

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF ARKANSAS**

*Stuart, et al. v. State Farm Fire & Casualty Company*

**If you made a claim to State Farm for loss or damage to a dwelling or other structure located in Arkansas based on a loss that occurred between May 1, 2010 and December 6, 2013, and you received a payment from State Farm for such claim, this class action lawsuit may affect your rights**

**A federal court authorized this notice. This is not an advertisement or a solicitation from a lawyer.**

**PLEASE READ THIS NOTICE IN ITS ENTIRETY**

- Several policyholders have sued State Farm Fire and Casualty Company (“State Farm”) for applying depreciation to the estimated costs of the labor necessary to repair or replace damaged structures in making actual cash value (“ACV”) claim payments under State Farm policies.
- The Court has allowed the lawsuit to proceed as a “class action” on behalf of a “Class” of persons and entities who made a structural damage claim under a State Farm policy for a dwelling or other structure located in Arkansas based on losses that occurred between May 1, 2010 and December 6, 2013, which resulted in an ACV claim payment on which depreciation was applied to estimated labor costs.
- The Court has not yet decided whether State Farm did anything wrong. There is no money available to you now, and no guarantee there will be. However, your legal rights may be affected, and **you have two options at this point:**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT</b>	
<b>DO NOTHING</b>	<p><b>Stay in this lawsuit. Await the outcome. Give up certain rights.</b></p> <p>By doing nothing, you keep the possibility of getting money or benefits that may come from a trial or a settlement in this case but you will also be bound by the outcome of this litigation if it is adverse to you. You will also give up the right to bring your own independent lawsuit against State Farm.</p>
<b>ASK TO BE EXCLUDED</b>	<p><b>Get out of this lawsuit. Get no benefits from this lawsuit. Keep rights.</b></p> <p>If you ask to be excluded and money or benefits are later awarded, you won’t share in those. But, you are also not bound by any rulings in this case. You will keep the right to bring your own case against State Farm challenging its application of depreciation to estimated labor costs.</p>

- Your options are explained in this notice. To ask to be excluded, you must act before October 21, 2019.
- Lawyers must prove the claims against State Farm at a trial set to start on March 30, 2020. If money or benefits are obtained from State Farm, you will be notified about how to ask for a share. If Plaintiffs lose at trial, you will be bound by the outcome unless you ask to be excluded.
- **Any question? Read on and visit [www.Stuart-v-StateFarm.com](http://www.Stuart-v-StateFarm.com).**

Questions? Call toll-free 1-855-613-6151 or visit [www.Stuart-v-StateFarm.com](http://www.Stuart-v-StateFarm.com)

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## **BASIC INFORMATION**

### **1. Why did I get this notice?**

State Farm's records show that you submitted a structural damage claim under a State Farm policy for a dwelling or other structure located in Arkansas based on events that occurred between May 1, 2010 and December 6, 2013, for which you received an "actual cash value" claim payment, directly or indirectly, from State Farm on which depreciation may have been applied to estimated labor costs. 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 trial is to decide whether the claims being made against State Farm are correct. The Honorable Susan O. Hickey, a Judge in the United States District Court for the Western District of Arkansas, is overseeing this lawsuit. The case is named: *Stuart, et al. v. State Farm Fire & Casualty Company*, Case No. 4:14-cv-04001.

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

This lawsuit is about whether State Farm breached its Arkansas insurance policies by applying depreciation to the estimated costs of labor in calculating the ACV claim payments that it made to its insureds. Plaintiffs contend that the depreciation resulted in Plaintiffs being underpaid and was a breach of the insurance contract.

State Farm denies that its conduct breached the insurance contract. State Farm contends that many policyholders received everything they were entitled to under their policy, including through payments for replacement cost benefits.

The Court has not yet ruled on Plaintiffs' claims or State Farm's defenses. You may read the Plaintiffs' Amended Complaint and State Farm's Answer to the Amended Complaint at [www.Stuart-v-StateFarm.com](http://www.Stuart-v-StateFarm.com).

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

In a class action, one or more people called "Class Representatives" sue on behalf of other people who have similar claims. The people together are a "Class" or "Class Members." The Plaintiffs who sued originally are the Class Representatives. The person or entity they sue (in this case, State Farm) is called the Defendant. One court resolves the issues for all Class Members. The Court has appointed the Plaintiffs' lawyers (names and contact information in Question 12) to represent the Class and has appointed the Plaintiffs to serve as Class Representatives.

