

If you were insured by State Farm and had non-OEM crash parts installed on or specified for your vehicle (or received compensation based on the value of those parts) between July 28, 1987 and February 24, 1998 a class action lawsuit may affect your rights.

A court authorized this notice. This is not a solicitation.

- The lawsuit claims that State Farm, Ed Murnane and William Shepherd (the “Defendants”) violated the RICO statute in an attempt to overturn, in the Illinois Supreme Court, a \$1.05 billion judgment in favor of approximately 4.7 million State Farm policyholders, which would allow State Farm to avoid paying the amount of the judgment rendered in plaintiffs’ favor in the trial court. The Defendants deny all allegations of wrongdoing, including specifically that they violated RICO.
- The current lawsuit affects those in the United States (except Arkansas and Tennessee) who, between July 28, 1987, and February 24, 1998, (1) were insured by a vehicle casualty insurance policy issued by State Farm and (2) made a claim for vehicle repairs pursuant to their policy and had non-factory authorized and/or non-OEM (Original Equipment Manufacturer) ‘crash parts’ installed on or specified for their vehicles or else received monetary compensation determined in relation to the cost of such parts. Those included are “Class Members,” defined more fully in the answer to Question 11, below.
- This notice is being provided to you in advance of a trial. The Defendants deny all allegations of wrongdoing and no judge or jury has concluded that the Defendants did anything wrong. For this reason, there is no money available now and there is no guarantee there ever will be. If you are a Class Member, however, you have a choice to make now:

| YOUR LEGAL RIGHTS AND OPTIONS | |
|-------------------------------|--|
| DO NOTHING | Stay in this lawsuit. Await the outcome. Give up the right to sue separately. If you are a Class Member and do nothing, you may be entitled to money and/or benefits that may come from a trial or a settlement of the lawsuit. But you will never be able to sue the Defendants separately over the legal claims in this lawsuit and will be bound by any judgment. |
| ASK TO BE EXCLUDED | Get out of this lawsuit. Get no benefits from it if any are ultimately awarded. Keep the right to sue separately. If you ask to be excluded from the lawsuit and money or benefits are later awarded, you won’t be eligible to share in that money or those benefits. But you will keep any rights to sue the Defendants separately over the legal claims in this lawsuit. |

- Your options are explained in this notice. To ask to be excluded, you must act before **August 14, 2018**.
- To prevail in the lawsuit, the Plaintiffs must prove the claims against the Defendants at a trial scheduled to begin on September 4, 2018. If money or benefits are obtained from Defendants, you will be notified about how to receive your share, if any.

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QUESTIONS? CALL 1-844-420-6491 OR VISIT WWW.HALEVSTATEFARMCLASSACTION.COM

BASIC INFORMATION

1. Why was this notice issued?

A Court has established, or “certified,” this case as a class action lawsuit.

If you are a Class Member, you have legal rights and options before the Court decides whether the claims being made on your behalf are correct. This notice explains all of these things.

Judge David R. Herndon of the United States District Court for the Southern District of Illinois (the “Court”), is currently overseeing this case. The case is known as *Hale v State Farm Mutual Automobile Insurance Company*, Case No. 12-0660-DRH. The people who sued are called the Plaintiffs. The company and people they are suing, State Farm, Ed Murnane and William G. Shepherd, are called the Defendants.

2. What is a class action?

In a class action, one or more people called “Class Representatives” (in this case, Mark Hale, Todd Shadle and Laurie Loger) sue on behalf of people who have similar claims. All these people are a “Class” or “Class Members.” One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

The Court decided that claims in this lawsuit can proceed as a class action. More information about why the Court is allowing this claim to proceed as a class action is in the Court’s Memorandum and Order, which you may view at www.HalevStateFarmClassAction.com.

3. Is there any money available now?

No. The Court has not decided whether the Defendants did anything wrong, or whether any Class Members are entitled to relief, so there is no money or benefits available to the Class and no guarantee that there ever will be. If money or benefits become available, Class Members may have to take other steps, such as submitting a claim form, in order to get their shares. If so, you will be notified of any additional steps you must take. You can stay informed of the progress of this case by visiting the website www.HalevStateFarmClassAction.com or by calling 1-844-420-6491.

WHAT THE LAWSUIT IS ABOUT

4. What is this lawsuit about?

In the First Amended Class Action Complaint (available at the website), Plaintiffs claim that the Defendants violated the RICO statute in an attempt to overturn, in the Illinois Supreme Court, a \$1.05 billion judgment in favor of approximately 4.7 million State Farm policyholders, which would allow State Farm to avoid paying the amount of the judgment rendered in plaintiffs' favor in the trial court. Plaintiffs bring this class action for damages against Defendants for violation of the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. §§ 1961 et seq.

