

**IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR THE COUNTY OF WASHOE**

SUNG MAN PAK, ESTATE OF VIVIAN PAK, and  
NANCY PAK, on behalf of themselves and all others  
similarly situated,

Plaintiffs,

v.

FARMERS GROUP, INC., a Nevada corporation;  
FARMERS INSURANCE EXCHANGE, a foreign  
corporation, and DOES 1 through 20, inclusive,

Defendants.

Case No. CV98-04873

Dept No. 7

**NOTICE OF PENDENCY OF CLASS ACTION**

TO: ALL PRIVATE PASSENGER AUTOMOBILE INSURANCE POLICYHOLDERS OF FARMERS INSURANCE EXCHANGE

- (a) who submitted a first party claim for vehicle theft or property damage to Farmers Insurance Exchange under said policy, and
- (b) whose vehicle was declared a total loss, and
- (c) whose total loss vehicle was valued by CCC Information Services, Inc. or its predecessor, Certified Collateral Corporation (hereinafter collectively "CCC"), and
- (d) whose claim was paid by Farmers Insurance Exchange using a valuation exactly equal to the amount of the CCC valuation or any documented adjustment to that value, and
- (e) who received payment for such total loss claim between August 5, 1992 and March 31, 2004:

**YOU MAY BE A MEMBER OF THE PLAINTIFF CLASS IN THE ABOVE ENTITLED CLASS ACTION.**

PLEASE READ THIS NOTICE CAREFULLY, AS IT MAY AFFECT YOUR RIGHTS.

THIS IS NOT A SUMMONS.

THIS IS NOT AN ORDER TO COME TO COURT.

THIS IS A NOTICE OF AN ONGOING CLASS ACTION LAWSUIT AND IS NOT AN EXPRESSION BY THE COURT OF ANY OPINION AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES ASSERTED BY EITHER SIDE IN THIS CASE. THE SOLE PURPOSE OF THIS NOTICE IS TO INFORM YOU OF THIS LAWSUIT SO THAT YOU CAN MAKE AN INFORMED DECISION AS TO WHETHER YOU SHOULD REMAIN IN OR OPT OUT OF THIS CLASS ACTION.

**1. Why should I read this notice?**

A class has been certified by the Court in this case, to be described in more detail below, consisting of Nevada residents who received payment during the class period of a first party total loss claim brought under a private passenger automobile policy issued by Farmers Insurance Exchange, which was paid on the basis of a CCC valuation in that the settlement value was exactly equal to the amount of the CCC valuation or any documented adjustment to that CCC valuation. You may be a member of that class. If you are a member of the class, your rights to pursue a legal action against Farmers Group, Inc. and/or Farmers Insurance Exchange in regard to the settlement of your total loss claim may be affected and you may be entitled to participate in any benefits that may eventually be obtained for the class as a result of this lawsuit.

This notice provides a summary of what the lawsuit is about, as well as describing who is included in the class and what legal claims would be resolved on behalf of people who do not request exclusion from the class.

**2. What is this lawsuit about?**

This lawsuit was filed in the District Court of Washoe County, Nevada, by persons (hereinafter "Plaintiffs") insured by Farmers Insurance Exchange under a private passenger automobile policy. The Plaintiffs made a first party total loss claim under said policy, and Farmers Insurance Exchange paid that claim on the basis of a CCC valuation. This lawsuit alleges that Farmers Insurance Exchange uses valuations provided by CCC to adjust and settle first party total loss claims improperly, contrary to the provisions of the Farmers Insurance Exchange insurance policy and the Nevada insurance regulation governing automobile total loss valuation, NAC 686A.680. This lawsuit alleges that, throughout the class period of August 5, 1992 to March 31, 2004, the payment of total loss claims by Farmers Insurance Exchange based upon improper CCC valuations has resulted in under-valuation of such claims.

Farmers Group, Inc. and Farmers Insurance Exchange deny all allegations of wrongdoing and maintain that all total loss claims were properly valued and settled pursuant to the terms of the Farmers Insurance Exchange policy. The Court has made no ruling on the merits of Plaintiffs' claims or the defenses of Farmers Group, Inc. and Farmers Exchange, and the Court has made no determination as to the strengths or weaknesses of the contentions of either side.

### **3. Who is a class member?**

#### **A. The certified class.**

The following people are members of the class.

All Nevada residents insured under a private passenger automobile policy issued by Farmers Insurance Exchange who, within the class period, made a first party total loss claim that was paid on the basis of a valuation that was provided by CCC. For the purpose of this class definition, a claim was paid on the basis of a CCC valuation if the claim was paid using a valuation equal to either a valuation supplied by CCC for that claim or any documented adjustment to a valuation supplied by CCC for that claim. Any total loss claim that was the subject of a separate legal action against Farmers Group, Inc. and/or Farmers Insurance Exchange asserting fraud, bad faith or breach of contract in connection with the adjustment or settlement of that claim is excluded from class membership. Excluded also from the class are Farmers Group, Inc. and Farmers Insurance Exchange and their affiliates and subsidiaries, any entity in which Farmers Group, Inc. and Farmers Insurance Exchange has a controlling interest, CCC, and any agents, employees, officers or directors of the aforesaid entities, and their representatives, heirs, successors or assigns.

#### **B. The class period.**

The period of time covered by this class action is from August 5, 1992 through and including March 31, 2004.