### **4. What are the Plaintiffs asking for?**

The Plaintiffs are asking the Court to find that State Farm breached its insurance contract with its insureds when it calculated the ACV claim payments made to insureds by applying depreciation to the estimated costs of labor. Plaintiffs seek to recover the amount of the labor depreciation, a 12% penalty pursuant to Ark Code. Ann. § 23-79-208, reasonable attorney fees and costs. The Court has not yet made a final ruling on the merits of any of the positions taken by Plaintiffs or State Farm. **The case is set for trial on March 30, 2020.**

### **5. Is there any money available now?**

No money is available now because the Court has not yet decided whether State Farm did anything wrong.

There is no guarantee that money or benefits will ever be obtained as a result of this case. If they are, you will be notified about how to ask for a share.

## **WHO IS INCLUDED IN THE LAWSUIT?**

### **6. Who is in the Class?**

This case covers a Class of State Farm insureds who, according to Plaintiffs' allegations, were underpaid on their claims because State Farm calculated their ACV claim payments by applying depreciation to estimated labor costs.

You are receiving this notice because you are a potential member of the "Class," which consists of

**All persons and entities that received "actual cash value" payments, directly or indirectly, from State Farm for loss or damage to a dwelling or other structure located in the State of Arkansas, such payments arising from events that occurred between May 1, 2010 and December 6, 2013, where the cost of labor was depreciated.**

The following people are excluded from the Class: (1) all persons and entities that received payment from State Farm in the full amount of insurance shown on the declarations page; (2) State Farm and its affiliates, officers and directors; (3) members of the judiciary and their staff to whom this action is assigned; and (4) Plaintiffs' counsel.

### **7. Can I be part of this lawsuit?**

You may be a member of the Class. If you are a member of the Class, you will automatically be included unless you take affirmative steps to exclude yourself. Both current and former State Farm insureds can be part of this lawsuit.

### **8. I'm still not sure if I am included in the Class.**

If you are still not sure whether you are included, you can get free help by calling, writing, or emailing the lawyers in this case, at the phone number or addresses listed below in Paragraph 12.

Please do not call State Farm or your State Farm agent to discuss this lawsuit. You may, however, continue to call State Farm or your State Farm agent regarding any other insurance matters.

## **YOUR LEGAL 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.

### **9. What happens if I do nothing at all?**

If you do nothing and it is determined that you are a member of the Class, you will automatically be included as a member of the Class, which means that you will keep the possibility of getting money from this lawsuit. If you remain part of the Class and the Plaintiffs obtain money as a result of either a trial or a settlement, you will be notified about how to obtain any share to which you may be entitled. If you do nothing now, regardless of whether the Plaintiffs win or lose, you will not be able to sue State Farm as part of any other lawsuit about the same legal claims that are at issue in this lawsuit. You will also be legally bound by all orders and judgments of the Court in this class action, whether favorable or unfavorable.

## 10. Why would I ask to be excluded, and how would I ask?

You have the right to exclude yourself from this lawsuit. This is also called “opting out” of the Class. If you exclude yourself, you won’t get any money from this lawsuit even if Plaintiffs obtain it as a result of a trial or settlement. You will keep the right to pursue your own claims with lawyers of your own choice, provided you pursue those claims within certain legal deadlines. If you do exclude yourself so that you can start your own lawsuit against State Farm, you should talk to your own lawyer right away to determine any deadlines you have.

To ask to be excluded, you must send an “Exclusion Request” in the form of a letter sent by regular mail. The letter must include: (i) the name of the case (*Stuart, et al. v. State Farm Fire & Casualty Company, Case No. 14-cv-04001; USDC, WD Ark.*); (ii) a sentence expressly stating that you want to be excluded from the Class in this case, (iii) your name, address, telephone number, and (iv) your personal signature (not the signature of your attorney). **You must mail this letter postmarked by October 21, 2019** to the Notice Administrator at the following address:

Stuart v. State Farm Notice Administrator  
c/o JND Legal Administration  
PO Box 91209  
Seattle, WA 98111

## 11. What is the deadline to ask to be excluded?

If you do not want to participate in the Class, then you must postmark the Exclusion Request letter by **October 21, 2019**.

