

IMPORTANT LEGAL MATERIALS



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UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF GEORGIA

If you had a covered claim for water damage under a State Farm homeowner’s insurance policy between January 22, 2008 and January 24, 2017, a class action lawsuit may affect your rights.

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

- State Farm policyholders have sued State Farm Fire and Casualty Company, alleging that State Farm breached its homeowners’ policies in Georgia by failing to assess for and to pay for diminished value arising from water-damage claims covered under the policies.
- The Court has allowed one of the claims in the lawsuit to be a class action on behalf of all former or current homeowners insurance policyholders of State Farm who, between January 22, 2008 and January 24, 2017, presented a water-damage claim for which State Farm provided homeowners’ coverage and for which the policyholder was not paid diminished value.
- The class is certified only for the claim based on State Farm’s failure to assess for diminished value. The claim based on State Farm’s failure to pay diminished value is not part of the class action.
- The Court has not decided whether State Farm did anything wrong. There is no money available now, and no guarantee there will be. However, your legal rights are affected, and you have a choice to make now:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS ACTION	
DO NOTHING	Stay in this class action. Await the outcome. Give up certain rights. By doing nothing, you keep the possibility of getting money or benefits that may come from a trial or a settlement. But, you give up any rights to sue State Farm separately about the same issues in this class action, and how the Court decides those issues could affect your legal rights, including payment of diminished value in any separate claim for such payment.
ASK TO BE EXCLUDED	Get out of this class action. Get no benefits from it. Keep rights. If you ask to be excluded and money or benefits are later awarded, you won’t share in those. But, you keep any rights to sue State Farm separately about the same issues in this class action.

- Your options are explained in this notice. To ask to be excluded, you must act before July 17, 2017.
- Lawyers must prove the claims against State Farm at an upcoming trial. If money or benefits are obtained from State Farm, you will be notified about how to ask for a share.
- **Any questions? Read on and visit www.statefarmdiminishedvaluelitigation.com.**

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BASIC INFORMATION

1. Why did I get this notice?

State Farm's records show that you may be a member of a class action lawsuit. This notice explains that the Court has allowed, or "certified," a class action lawsuit that may affect you. You have legal rights and options that you may exercise before the Court holds a trial. The lawsuit is to decide whether the claims being made against State Farm, on your behalf, are correct. Judge Marc T. Treadwell of the United States District Court for the Middle District of Georgia is overseeing this class action. The lawsuit is called *Thompson v. State Farm Fire and Casualty Co.*, Civil Action No. 5:14-CV-32-MTT.

2. What is this class action about?

This class action is about whether State Farm breached its homeowners' policies in Georgia by failing to assess for diminished value arising from water-damage claims under the policies.

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

In a class action lawsuit, one or more people called "Class Representatives" (in this case John and Leigh Ann Thompson) sue on behalf of other people who have similar claims. The people together are a "Class" or "Class Members." The people who sued—and all the Class Members like them—are called the Plaintiffs. The company they sued (in this case State Farm Fire and Casualty Company) is called the Defendant. One court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class.

4. Why is this lawsuit a class action?

The Court decided that one of the claims in the lawsuit can be a class action and move towards a trial because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal courts. Specifically, the Court found that:

- There are more than enough people with a similar claim to proceed as a class action;
- There are legal questions and facts that are common to each of them;
- John and Leigh Ann Thompson's claim is typical of the claims of the rest of the Class;
- John and Leigh Ann Thompson and the lawyers representing the Class will fairly and adequately represent the Class' interests;
- The common legal questions and facts are more important than questions that affect only individuals; and
- This class action will be more efficient than having many individual lawsuits.

More information about why the Court is allowing this lawsuit to be a class action is in the Court's order certifying the class, which is available at www.statefarmdiminishedvaluelitigation.com.

THE CLAIMS IN THE LAWSUIT

5. What does the lawsuit complain about?

As relevant to you, the lawsuit claims that State Farm breached its Georgia homeowners' policies by failing to assess for diminished value arising from water damage.

What does "assess for diminished value" mean?

- *Diminished value:*

When an asset, like a house, is damaged, it is possible for it to lose market value even if it has been fully repaired because of negative public perception. This loss of market value is called "diminished value." Plaintiffs allege that there is a negative public perception about houses that have been damaged by water even though they have been fully repaired.

- *Duty to assess:*

There is a difference between an insurance company having a duty to find out whether your home suffered diminished value (this is called a "duty to assess"), and an insurance company having a duty to pay you for the diminished value itself (this is called a "duty to reimburse").

Does this action seek reimbursement for the amount my house may have suffered diminished value?

