UTAH STATE OFFICE

1245 E. Brickyard Plaza, Suite 370 Sait Lake City, UT 84106

Bus: (801) 483-3154 Fax: (801) 483-3240

www.farmersinsurance.com

April 29, 2002

Kevin Hatton P.O. Box 511 Mayfield, UT 84643

VIA Certified Mail/Return Receipt Requested

Dear Kevin,

Due to your failure to meet the minimum acceptable performance standards while on the Farmers Life Agent Program, your appointments with Farmers Insurance Group of Companies will be terminated effective June 29, 2002.

The contract value of your agency, if any, will be applied to offset your subsidy deficit and any chargebacks that result from your termination.

You shall be entitled to first year commissions which become payable over the next twelve months following termination for Company business written **prior** to your termination, and payment of those commissions will be after the completion of the twelve months. No service commissions will be payable after termination of the Agreement. Any chargebacks that result during this time period will be applied against these commissions and if necessary the commissions will be used to offset your subsidy deficit.

Your District Manager, Paul Drockton, will be in touch with you to arrange for delivery of the manuals, lists, and policy records, and to handle whatever other matters may be involved with your termination.

If you have any questions, please do not hesitate to contact me.

Regards,

FARMERS INSURANCE GROUP OF COMPANIES

TODD BROOKS, GCA

Division Marketing Manager

Told a Beach

c: Brian Braddock, GCA Paul Drockton (76-09-01) AIMS Representative Accounting Department