#### **C. The effect of membership in the class.**

If you come within the definition of class membership and your total loss claim was paid within the class period, you are automatically a class member unless you exclude yourself from the class by following the procedures for exclusion that are set forth in Section 6 of this notice. Class members who do not exclude themselves will be bound by the results of this litigation, will be precluded from pursuing any individual claim against Farmers Group, Inc. or Farmers Insurance Exchange based on the valuation or settlement of any total loss claim that is within the scope of the certified class, and will be eligible to participate in any benefit that may be obtained for class members as a result of this litigation. Persons who exclude themselves from the class will not be bound by the results of this litigation, will not be precluded by this lawsuit from pursuing any individual claims, and will not be entitled to participate in any benefit obtained for class members.

#### **D. Whether you are a class member.**

You may not know whether Farmers Insurance Exchange obtained a CCC valuation of your total loss claim or whether your claim was paid on the basis of a CCC valuation. Only those persons whose claims were paid during the class period on the basis of a CCC valuation, as defined above in Section 3 (A), are members of the class. If you are uncertain whether CCC provided a valuation of your claim or whether your claim is within the scope of the certified class, and you do not wish to be excluded from the class, you need not do anything other than inform the Class Administrator (see Section 4 of this notice) of any change of address. A determination will later be made as to your class membership. Depending on the result of this litigation, that determination may be made either after you submit a claim to participate in any class benefit that may be obtained or after Farmers Group, Inc. and/or Farmers Insurance Exchange obtain a verdict in their favor. If you are potentially a member of the class and wish to be excluded, you must follow the procedures for exclusion that are set forth in Section 6 of this notice.

### **4. How to contact the Class Administrator.**

The Class Administrator is:

*Pak v. Farmers Group, Inc., et al.*  
c/o Gilardi & Co. Class Administrator  
P.O. Box 8060  
San Rafael, California 94912-8060

### **5. Who represents the class?**

The class is represented by the Plaintiffs, Sung Man Pak, the Estate of Vivian Pak, and Nancy Pak, and by their attorneys, **Vernon E. Leverty of Leverty & Associates Law, Chartered**, Carol P. LaPlant of the Choate Law Firm, and Jonathan H. Waller of Campbell, Waller & Poer, L.L.C, along with other associated attorneys (hereinafter "class counsel"). Leverty & Associates Law, Chartered, is located at 832 Willow Street, Reno, Nevada 89502.

## 6. What are my rights and options?

You may remain a potential member of the class, unless you elect to exclude yourself by July 21, 2004. The choice either to remain a potential member of the class or to exclude yourself has certain consequences, and you are advised to discuss your decision with your own attorney. If you are a member of the class and you do not exclude yourself, you will be bound by the results of this litigation, regardless of whether you submit a claim to participate in any class benefit, and you will not be able to pursue any individual legal action against Farmers Group, Inc. or Farmers Insurance Exchange based upon the valuation and/or settlement of your total loss claim. As a class member, you will be represented by class counsel and you will not be charged a fee for the services of class counsel.

As a potential class member, you will receive notice of any ruling affecting class membership and notice of any proposed settlement or dismissal of class claims and of any judgment rendered. You should retain all records and documents pertaining to your total loss claim.

You may also remain a potential member of the class but elect to hire your own attorney to represent you. If you hire your own attorney, your attorney must file an appearance with the Clerk of the Court, whose address is listed below, and with the Class Administrator, whose address is listed above in Section 4, postmarked no later than July 21, 2004. You will be responsible for any fees and costs charged by any attorney you hire to represent you.

You may exclude yourself from class membership. If you exclude yourself from the class, you will lose the right to participate in any settlement or judgment that may be obtained for class members. You will also lose the right of a class member to object to any settlement that may be obtained in this lawsuit and to have the Court consider your objection before it rules on such settlement. You will be free to pursue any claims you may have against Farmers Group, Inc. or Farmers Insurance Exchange, but you will not be represented by class counsel. A Request for Exclusion Form accompanies this notice.

In order to exclude yourself from membership in the class, you must execute and mail a Request for Exclusion, which must be postmarked no later than July 21, 2004 and sent to the Clerk of the Court and the Class Administrator at the addresses listed below:

Clerk of the Court  
Second Judicial District Court  
75 Court Street  
Reno, Nevada 89501

*Pak v. Farmers Group, Inc., et al.*  
c/o Gilardi & Co. Class Administrator  
P.O. Box 8060  
San Rafael, California 94912-8060

If you do not comply with these procedures within the deadline for exclusion, you will not be excluded from the class.

Please do not write or telephone the Court or Farmers Group, Inc. or Farmers Insurance Exchange for information in regard to this lawsuit. If you wish additional information, you may contact the Class Administrator or class counsel.

Dated May 7, 2004

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The Honorable Peter I. Breen

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Defendants. )  
\_\_\_\_\_ )

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**REQUEST FOR EXCLUSION FORM**

I, the undersigned, request to be excluded from the class certified in the above entitled case in accordance with the provisions of the Notice of Pendency of Class Action.

By signing this form, I understand that I will not be entitled to receive any of the benefits, including any monetary award, that may be recovered by or on behalf of class members.

NAME (Print): \_\_\_\_\_

NAME (Signature): \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State and Zip: \_\_\_\_\_

Telephone Number (optional): (\_\_\_\_\_) \_\_\_\_\_

Reason for seeking exclusion (optional):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This completed and signed request for exclusion must be sent by first class mail to the Clerk of the Court, with a copy to the Class Administrator, postmarked on or before July 21, 2004, at the following addresses:

Clerk of the Court  
Second Judicial District Court  
75 Court Street  
Reno, Nevada 89501

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