your own expense.

14. May I speak at the Fairness Hearing?

Yes. You may speak at the Fairness Hearing, but only if you filed a written objection as described above. Your objection must include a statement that you intend to appear and be heard at the Fairness Hearing. Be sure to include your name, address, telephone number, and your signature as well as a heading referring to the action as In re Farmers Insurance Co., Inc., FCRA Litigation, Case No. CIV-03-158-F, MDL No. 1564. You must also include some information about what you intend to say at the hearing and if you will be represented by a lawyer. If you will be represented by a lawyer, your lawyer must also enter an appearance at your expense. You must send copies of your request to appear to all of the addresses listed in Question 12 above. It must be postmarked no later than 3 MONTH DAY, 2011.

QUESTIONS? VISIT WWW.FARMERSFCRASSETTLEMENT.COM OR CALL TOLL FREE 1(877)313-2291.

PARA UNA NOTIFICACIÓN EN ESPAÑOL, VISITE NUESTRO SITIO DE INTERNET.

6 of 7

THE LAWYERS REPRESENTING YOU

15. Do Class Members have a lawyer in this case?

Yes. The Court appointed CROWLEY NORMAN, L.L.P.; FEDERMAN & SHERWOOD; WILSON, ENGSTROM, CORUM & COULTER; and EMERSON POYNTER, LLP to represent you and the other Class Members. They are called "Class Counsel."

16. How will Class Counsel and the Class Representatives be paid?

Defendants have agreed to pay Class Counsel's Court-awarded attorneys' fees and costs, up to a total not to exceed eight million dollars (\$8,000,000), and an incentive award not to exceed \$5,000 for each Class Representative. Class Counsel will ask the Court for these awards at the Fairness Hearing.

The motion(s) by Class Counsel for attorneys' fees and costs and incentive awards for the Class Representatives will be available for viewing on the settlement website after they are filed. After that time, if you wish to review them, you may do so by viewing them at www.farmersfcrasettlement.com.

HOW TO GET MORE INFORMATION

17. Where can I get more information?

This Notice is only a summary of relevant court documents and the Agreement. Complete copies of certain case-related documents are available on the settlement website at www.farmersfcrasettlement.com. If you have additional questions, you may call the Settlement Administrator toll free at 1(877)313-2291, visit the settlement website at www.farmersfcrasettlement.com, or contact the Settlement Administrator by mail:

In re Farmers Ins. Co., Inc. FCRA Litigation
c/o The Garden City Group, Inc.
P.O. Box 9729
Dublin, OH 43017-5629

If you wish to contact Class Counsel, you may contact them directly as follows:

<u>CLASS COUNSEL</u>
Richard E. Norman R. Martin Weber, Jr. CROWLEY NORMAN, L.L.P. Three Riverway, Suite 1775 Houston, TX 77056 Telephone: (713)651-1771

18. May I contact the Court or Defendants directly?

No. Please do not contact the Court or Defendants' attorneys. As a potential Class Member, you are represented by Class Counsel. You can obtain further information by calling the Settlement Administrator toll free at 1(877)313-2291, visiting the settlement website at www.farmersfcrasettlement.com, or contacting Class Counsel.

3
7 of 7

QUESTIONS? VISIT WWW.FARMERSFCRASETLEMENT.COM OR CALL TOLL FREE 1(877)313-2291.

PARA UNA NOTIFICACIÓN EN ESPAÑOL, VISITE NUESTRO SITIO DE INTERNET.

EXHIBIT 4

FARMERS FAIR CREDIT REPORTING ACT SETTLEMENT CLAIM FORM

In re Farmers Insurance Co., Inc., FCRA Litigation
Multidistrict Litigation Case No. 1564
U.S. District Court Case No. 03-cv-158-F (W.D. Oklahoma)

INSTRUCTIONS: Please complete this Claim Form to make a claim in the settlement that is described in the Notice of Class Action Settlement accompanying this Claim Form.

IF YOU DO NOT WANT TO MAKE A CLAIM, PLEASE DISREGARD THIS FORM.

If you want to make a claim, your Claim Form must be postmarked on or before Month Day, 2011 [90 Days from Fairness Hearing]

PLEASE VERIFY YOUR CONTACT INFORMATION:

If your contact information is incorrect please correct it on the right:

Name: _____
Address: _____

City: _____
State: _____ Zip-code: _____
Telephone number: () _____

<p>PRIOR ADDRESS(ES) (IF AT CURRENT ADDRESS FOR LESS THAN 2 YEARS)</p>	<p>Address: _____ City: _____ State: _____ Zip-code: _____</p> <p>Address: _____ City: _____ State: _____ Zip-code: _____</p>
<p>FARMERS POLICY NUMBER(S) (INCLUDE ONLY IF KNOWN, OTHERWISE DISREGARD)</p>	<p>1. _____</p> <p>2. _____</p>

QUESTIONS? VISIT WWW.FARMERSFCRASSETTLEMENT.COM OR CALL TOLL FREE 1(877)313-2291.