- No. This class action only deals with whether State Farm breached a duty to assess your home for diminished value. (The Court ruled that reimbursement of loss claims couldn't be handled on a class basis, so they have to be handled on an individual basis.)
- Though reimbursement of loss claims will not be handled in this case, you can make such a claim outside this case. If you want to make such a claim, you should talk to your own lawyer soon, because your claim could be barred by a statute of limitations.

Are the Plaintiffs seeking money for State Farm's alleged failure to assess for diminished value?

- Yes. Plaintiffs are trying to get State Farm to pay class members what it would cost the class members to have their homes assessed for diminished value.
- The Court has not decided whether the Plaintiffs are entitled to money for their duty to assess claims.

Summary:

- This action will address: (1) whether your homeowners policy covers diminished value, (2) whether State Farm breached the policy by failing to assess your home for diminished value, and (3) what type of remedy, if any, you are entitled to if State Farm should have assessed your home for diminished value.

Want to find the complaint?

- Plaintiffs' complaint and the Court's order certifying a class as to the Plaintiffs' claim for failure to assess for diminished value are available at www.statefarmdiminishedvaluelitigation.com.

6. How does State Farm respond?

State Farm has denied all allegations of wrongdoing and liability and has asserted numerous affirmative defenses to the claim involved in this class action. Among other things, State Farm says that diminished value is not covered under its homeowners policies, that not all class members have the same policy, that State Farm has not failed to assess for diminished value, that the class members have not suffered any damage even if State Farm was required to assess for diminished value, that some claims of the class are time-barred, and that money damages are not an available remedy.

State Farm's answer to the complaint is also available at www.statefarmdiminishedvaluelitigation.com.

7. Has the Court decided who is right?

No. The Court has not determined whether or not State Farm breached its policies in this way and what, if any, money would be available for any failure to assess. By establishing the Class and issuing this Notice, the Court is not suggesting that the Plaintiffs will win or lose this case. The Plaintiffs must prove their claims at an upcoming trial. (See "The Trial" below on page 6.)

8. Is there any money available now?

No money or benefits are available now. The Court has not yet decided whether State Farm did anything wrong, and even if it did, whether money is an appropriate remedy. Further, the two sides have not settled the case. There is no guarantee that money or benefits ever will be obtained. If they are, you will be notified about how to ask for a share.

WHO IS IN THE CLASS

You need to decide whether you are affected by this lawsuit.

9. Am I part of this Class?

Judge Treadwell decided that the Class Members include all former or current homeowners insurance policyholders of State Farm in Georgia who, between January 22, 2008 and January 24, 2017, presented a water-damage claim for which State Farm provided homeowners coverage and for which the policyholder was not paid diminished value.

10. I'm still not sure if I am included.

If you are still not sure whether you are included, you can get free help at www.statefarmdiminishedvaluelitigation.com, or by calling or writing to the lawyers for the class, at the phone number or address listed in question 14 (see "The Lawyers Representing You" below on page 5).

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class or ask to be excluded before the trial, and you have to decide this now.

11. What happens if I do nothing at all?

If you do nothing you will stay in the Class. If you stay in and the Plaintiffs obtain money or benefits, either as a result of the trial or a settlement, you will be notified about how to apply for a share (or how to ask to be excluded from any settlement). Keep in mind that if you do nothing now, regardless of whether the Plaintiffs win or lose the trial, you will not be able to sue, or continue to sue, State Farm—as part of any other lawsuit—about the same issues that are the subject of this class action. You will also be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action, whether favorable or unfavorable to the class.

Impact on your potential diminished value reimbursement claims.

- As explained in question 5 (see “What does the lawsuit complain about?” above on page 3), this lawsuit deals with whether State Farm breached its duty to assess your home for diminished value, not whether State Farm must reimburse you for any loss in market value (“diminished value”) your home may have suffered. However, the Court’s decision could help you if you decide to stay in the Class and separately seek reimbursement for any diminished value losses you have suffered. For example, if you stay in this class action, the Class prevails, and you choose to individually claim that your home suffered diminished value, State Farm would no longer be able to argue that its policy does not cover diminished value.
- As explained in question 12 (“Why would I ask to be excluded?” below on this page), staying in the Class could also have a negative impact on your potential diminished value reimbursement claims.

12. Why would I ask to be excluded?

If you exclude yourself from the Class—which also means to remove yourself from the Class, and is sometimes called “opting-out” of the Class—you won’t get any money or benefits from this lawsuit even if the Plaintiffs obtain them as a result of the trial or from any settlement (that may or may not be reached) between State Farm and the Plaintiffs. However, you may then be able to sue or continue to sue State Farm regarding its failure to assess for diminished value. If you exclude yourself, you will not be legally bound by the Court’s judgments in this class action.

