

THIS IS AN OFFICIAL COURT NOTICE OF CLASS ACTION SETTLEMENT

IN THE CIRCUIT COURT FOR THE FOURTH JUDICIAL CIRCUIT  
MARION COUNTY, ILLINOIS

DICK PURDUE, CHARLES FRAILEY and :  
CONSTANCE FRAILEY on behalf of themselves :  
and all others similarly situated, :  
:  
Plaintiffs, :  
:  
vs. :  
:  
COUNTRY MUTUAL INSURANCE COMPANY and :  
COUNTRY CASUALTY INSURANCE COMPANY, :  
:  
Defendants. :

Cause No. 99-L-91

**NOTICE OF CLASS ACTION, PROPOSED SETTLEMENT AND HEARING**

**TO: ALL PERSONS WHO, AT ANY TIME FROM JULY 1, 1993, TO THE PRESENT, HAD ONE OR MORE MOTOR VEHICLES INSURED BY COUNTRY MUTUAL INSURANCE OR COUNTRY CASUALTY INSURANCE COMPANY, AND MADE A FIRST PARTY CLAIM TO ONE OF THOSE INSURANCE COMPANIES FOR REPAIRS TO BE PERFORMED, AND NON-FACTORY AUTHORIZED AND/OR NON-ORIGINAL EQUIPMENT MANUFACTURER ("NON-OEM") "CRASH PARTS" WERE SPECIFIED IN THE INSURANCE COMPANY'S ESTIMATE OR WERE INSTALLED.**

***THIS IS AN IMPORTANT CONSUMER NOTICE RELATING TO YOUR RIGHTS IN RECEIVING COMPENSATION IN A SETTLEMENT OF A CLASS ACTION LAWSUIT. PLEASE READ THIS ENTIRE NOTICE CAREFULLY.***

YOU ARE NOTIFIED, pursuant to 735 ILCS § 5/2-803, and an Order of the Circuit Court for the Fourth Judicial Circuit in Marion County, Illinois (the "Court"), that a settlement has been reached by the parties to this lawsuit (the "Lawsuit"). The settlement has been preliminarily approved by the Court, and if finally approved, will result in: (a) the creation of a Settlement Fund, which shall be disbursed as described below; (b) the modification of the Defendants' practices and policies regarding the specification of non-OEM crash parts; and, (c) the dismissal of the Lawsuit with prejudice and the release of all claims relating to the Lawsuit.

This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Lawsuit or the merits of the claims or defenses asserted. This Notice is to advise you of the pendency of the Lawsuit, the proposed settlement of the Lawsuit, and of your rights in connection with the proposed settlement. This is not a lawsuit against you.

**I. Background of this Lawsuit**

The Lawsuit was commenced in October 1999 in the Circuit Court for the Fourth Judicial Circuit in Marion County, Illinois. In the Lawsuit, Plaintiffs Dick Purdue, Charles Frailey and Constance Frailey ("Plaintiffs") allege that Defendants Country Mutual Insurance Company and Country Casualty Insurance Company (collectively "Defendants" or "Country Companies"), breached their contracts of insurance and committed consumer fraud by a course of conduct of uniformly specifying the use of non-OEM (non-Original Equipment Manufacturer) crash parts to repair insureds' vehicles, which plaintiffs allege were inferior to the replacement parts of like kind and quality that should have been specified and/or installed. Defendants deny the allegations and have asserted a number of defenses.

**II. Definition of the Class**

The Court determined that this Lawsuit should proceed as a class action and certified a Class of:

All persons in the United States who (1) were insured by a vehicle casualty insurance policy issued by Defendant Country Mutual Insurance Company or Defendant Country Casualty Insurance Company and (2) made a claim for vehicle repairs pursuant to their policy, and (3) Defendants either (a) specified non-factory authorized and/or non-OEM crash parts on their

estimates, or (b) installed non-factory authorized and/or non-OEM crash parts on their vehicle from July 1, 1993 to present. Excluded from the class are employees of defendants, their officers, their directors, their subsidiaries or their affiliates.