PARA UNA NOTIFICACIÓN EN ESPAÑOL, VISITE NUESTRO SITIO DE INTERNET.

	3. _____
	4. _____
	5. _____

If your claim is approved, you will receive a letter with a Credit Report Code and instructions on (1) how to access and review at no cost your individual credit report maintained by Equifax and (2) how to verify that you have done so. As a reminder, you must access and review your credit report and verify that you have done so in order to obtain your \$35 settlement payment.

I HAVE READ THE ATTACHED NOTICE OF CLASS ACTION SETTLEMENT AND HEREBY CERTIFY TO THE BEST OF MY KNOWLEDGE THAT I PURCHASED AND/OR RENEWED AN ELIGIBLE FARMERS AUTOMOBILE AND/OR HOMEOWNERS POLICY BETWEEN SEPTEMBER 28, 1999 AND SEPTEMBER 28, 2002.

Signature: _____ Date: _____

Print Name: _____

If you have any questions about completing this Claim Form, please call the Settlement Administrator at 1(877)313-2291.

Your completed Claim Form must be postmarked on or before **Month Day, 2011** [90 Days from Fairness Hearing].

The address of the Claims Administrator is:

IN RE FARMERS INS. CO., INC. FCRA LITIGATION
C/O THE GARDEN CITY GROUP, INC.
P.O. Box 9729
DUBLIN, OH 43017-5629

QUESTIONS? VISIT WWW.FARMERSFCRASSETTLEMENT.COM OR CALL TOLL FREE 1(877)313-2291.
PARA UNA NOTIFICACIÓN EN ESPAÑOL, VISITE NUESTRO SITIO DE INTERNET.

EXHIBIT 4
PAGE 2 OF 2

EXHIBIT 5

IN RE FARMERS INS. CO., INC. FCRA LITIGATION
C/O THE GARDEN CITY GROUP, INC.
P.O. BOX 9729
DUBLIN, OH 43017-5629
TOLL FREE 1(877)313-2291
WWW.FARMERSFCRASSETTLEMENT.COM

<Eligible Claimant>
<Address>
<City, State XXXXX-XXXX>



<Month Day, Year>

Re: **FARMERS FAIR CREDIT REPORTING ACT SETTLEMENT**
Claim No. <XXXXX>

Dear <Eligible Claimant>:

You submitted a Claim Form in the Farmers Fair Credit Reporting Act Settlement and have been determined to be an eligible member of the Class. You must follow all of the steps below to complete the claim process.

The following Credit Report Code can be used to access and review at no cost your individual credit report maintained by Equifax: <XXXXXXXX>. This credit report code expires thirty (30) days from the date of this letter.

How to Access Your Equifax Credit Report:

Equifax has a simple Internet-based verification and enrollment process. Please complete the following steps to access your credit report:

- Visit: www.myservices.equifax.com/report or www.farmersfcrasettlement.com/creditreport.
- Register:
 - Complete the first form by entering your contact information (name, gender, address, date of birth, social security number, and telephone number) and clicking the “Continue” button;
 - Complete the second form by entering your email address and creating a User Name and Password;
 - Enter the Credit Report Code listed above in the “Promotion Code” box. The Credit Report Code provided above eliminates the need to provide a credit card number for payment; and
 - Click the “Accept Terms & Continue” button after reviewing the Terms.
- Verify Your Identification: Equifax will next ask you to answer up to four (4) security questions to confirm your identity. The questions and answers support the Equifax Identity Verification Process. Please answer the questions and then click the “Submit Order” button.

EXHIBIT 5
Page 1 of 2

- Order Confirmation: The Order Confirmation page shows you your credit report order. Please click the "View my Product" button to access the details and features of your Equifax credit report.

How to Certify You Have Reviewed Your Credit Report:

After you have reviewed your credit report, you must certify online at the following settlement website that you have reviewed your credit report for errors and inaccuracies in order to receive a settlement payment: www.farmersfcrasettlement.com/certification.

After confirming with Equifax that the above-referenced Credit Report Code was used, within sixty (60) days following receipt of your certification the Settlement Administrator will send you a settlement payment in the amount of thirty-five dollars (\$35.00). You will only receive this payment if you use the above-referenced Credit Report Code and submit the online certification.

If you have any questions pertaining to this matter, please contact the Settlement Administrator at 1(877)313-2291.

Sincerely,

SETTLEMENT ADMINISTRATOR

EXHIBIT 5

Page 2 of 2

EXHIBIT 6

Information for Class Members
IMPORTANT INFORMATION ABOUT YOUR CREDIT REPORT
Your Rights as a Consumer

What is a credit report?