5. What was the \$1.05 billion judgment?

Avery v. State Farm Mutual Automobile Insurance Company (the “Avery Action”) is a class action that was litigated in the Illinois state court system. The Avery Action was certified as a class action and tried to jury verdict resulting in a judgment of \$1.18 billion. The Illinois Appellate Court upheld a \$1.05 billion judgment and State Farm appealed to the Illinois Supreme Court. The appeal was fully-briefed, argued and submitted as of May 2003. On August 18, 2005, the Illinois Supreme Court issued a decision overturning the \$1.05 billion judgment.

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6. What is the RICO claim about?

RICO is a United States federal law that provides for a civil cause of action if a person conducts the affairs of an enterprise through a pattern of racketeering activity and thereby causes injury to another person's business or property. The Plaintiffs' RICO claim is based on the following allegations.

Between the appellate court decision to uphold the \$1.05 billion verdict and the Illinois Supreme Court decision to overturn it, Trial Judge Lloyd Karmeier and Appellate Judge Gordon Maag waged a judicial campaign for a vacant seat on the Illinois Supreme Court, ultimately resulting in Judge Karmeier's election. Plaintiffs here allege that State Farm along with the other Defendants here exerted financial and political influence to achieve Judge Karmeier's election. Justice Karmeier voted to overturn the Avery decision.

Plaintiffs claim that the Defendants deliberately concealed their support for Judge Karmeier from the Illinois Supreme Court while the Avery appeal was pending and again deliberately misrepresented its role in directing and financing Judge Karmeier's campaign when a motion to vacate the decision to overturn was being heard. The Defendants deny these claims. The timeline and details of the RICO claims against the Defendants are complex and can be read in full in the Court's September 16, 2016 Memorandum and Order.

7. Is this case the same as the Avery case?

The Avery class action ended when the Illinois Supreme Court decided to overturn the judgment and the Avery plaintiffs' later attempts to reverse that decision were denied. This is a separate class action lawsuit, and even though the class in this lawsuit overlaps with the Avery class, a new set of rights and deadlines apply.

8. What are the Plaintiffs asking for?

The Plaintiffs are asking the Court to award Plaintiffs and the Class treble (three times) their actual damages on one or both of their RICO claims, together with costs and reasonable attorneys' fees, and such other and further relief as may be just and proper under the circumstances.

More information about the lawsuit is in the First Amended Class Action Complaint, which you may view at www.HalevStateFarmClassAction.com.

9. What do the Defendants say?

The Defendants have denied all of these allegations, maintain they did nothing wrong and/or illegal, and state that they are not obligated to pay any money to any Class Members.

More information about what the Defendants say is in State Farm's Answer and Defenses to Plaintiffs' First Amended Class Action Complaint; Defendant Ed Murnane's Answer and Defenses to Plaintiffs' First Amended Class Action Complaint; and Answer and Defenses of William G. Shepherd to Plaintiffs' Amended Class Action Complaint, which you may view at www.HalevStateFarmClassAction.com.

10. Has the Court decided who is right?

No. The Court has not decided whether the Plaintiffs or Defendants are right. The Plaintiffs must prove their case at trial, which is scheduled to begin on September 4, 2018.

WHO IS IN THE CLASS

11. How do I know if I am part of this?

The Court has decided that everyone who fits the following description is a Class Member:

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All persons who were members of the certified class in *Avery v. State Farm Mut. Auto. Ins. Co.*, No. 97-L-114 (First Jud. Cir. Williamson County, Ill.), more specifically described as: All persons in the United States, except those residing in Arkansas and Tennessee, who, between July 28, 1987, and February 24, 1998, (1) were insured by a vehicle casualty insurance policy issued by Defendant State Farm and (2) made a claim for vehicle repairs pursuant to their policy and had non-factory authorized and/or non-OEM (Original Equipment Manufacturer) ‘crash parts’ installed on or specified for their vehicles or else received monetary compensation determined in relation to the cost of such parts.

Excluded from the class are employees of Defendant State Farm, its officers, its directors, its subsidiaries, or its affiliates.

In addition, the following persons are excluded from the class: (1) persons who resided or garaged their vehicles in Illinois and whose Illinois insurance policies were issued/executed prior to April 16, 1994, and (2) persons who resided in California and whose policies were issued/executed prior to September 26, 1996.

12. What are “crash parts”?

Crash parts, as defined here and in the Avery Action, include: 1) fenders, 2) hoods, 3) doors, 4) deck lids, 5) luggage lid panels, 6) quarter panels, 7) rear outer panels, 8) front end panels, 9) header panels, 10) filler panels, 11) door shells, 12) pickup truck beds, box sides and tail gates, 13) radiator/grill support panels, 14) grilles, 15) head lamp mounting panels/brackets/housings/lenses, 16) tail lamp mounting panels/brackets/housings/lenses, 17) cutter body mouldings, 18) door body side moulding, 19) front wheel opening mouldings, 20) side mouldings, 21) front and rear fascias, 22) outer panel mounting brackets, supports and surrounds, 23) bumpers (excluding chrome bumpers), 24) bumper covers/face bars, and 25) bumper brackets/supports.