"Crash parts" include the following non-factory authorized and/or non-OEM vehicle components: (1) fenders, (2) hood, (3) doors, (4) deck lids, (5) quarter panels, (6) rear outer panels, (7) front end panels, (8) header panels, (9) filler panels, (10) door shells, (11) pick-up truck beds, box sides, and tail gates, (12) radiator/ grill support panels, (13) grilles, (14) head lamp mounting panels/brackets/housings/lenses/doors, (15) tail lamp mountings panels/brackets/housing/lenses, (16) bumpers (excluding chrome bumpers), (17) bumper covers/face bars/reinforcements, and (18) bumper brackets/supports.

A class action is a legal proceeding in which the named plaintiffs bring the suit on behalf of themselves and all other persons similarly situated. The result reached in the lawsuit is binding on all members of the class who do not exclude themselves from the class. The Court's determination that this Lawsuit should proceed as a class action does not constitute a decision on the merits of the claims asserted by the Plaintiffs or the defenses asserted by Defendants.

### III. The Proposed Settlement

Counsel for the Class and counsel for the Defendants have engaged in extensive settlement negotiations and have reached a settlement subject to court approval. The parties and their attorneys have investigated the facts and issues raised by the Lawsuit, and have sufficient information to evaluate the proposed settlement. Plaintiffs have determined that it would be in the best interests of the Class to enter into the proposed settlement agreement ("Agreement") to avoid the uncertainties of further litigation and potential lengthy appeals, assure a benefit to the Class, and secure the assistance and cooperation of Defendants in addressing the claims of Class members through voluntary action and the relief which can be afforded all policyholders. Although Defendants believe that they are not liable for the claims asserted and have good defenses, they have nevertheless decided to enter into the Agreement to avoid further expense, inconvenience and burden of this Lawsuit, the distraction and diversion of their personnel and resources, and the risk of loss at trial and on appeal.

Under the Agreement, the Class agrees to release their claims against Defendants and Defendants agree to (1) pay \$6,300,000 (the "Settlement Fund"), to be distributed pursuant to the terms of the Agreement and (2) modify their practices and policies regarding the use and specification of non-OEM parts, as set forth in the Agreement.

Counsel for the Class have proposed to the Court to distribute the Settlement Fund as follows:

- The Settlement Fund shall be distributed among Class members who received one or more estimates that specified the use of non-OEM crash parts as defined above ("Qualifying Repair Estimate"). Each Class member which shall not have excluded itself from the Class, and where applicable, has properly completed a Proof of Claim, will be entitled to a *pro rata* share of the Settlement Fund for each Qualifying Repair Estimate.
- In addition to the monetary relief, the Settlement also provides that Defendants will adopt certain policies and practices regarding the use of non-OEM crash parts. Under the settlement, through December 31, 2002, the defendants will not financially support or participate in the Certified Automotive Parts Association, which is an organization that certifies non-OEM crash parts for the insurance industry. Additionally, Defendants will not specify non-OEM crash parts through December 31, 2002, or a time period agreed to in any settlement of *Avery et al. v. State Farm*, whichever is earlier. *Avery* is a separate lawsuit in which a judgment was entered against State Farm arising out of its practice of specifying non-OEM crash parts. The *Avery* case is presently on appeal.
- The Settlement Fund will be distributed after a deduction for attorneys' fees, expenses, costs related to the Notices, cost of claims administration, payment of taxes or penalties on the interest earned by the Settlement Fund, and payment of incentive awards to the Representative Plaintiffs, in amounts to be approved by the Court as fair and reasonable.

If the Court finally approves the settlement, the Court will enter a judgment dismissing the Lawsuit against the Defendants with prejudice and releasing and forever discharging Defendants from all manner of claims, demands, actions, suits, causes of action, whether class, individual, or otherwise in nature, damages whenever incurred, liabilities of any nature whatsoever, including costs, expenses, penalties and attorneys' fees, known or unknown, suspected or unsuspected, in law or equity, that any Class member (including their past, present or future agents, legal representatives, trustees, parents, estates, heirs, executors and administrators) who has not timely excluded himself or herself from the Class, whether or not they object to the settlement, ever had, now has, or hereafter can, shall or may have, relating in any way to any conduct before to the date of entry of the order and final judgment approving this Settlement Agreement concerning the specification or use of non-OEM Crash Parts as defined in the Class definition, including, without limitation, claims which have or could have been asserted in this action against the Defendants ("Released Claims"). Nothing in this Settlement addresses or releases claims for personal injury or wrongful death. Nothing in this Settlement Agreement addresses or releases claims regarding inherent diminished value. As used herein, inherent diminished value means any loss in value to the vehicle assuming a full and proper repair. No claims other than Released Claims shall be released. In the event the Settlement does not become final, no claims shall be released.