Your credit history, and other personal information about you, is collected and kept on file with major credit reporting agencies ("CRAs"). CRAs provide your credit report information to businesses, governmental agencies and others that are permitted by law to obtain and use otherwise private credit information when, for example, you apply for credit, insurance, or employment. You may have a credit record on file at a CRA if you have ever applied for a credit or charge account, a mortgage, or a personal loan, insurance, or a job. Your credit record contains information about your debts and credit payment history. It also indicates whether you have been sued or have filed for bankruptcy.

Annually, over 2 billion credit reports are sold, so most American consumers have had their credit reports reviewed legally many times each year. However, only a small percentage of consumers ask to see a copy of their own credit reports.

What's in my credit report?

Your credit report contains the following types of information:

- Your name, and your spouse's name;
- Where you live, where you work, and where you used to work;
- Social Security number, prior addresses, phone number, birth date;
- If you've paid bills on time;
- How much credit you have available;
- If you've been late with rent or a mortgage payment;
- Whether and to whom you have applied for credit or a loan;
- Companies who obtained your credit report; and
- Bankruptcies, foreclosures, court judgments, convictions, tax liens.

What is a credit or insurance score?

Credit scores or insurance scores refer to a system used by companies to assist in evaluating a consumer's relative creditworthiness, insurability, or employability. Businesses use a variety of formulas to translate a consumer's credit information, or parts thereof, into a credit or insurance score. Federal law allows companies to use credit information, including scores, when deciding whether to issue insurance, extend credit or hire someone.

Why should I care about possible errors in my credit report?

While a good credit report can help you, errors in your credit report can cost you money. The General Accounting Office of the U.S. Congress has stated that accurate credit reports are critical to the credit process – for both consumers attempting to obtain credit and for lending institutions

EXHIBIT 6
1 of 3

making decisions about extending credit. Similarly, the Federal Trade Commission has told consumers that, because businesses use credit report information to evaluate consumers' applications for credit, insurance, employment, and other reasons allowed by the Fair Credit Reporting Act (FCRA), it's important that the information in consumer credit reports is complete and accurate. Industry officials and studies indicated that credit report errors could either help or hurt individual consumers depending on the nature of the error and the consumer's personal circumstances. Although the government concluded that there was insufficient evidence to indicate whether significant errors were common or rare in credit reports, it did conclude that a good way to help ensure the accuracy of credit reports is for consumers themselves to review their own consumer credit reports.

If there are mistakes in your credit report, only you are in a position to discover them and do something about it. You may be surprised at what is actually in your credit report. Your report may show late payments that were actually made on time. Or it may not show positive information about your credit, such as accounts that you have always paid on time. On the other hand, your report may be completely accurate. Unless you check it yourself, you may not know.

What is identity theft?

Criminals can use consumers' information for their own benefit. By stealing a person's private financial information, thieves can pose as that person and run up thousands of dollars in debt in the victim's name. The sooner you realize you're a victim of identity theft, the less damage can be done. People whose identities have been stolen can spend months or years, and their hard-earned money, cleaning up the mess thieves have made of their good name and credit record. In the meantime, victims may lose job opportunities; may be refused loans, education, housing or cars; or even get arrested for crimes they didn't commit. The risk of identity theft is another reason why checking your credit report regularly is so important. In fact, the FBI recommends that everyone check their own credit report twice a year.

Can I see what is in my credit report?

Yes. If you contact any of the major credit reporting agencies, they must give you the information they keep on file about you. There are three major credit reporting agencies in the country that probably have a credit file on you. They are Trans Union, 1-800-916-8800, www.transunion.com; Equifax, 1-800-685-1111, www.equifax.com; and Experian, 1-888-397-3742, www.experian.com.

How can I fix errors in my credit reports?

Additional information about these topics is available at the website www.ftc.gov. In general, you may notify a credit reporting agency that there are errors in your credit report, and provide any documents you have to support your position. Under the law, the agency must conduct an investigation into the accuracy of the information. This includes contacting the source of the information that you believe is incorrect and obtaining verification. Generally, the agency has 30 days to investigate. After the agency completes its investigation, it has 5 days to report back to

you. If the agency can't verify the negative information, it has to delete it. If the negative information stays in your file, you have the right to have it marked as disputed information.

No one can legally remove accurate negative information from your credit report. The Federal Trade Commission suggests that you be wary of companies that promise "quick fixes" or "repairs" to your credit.

Where can I get more information about my rights concerning my credit report?

You can find helpful information at the following locations: <http://www.ftc.gov> (The Federal Trade Commission website); <http://www.naca.net> (the website for the National Association of Consumer Advocates); or <http://www.nclc.org> (the website for the National Consumer Law Center).

* This document is for general information purposes and has been approved by the Court.

3 6
3 3