13. I’m still not sure if I am included in the Class.

If you are still not sure whether you are included in the Class, you can visit the website www.HalevStateFarmClassAction.com, call toll free 1-844-420-6491, or write to Hale v. State Farm Class Action Administrator, P.O. Box 5053, Portland, OR 97208-5053, for more information.

Neither State Farm personnel nor State Farm agents are authorized to discuss this case with you. Please do not call your State Farm agent about this case.

YOUR RIGHTS AND OPTIONS

If you are a Class Member, you must decide whether to stay in the Class or whether to exclude yourself before a possible trial. You have to decide this no later than **August 14, 2018**.

14. What happens if I do nothing at all?

If you are a Class Member and do nothing, you will stay in the Class. If you stay in, you will be legally bound by all of the decisions that the Court makes, and if the Plaintiffs obtain money or benefits you may be entitled to a share. Regardless of the outcome of the lawsuit, however, if you do nothing, and thereby remain in the Class, you will never be able to sue (or continue to sue) the Defendants about the legal claims in this case.

15. What happens if I exclude myself?

If you exclude yourself from the Class and the Class obtains any money or benefits you will not be eligible to claim any of that money or those benefits. You also will not be legally bound by the Court’s judgments if you exclude yourself. You will be able to sue (or continue to sue) the Defendants on your own about the legal claims that are involved in this case, now or in the future, assuming your claims

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are not time-barred or otherwise prohibited (you should consult your own attorney to make such a determination).

16. How do I request to be excluded?

To exclude yourself, you must send a letter with the following information:

- Name and address;
- A statement that you wish to be excluded from the Class in *Hale v State Farm Mutual Auto Insurance Company*, Case No. 12-0660-DRH; and
- Your signature.

You must mail your Exclusion Request postmarked by **August 14, 2018**, to:

Hale v State Farm Exclusions
P.O. Box 5053
Portland, OR 97208-5053

THE LAWYERS REPRESENTING THE CLASS

17. Do I have a lawyer in this case?

Yes. The Court appointed the law firms of Lief Cabraser Heimann & Bernstein, LLP; Barrett Law Group, P.A.; Hausfeld LLP; Clifford Law Offices; Much Shelist, P.C.; Thrash Law Firm, P.A.; Law Offices of Gordon Ball; Pendley, Baudin & Coffin, LLP; and Erwin Chemerinsky, Esq., to represent you as “Class Counsel.” You do not have to pay Class Counsel out of your own pocket. If you want to be represented by your own lawyer and have that lawyer appear in court for you in this case, you may hire one at your own expense.

18. How will the lawyers be paid?

If Class Counsel obtains money or benefits for the Class, they may ask the Court for fees and expenses. You will not have to pay these fees and expenses out of your own pocket. If the Court grants their request, the fees and expenses would either be deducted from any money obtained for the Class or paid separately by the Defendants.

19. May I get my own lawyer?

If you are in the Class, you are not required to hire your own lawyer because Class Counsel is working on your behalf. But if you want your own lawyer, you are entitled to retain one at your own expense.

A TRIAL

20. How and when will the Court decide who is right?

If the case is not dismissed or settled, the Plaintiffs will have to prove their claims at a trial scheduled to begin on September 4, 2018. During the trial, the judge and/or jury will hear evidence in order to determine whether the Plaintiffs or the Defendants are right about the claims in the lawsuit. There is no guarantee that the Plaintiffs will win any money or benefits for the Class.

21. Do I have to come to the trial?

You will not need to attend unless you choose to do so or you are asked to attend by the Court. You and/or your own lawyer are welcome to come, at your own expense. If you are interested in attending, please check the website or call the toll-free number and ask to be kept informed of the trial schedule.

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22. Will I get money after the trial?

If the Plaintiffs obtain money or benefits as a result of the trial, you will be notified about how to submit a claim to participate. We do not know how long this will take. Information will be posted on the website www.HalevStateFarmClassAction.com as it becomes available. You can access the website whether you stay in the lawsuit or exclude yourself.

GETTING MORE INFORMATION

23. Are more details available?

Visit the website at www.HalevStateFarmClassAction.com, where you will find the Memorandum and Order certifying the Class, the First Amended Class Action Complaint filed by the Plaintiffs, and Defendant State Farm's Answer and Defenses to Plaintiffs' First Amended Class Action Complaint; Defendant Ed Murnane's Answer and Defenses to Plaintiffs' First Amended Class Action Complaint; the Answer and Defenses of William G. Shepherd to Plaintiffs' Amended Class Action Complaint; and other information. You may also call toll free at 1-844-420-6491 or write to Hale v. State Farm Class Action Administrator, P.O. Box 5053, Portland, OR 97208-5053.

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