

NOTICE OF PENDENCY OF CLASS ACTION

If your vehicle was adjusted to be a total loss by State Farm, State Farm may have applied deductions referred to as Typical Negotiation Adjustments to your total loss claim, and your rights may be affected by a class action lawsuit pending in the U.S. District Court for the Eastern District of Arkansas.

A court authorized this notice. This is not a solicitation from a lawyer. You are not being sued.

This notice explains important rights you may have. Please read it carefully.

- On March 18, 2024, a lawsuit styled *Rose Chadwick v. State Farm Mutual Automobile Insurance Co.*, Case No. 4:21-cv-1161-DPM (the “Class Action”), which is pending in the Eastern District of Arkansas (the “Court”), was certified as a class action.
- This notice explains what the class action is about, the Class that was certified, and Class members’ legal rights and options.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

Remain a Member of the Certified Class	<p>Do nothing. Stay in the lawsuit. Await the outcome.</p> <p>If you wish to remain a member of the certified Class, you are not required to do anything at this time. By doing nothing, you are choosing to stay in the Class. You will be permitted to share in any recovery that may result from this class action, but you will give up your rights to sue State Farm in a separate lawsuit for any claims made in this action.</p>
Ask to be Excluded from the Certified Class	<p>Get out of this lawsuit. Keep your rights to sue Defendant in a separate lawsuit.</p> <p>If you do not wish to participate in the class action, you must send an email or letter requesting to be excluded by no later than September 23, 2024. If you exclude yourself from this lawsuit, you will not be entitled to any recovery that may result from this class action, but you will be free to pursue any claim you may have against State Farm on your own or as part of a different lawsuit (but you should consult with a lawyer to determine whether those claims are timely).</p>

- If you do nothing and if money or benefits are obtained from State Farm, you will receive a notice describing how to receive a share of any recovery in which you may be eligible to participate. However, there is no guarantee that any money or benefits will be obtained.
- To be excluded, you must act before **September 23, 2024**.
- **Any questions? Read on or call 1-877-506-3970.**

Questions? Go to www.StateFarmARtotallosslitigation.com or call 1-877-506-3970.

BASIC INFORMATION

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

In a class action, one or more people called “Class Representatives” file a lawsuit on behalf of other people who have similar claims. This avoids the necessity for a large number of people to file similar individual lawsuits and enables the court system to resolve similar claims in an efficient and economical way.

2. What is this Class Action against State Farm about?

This Class Action alleges that State Farm Mutual Automobile Insurance Company (“State Farm”) systematically paid its insureds less than the actual cash value of their vehicles for total loss claims, in breach of State Farm’s insurance policies. Plaintiff asserts that State Farm did this by basing the compensation for insureds’ total loss claims on valuation reports that applied Typical Negotiation Adjustments, which Plaintiff alleges are improper deductions. State Farm denies that it paid any insured less than actual cash value, denies that it breached the insurance policy, and denies that the Typical Negotiation Adjustment is improper.

3. Why did I get this notice?

This notice is for individuals who, according to State Farm’s records, during the time period of November 29, 2016, and March 18, 2024, (a) were an Arkansas resident and policyholder with State Farm who made a claim for physical damage to a motor vehicle, (b) received compensation from State Farm for the total loss of their vehicle, and (c) State Farm based the compensation on a valuation report prepared by Audatex North America. Because State Farm’s data do not track which valuation reports did not include a Typical Negotiation Adjustment to one or more comparable vehicles and the parties have not yet attempted to review valuation reports to make such determination, it is possible you are receiving this notice but are not actually a member of the Class.

4. Why is this notice being provided?

This notice explains that the Court has allowed, or “certified,” the lawsuit described above as a class action and describes Class members’ legal rights and options in the lawsuit.

THE CLAIMS IN THE LAWSUIT

5. What has happened in the Class Action so far?

On November 29, 2021, this class action lawsuit was filed against State Farm in the U.S. District Court for the Eastern District of Arkansas. Plaintiff’s Class Action asserts claims for breach of contract and sought a declaratory judgment that State Farm’s application of Typical Negotiation Adjustment breached its insurance contracts. Defendant sought to dismiss the Class Action and also moved for summary judgment. The Court denied the motion to dismiss. As to the motion for summary judgment, the court granted the motion as to the declaratory judgment claim, and otherwise denied the motion, allowing Plaintiff’s breach of contract claim to proceed because there is a dispute about whether Plaintiff was underpaid and, if so, by how much. On June 9, 2023, Plaintiff filed a motion for class certification. After briefing on Plaintiff’s motion for class certification, the Court granted the motion on March 18, 2024.

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6. The Court's Class Certification Order.

The Court's March 18, 2024 order certified a Class including "[a]ll persons who made a first-party claim on a policy of insurance issued by State Farm Mutual Automobile Insurance Company to an Arkansas resident who, from 29 November 2016 through the date an order granting class certification is entered, State Farm Mutual Automobile Insurance Company determined that the vehicle was a total loss and based its claim payment on an appraisal report from Audatex where a typical negotiation deduction was applied to at least one comparable vehicle." The Court appointed Plaintiff as the class representative and Plaintiff's counsel as class counsel. The Court's order can be viewed at www.StateFarmARtotallosslitigation.com.