Impact on your potential diminished value reimbursement claims.

- As noted in question 11 (see “What happens if I do nothing at all?” above on this page), the Court’s decision here could hurt you if you decide to stay in the Class and separately seek reimbursement for any diminished value losses you have suffered. For example, if you stay in this class action and it is decided that the policy does not cover diminished value, you would be barred from asserting any claim for reimbursement of any diminished value loss that you suffered on or before January 24, 2017.
- As explained in question 11 (“What happens if I do nothing at all?” above on this page), staying in the Class could also have a positive impact on your potential diminished value reimbursement claims.

Notice:

- If you start your own lawsuit against State Farm after you exclude yourself, you’ll have to hire and pay your own lawyer for that lawsuit, and you’ll have to prove your claims. If you do exclude yourself so you can start or continue your own lawsuit against State Farm, you should talk to your own lawyer soon, because your claims may be barred by a statute of limitations.

13. Can I ask to be excluded?

Yes, you can ask to be excluded from the class.

To ask to be excluded, you must send an “Exclusion Request” in the form of a letter sent by mail, stating that you want to be excluded from *Thompson v. State Farm*. Be sure to include your name and address, and sign the letter. You must mail your Exclusion Request postmarked by July 17, 2017 to: Notice Administrator, c/o Rust Consulting, Inc - 5665, PO Box 2598, Faribault, MN 55021-9598. You can get an Exclusion Request form at www.statefarmdiminishedvaluelitigation.com.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

Yes. If you are a member of the Class defined above and decide to remain in the Class. The Court has appointed law firms that the Court has decided are qualified to represent you and all Class Members. Together the law firms are called “Class Counsel.” They are experienced in handling class actions and complex cases. The lawyers appointed as Class Counsel are:

Michael J. Brickman
James C. Bradley
Nina Fields Britt
RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC
1017 Chuck Dawley Blvd.
(29464) Post Office Box 1007
Mount Pleasant, SC 29465
843-727-6500

C. Cooper Knowles
THE LAW OFFICE OF C. COOPER KNOWLES, LLC
750 Hammond Drive
Building 12, Suite 350
Sandy Springs, GA 30328
770-668-2081

Richard Kopelman
Clint W. Sitton
KOPELMAN SITTON LAW GROUP, LLC
3405 Piedmont Road, N.E.
Atlanta, GA 30305
404-351-5900

Adam P. Princenthal
PRINCENTHAL & MAY, LLC
750 Hammond Drive
Building 12, Suite 200
Sandy Springs, GA 30328
678-534-1980

More information about these law firms, their practices, and their lawyers' experience is available at www.rpwb.com, www.kopelmansitton.com, www.princemay.com, and www.cckfirm.com.

15. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

16. How will the lawyers be paid?

If Class Counsel get money or benefits for the Class, they may ask the Court for fees and expenses. You won't have to pay these fees and expenses out of your own pocket. If the Court grants Class Counsels' request, the fees and expenses would be either deducted from any money obtained for the Class or paid separately by State Farm.

THE TRIAL

The Court has not yet scheduled a trial to decide who is right in this case. The trial date will be set at a later time if the case isn't resolved by a settlement or otherwise. Information about date and location of the trial will be posted at www.statefarmdiminishedvaluelitigation.com.

17. How will the Court decide who is right?

If a trial goes forward, Class Counsel will have to prove the Plaintiffs' claims at a trial. During the trial, a Jury or the Judge will hear all of the evidence to help them reach a decision about whether the Plaintiffs or Defendant are right about the claim in the lawsuit. There is no guarantee that the Plaintiffs will win, or that they will get any money for the Class.

18. Do I have to come to the trial?

You will not need to attend the trial. Class Counsel will present the case for the Plaintiffs, and State Farm will present the defenses. You or your own lawyer are welcome to come at your own expense.

19. Will I get money after the trial?

If the Plaintiffs obtain money or benefits as a result of the trial or a settlement, you will be notified about how to participate. We do not know how long this will take.

GETTING MORE INFORMATION

20. Are more details available?

Visit the website, www.statefarmdiminishedvaluelitigation.com, where you will find the Court's Order Certifying the Class, the Complaint that the Plaintiffs submitted, the Defendant's Answer to the Complaint, as well as an Exclusion Request form. You may also speak to one of the lawyers free of charge by calling 1-866-403-6544 or by writing to: Notice Administrator, c/o Rust Consulting, Inc - 5665, PO Box 2598, Faribault, MN 55021-9598.