Additionally, within 10 days after the Court enters the final judgment order, the parties will jointly move to dismiss with prejudice *Paul v. Country Companies, et al.*, No. 99 L 995, a related case presently pending in Madison County, Illinois, which involves claims similar to those asserted in this Lawsuit.

#### **IV. Rights of Class Members**

If you are a member of the Class you may receive the benefit of, and you will be bound by the terms of, the proposed Settlement described in Part II of this Notice, on final approval by the Court.

If you are a member of the Class you have the following rights and options:

1. *Current* policyholders of the Defendants who receive this Notice in the mail and want to participate in the Settlement do not need to do anything at this time. If the Settlement is finally approved by the Court after the final approval hearing, the Claims Administrator will send you your *pro rata* share of the Settlement Fund;
2. *Former* policyholders of the Defendants who obtain this Notice through the mail or through a public medium such as a newspaper or the internet and want to participate in the Settlement must complete the Verified Claim form available from the Claims Administrator or on the internet at [www.AfterMarketPartsCase.com](http://www.AfterMarketPartsCase.com) and mail or e-mail it to the Claims Administrator, and the claim form must be postmarked or received by e-mail no later than April 15, 2001. Verified Claim forms may be obtained by writing or calling the Claims Administrator at P.O. Box 9452, Garden City, NY 11530-9452, 1-888-707-5885. If the Settlement is finally approved by the Court after the final approval hearing, then the Claims Administrator will verify whether the former policyholders are eligible Class members. If an eligible Class member, the Claims Administrator will send the *pro rata* share of the Settlement Fund;
3. If you do not wish to participate in and be bound by the proposed Settlement, you have the right to exclude yourself ("opt out") from the Class. To opt out of the Class, you must submit a signed letter postmarked no later than April 15, 2001, stating your name, address and telephone number, and policy number(s) and that you want to be excluded from the Settlement. This letter must be mailed to Claims Administrator, P.O. Box 9452, Garden City, NY 11530-9452; and
4. If you remain a member of the Class and do not opt out, you also have the right to support or oppose the Settlement at the Final Approval Hearing. This right is described in more detail in Section VI.

#### **V. Attorneys' Fees, Costs and Incentive Awards to Class Representatives**

Counsel for the Class in this Lawsuit will apply to the Court for an award of attorneys' fees not to exceed 33% of the Settlement Fund plus reimbursement of litigation expenses and disbursements actually incurred. An application for attorneys' fees will be filed jointly on behalf of all attorneys for the law firms that have prosecuted this Lawsuit for the benefit of the Class. The application will be filed on or before April 17, 2001, and will thereafter be available for inspection with the Clerk of the Court. In addition, Class counsel will apply to the Court for an incentive award in the amount of \$2,000 for each single Representative Plaintiff or Representative Plaintiff married couple in this case and in *Paul vs. Country Companies, et al*, Case No. 99 L 995, in recognition of their efforts on behalf of the Class.

#### **VI. Final Approval Hearing**

A Final Approval Hearing ("Hearing") will be held on April 25, 2001 at 1:00 p.m. in the Circuit Court for the Fourth Judicial Circuit in Marion County, Main and Broadway, Salem, Illinois 62881, to determine whether the proposed Settlement is fair, reasonable and adequate.

If you exclude yourself from the Class, the Hearing does not concern you and you do not have the right to participate in the Hearing. Any member of the Class who has not elected to be excluded and who objects to the Settlement, the judgment to be entered in the Lawsuit, or who otherwise wants to be heard, may appear in person, or by his or her attorney, at the Hearing and present any evidence or argument that may be proper and relevant. If the objection of a member of the Class is overruled, the member who objected will be bound by the terms of the Settlement. If you are satisfied with the Settlement as described in this Notice, you need not attend the Hearing.

Any member of the Class seeking to appear, object, or otherwise be heard at the Hearing must, on or before April 15, 2001, file specific written objections with the Clerk of the Circuit Court for the Fourth Judicial Circuit of Marion County, Main and Broadway, Salem, Illinois 62881, and copies must be received by the following attorneys for the parties no later than April 15, 2001:

Eric L. Terlizzi, PFAFF, GARNER & TERLIZZI, 202 W. Schwarts Street, Salem, IL 62881, (618) 548-3335 (fax); and Mr. Roger Heidenreich, SONNENSCHNEIN, NATH & ROSENTHAL, One Metropolitan Square, Suite 3000, St. Louis, MO 63102 (314) 259-5959 (fax).