7. What type of recovery is the Class Representative seeking?

The Class Representative seeks to recover money to compensate members of the Class for the alleged underpayment of their total loss claims, as well as pre- and post-judgment interest. The Class Representative is only challenging application of the "typical negotiation adjustment" as part of the valuation process. The Class Representative is not contesting or challenging any other aspect of the valuation process. If you wish to challenge an aspect of the valuation process other than application of a "typical negotiation adjustment," you should opt out of the Class and separately file your own claim.

8. Is there money available now?

No money or benefits are available now because the Court has not yet decided whether State Farm did anything wrong, and the two sides have not settled the case. There is no guarantee that any money or benefits will be obtained. If they are, you will receive a notice describing how to receive a share of any recovery in which you may be eligible to participate.

CLASS MEMBERS RIGHTS AND OPTIONS

If you are a Member of the Certified Class, you have to decide whether to remain a Class Member or ask to be excluded by **September 23, 2024**.

9. What happens if I am a Class Member and I do nothing?

If you wish to remain a potential member of the certified Class, you are not required to do anything at this time. By remaining a class member, you are agreeing that the claims against State Farm will be determined on a classwide basis. As a member of the Class, you will be bound by the outcome of this lawsuit. If the lawsuit results in a judgment favorable to the Class, you would be entitled to share in the benefits of that judgment. If the outcome is favorable to State Farm, your rights will be determined by the decision rendered in this lawsuit, and you may receive nothing.

10. If I am a Class Member, how do I ask the Court to exclude me?

If you do not wish to participate in this Class Action, you can request exclusion from the Class. If you choose to be excluded, you will (1) not share in the benefits, if any, that members of the Class may be entitled to as a result of trial of this lawsuit; and (2) not be bound by any decision in this lawsuit favorable to State Farm. If you request exclusion, you will have the right to pursue individually, at your own expense, any claim you may have against State Farm. To request exclusion, you must send an email or written notification entitled "Request for Exclusion" to the following:

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Chadwick v. State Farm Notice Administrator
Exclusions
P.O. Box 2756
Portland, OR 97208-2756

To be valid, your “Request for Exclusion” must be sent by **September 23, 2024**, and must include your name, current address, and your signature. If your Request for Exclusion is not postmarked by **September 23, 2024**, it will be invalid and you will be included as a member of the Class automatically and be bound by any final judgment.

THE LAWYERS REPRESENTING ME

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

Yes. The Court appointed the law firms of Carney Bates & Pulliam PLLC (“Carney Bates”), Normand PLLC (“Normand”), and Jacobson Phillips PLLC (“Jacobson Phillips”), collectively referred to as Class Counsel, to represent you and other members of the certified Class. If you have any questions for Class Counsel, you may direct those to Carney Bates at 519 W. 7th St., Little Rock, AR, 72201, or by visiting www.cbplaw.com, or to Normand at 3165 McCrory Place, Ste. 175, Orlando, FL 32803, or by visiting www.normandpllc.com, or to Jacobson Phillips at 478 E Altamonte Drive Suite 108-570, Altamonte Springs, FL 32701, or by visiting www.jacobsonphillips.com.

12. If I am a Class Member, should I get my own lawyer?

You do not need to hire your own lawyer. However, you are free to hire your own lawyer, at your own expense, and enter an appearance in this action through your lawyer if you so desire.

13. How will the lawyers get paid?

If Class Counsel get money or benefits for the Class, they may ask the Court for fees and expenses. If the Court grants Class Counsel’s request, Class Counsel’s fees and expenses would either be deducted from any money obtained for the Class or paid separately by State Farm.

OTHER PROCEEDINGS

14. Have any other proceedings been scheduled?

No hearing or other proceeding has been scheduled at this time.

15. Do Class Members have to attend any proceedings?

If there are any court hearings, Class Members do not need to attend them. The Class Representative and Class Counsel will present the case for the Class. You or your own lawyer are welcome to come at your own expense.

GETTING MORE INFORMATION

16. Are more details available?

This notice contains only a summary of the Class Action and proceedings to date. Complete copies of public pleadings, Court rulings and other filings are available for review and copying at the office

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of the Clerk of the Court for the United States District Court for the Eastern District of Arkansas, 500 West Capitol Avenue, Little Rock, Arkansas 72201. Additional information is also available at the website maintained for this Class Action, www.StateFarmARtotallosslitigation.com, or by contacting Class Counsel at the address provided above.

PLEASE DO NOT CONTACT THE COURT, THE CLERK'S OFFICE, DEFENDANT, YOUR STATE FARM AGENT, OR DEFENDANT'S COUNSEL TO ASK QUESTIONS ABOUT THIS CLASS ACTION OR THIS NOTICE. THEY CANNOT ANSWER ANY QUESTIONS OR DISCUSS THE CLASS ACTION.

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