## **THE LAWYERS REPRESENTING THE CLASS**

## 12. Do I have a lawyer in this case?

The Court appointed the Plaintiffs’ lawyers in this case to represent the Class (“Class Counsel”). Those lawyers are:

MATTHEW L. MUSTOKOFF  
RICHARD A. RUSSO, JR.  
**KESSLER TOPAZ MELTZER  
& CHECK, LLP**  
280 King of Prussia Road  
Radnor, Pennsylvania 19087

JOHN C. GOODSON  
MATT KEIL  
**KEIL & GOODSON P.A.**  
406 Walnut Street  
Texarkana, AR 71854

TOM THOMPSON  
CASEY CASTLEBERRY  
**MURPHY, THOMPSON, ARNOLD,  
SKINNER & CASTLEBERRY**  
555 East Main Street, Suite 200  
P.O. Box 2595  
Batesville, AR 72503-2595

RICHARD E. NORMAN  
R. MARTIN WEBER, JR.  
**CROWLEY NORMAN LLP**  
Three Riverway, Ste. 1775  
Houston, TX 77056

STEVEN E. VOWELL  
**TAYLOR LAW PARTNERS, LLP**  
303 E. Millsap Road  
P.O. Box 8310

JAMES M. PRATT, JR.  
**JAMES M. PRATT, JR., P.A.**  
144 Washington NW  
Post Office Box 938  
Camden, AR 71701

The Court determined that these attorneys are qualified to represent the interests of the Class in this lawsuit. More information about these firms, their practices, and their lawyers' experience is available on their websites.

The following attorneys from the firms listed are available to discuss any questions you have about the case:

CASEY CASTLEBERRY  
MURPHY, THOMPSON, ARNOLD,  
SKINNER & CASTLEBERRY  
Telephone: 870.793.3821

R.MARTIN WEBER, JR.  
CROWLEY NORMAN LLP  
Telephone: 713.651.1771

### **13. Should I get my own lawyer?**

You may if you want, but you do not need to hire your own lawyer because Class Counsel represent the Class of which you may be a member. For example, you can hire a lawyer to appear in Court for you if you want someone other than Class Counsel to speak for you. If you hire your own lawyer, you will be responsible for the charges that lawyer requires you to pay for representing you.

### **14. How will Class Counsel get paid?**

If you choose to remain in this lawsuit, you will not be required to pay attorneys' fees or expenses to Class Counsel. If Plaintiffs prevail at trial, Class Counsel will ask the Court for their attorney's fees and expenses. If the Court grants Class Counsel's request, the fees and expenses would be either deducted from any money obtained for the Class or paid separately by State Farm. Any such award of attorney's fees would be subject to Court approval. You will not have to pay Class Counsel any fees or expenses out of your own pocket.

## **THE NEXT STEPS IN THE LAWSUIT**

### **15. What happens next in the lawsuit?**

If the case is not resolved by a settlement or legal ruling, Class Counsel will have to prove the Plaintiffs' claims and damages at a trial. **The trial of this lawsuit is currently scheduled to begin on March 30, 2020.** It will take place in the United States District Court for the Western District of Arkansas located at 500 North State Line Avenue, Texarkana, AR 71854. During the trial, the Judge or jury will hear all of the evidence to help reach a decision about whether the Plaintiffs or State Farm are right about the claims in the lawsuit. There is no guarantee that the Plaintiffs will win or that they will get any money for the Class.

### **16. Do I have to come to the trial?**

You do not need to appear in court or otherwise participate in the trial to be a Class Member or to be eligible for a monetary recovery should the Plaintiffs prevail on their claims. You are welcome to attend any trial at your own expense.

### **17. Will I get money after the trial?**

If the Class obtains money or benefits as a result of a trial or settlement, members of the Class will be notified about how they may qualify to receive a portion of any money or benefits obtained. It is not known how long this will take.

## **GETTING MORE INFORMATION**

### **18. How can I get additional information?**

You can visit the website [www.Stuart-v-StateFarm.com](http://www.Stuart-v-StateFarm.com) where you will find the Court's Order Certifying the Class, the Court's order clarifying the Order Certifying the Class, the Plaintiffs' Amended Complaint, and State Farm's Answer to the Amended Complaint. You may also contact Class Counsel at any time by calling, writing, or emailing them at the contact information in Paragraph 12, above, or you may contact the Notice Administrator at 1-855-613-6151.

Please do not call State Farm or your State Farm agent to discuss this lawsuit. You may, however, continue to call State Farm or your State Farm agent regarding any other insurance matters.

**PLEASE DO NOT CALL OR WRITE THE JUDGE OR CLERK OF THE COURT**

**DIRECT ALL INQUIRIES TO CLASS COUNSEL OR AN ATTORNEY OF YOUR OWN CHOOSING**

*By Order of the United States District Court for the Western District of Arkansas*