No objectors will be heard and no objection will be received or considered by the Court unless the objection contains: (a) a written notice of intention to appear; (b) a written statement of the Class member's objection to any matter before the Court; and (c) a written statement of the grounds or the reasons for the Class member's desire to appear and be heard. Any documents which such person desires the Court to consider must be received by April 15, 2001, be filed with the Clerk of the Circuit Court for the Fourth Judicial Circuit of Marion County at the address listed above, and be served on each of the attorneys listed above. Any lawyers or objecting Class members must also formally identify themselves of record to the Court and to counsel for the parties no later than the last day for filing written objections.

Unless the Court otherwise directs, any member of the Class who fails to file and serve written objections as described above may not be entitled to object to the approval of the Settlement, to object to the judgment to be entered, or to be heard at the Hearing. Any member of the Class who fails to object in the manner described above may be deemed to have waived such an objection and may be forever barred from raising such objection in this or any other action or proceeding.

**VII. Inquiries by Class Members**

This Notice is only a summary of the terms of the settlement. The pleadings, settlement agreement and other papers are on file in the case and are available during regular business hours at the office of the Court Clerk.

In addition, you may contact in writing the following Class counsel to answer questions about the settlement:  
Eric L. Terlizzi, PFAFF, GARNER & TERLIZZI, 202 W. Schwarts Street, Salem, IL 62881, (618) 548-3335 (fax).

**PLEASE DO NOT WRITE OR TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE FOR INFORMATION.**

Dated: February 8, 2001

Honorable Judge David Sauer

Must be Postmarked  
No Later Than  
**April 15, 2001**

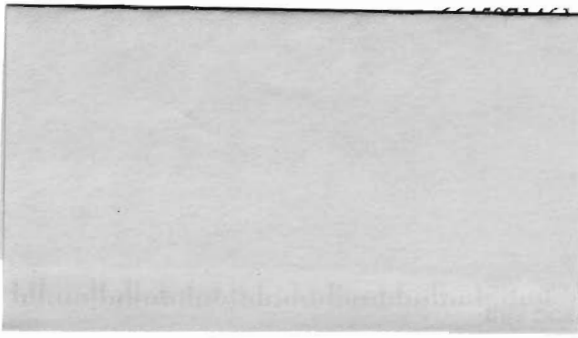
**Country Mutual Litigation**  
Claims Administrator  
P.O. Box 9452  
Garden City, NY 11530-9452  
1-(888) 707-5885  
www.AfterMarketPartsCase.com

**COU**



**CORRECTIONS OR ADDITIONAL INFORMATION**

Write any name and address corrections below if any corrections are necessary **OR** if there is no preprinted data to the left, please provide your name and address here:

There is no  
preprinted data to  
please fill in  
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Please fill in Social Security Number below:

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Telephone No. (    ) \_\_\_\_\_

**VERIFIED CLAIM FORM**

The undersigned believes that he or she (1) had first-party automobile insurance coverage provided by Country Mutual Insurance Company or Country Casualty Insurance Company ("Defendants"), and (2) filed a claim involving specification of replacement parts, in which a non-OEM crash part was specified by one of the Defendants. The undersigned is submitting this form for the purpose of participating in the proposed settlement between Defendants and the plaintiff class in the lawsuit captioned *Dick Purdue, et al. v. Country Mutual Insurance Company and Country Casualty Insurance Company*, Illinois Fourth Judicial Circuit Court, Case No. 99-L-91.

**Insured Automobile Information**

Make	<input type="text"/>	Model	<input type="text"/>	Year	<input type="text"/>
Date of claim	<input type="text"/>				
If available, number of policy under which claim was made		<input type="text"/>			

I declare under penalty of perjury under the laws of the United States that the foregoing information supplied by the undersigned is true and correct and that this form was executed on the date set forth below.

\_\_\_\_\_  
Signature

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

Date \_\_\_\_\_

**Mail this form no later than April 15, 2001 to:**

**Country Mutual Litigation**  
Claims Administrator  
P.O. Box 9452  
Garden City, NY 11530-9452