

NICKEY L. MARSH

CIVIL SUIT NO. 2002-787

VERSUS

FOURTH JUDICIAL DISTRICT COURT

USAGENCIES CASUALTY INSURANCE
COMPANY

PARISH OF MOREHOUSE

SETTLEMENT AGREEMENT

This Class Action Settlement Agreement, including all exhibits (the "AGREEMENT" or "SETTLEMENT AGREEMENT"), is made by and between (a) the named Plaintiff Nickey L. Marsh ("PLAINTIFF"), on behalf of himself and the SETTLEMENT CLASS defined in Paragraph 23, and (b) Defendant USAgencies Casualty Insurance Company ("USAgencies") (collectively, the "PARTIES").

RECITALS

WHEREAS, PLAINTIFF has filed a petition, which as amended is filed as a Class Action, which is now pending in the Fourth Judicial District Court, Morehouse Parish, Civil Suit No. 2002-787 (the "ACTION"); and

WHEREAS, the ACTION alleges, inter alia, that USAgencies improperly reduced total loss payments to persons insured under private passenger automobile insurance policies issued by USAgencies in the State of Louisiana by applying a "DETAIL/PREP" deduction that reduced the amount paid for the total loss, and the average deduction was approximately \$65.00; and

WHEREAS, the PLAINTIFF and SETTLEMENT CLASS have consistently maintained that such a deduction violated USAgencies' duties to its insureds; and,

WHEREAS, USAgencies has denied and continues to deny all material allegations of the ACTION, as to which USAgencies has also raised numerous additional defenses, and maintains that it has acted consistently in accordance with its insurance policies and applicable laws and regulations; and

WHEREAS, after certification of the ACTION as a class action, and pursuant to a COURT order, USAgencies produced 9,483 claim files of insureds that represented the total universe of insureds who were possibly impacted by a "DETAIL/PREP" deduction in Louisiana; and

WHEREAS, CLASS COUNSEL identified 3,021 insureds whose total loss payments were reduced by a "DETAIL/PREP" deduction; and

WHEREAS, PLAINTIFF and CLASS COUNSEL, while believing that the claims asserted in the ACTION have substantial merit, have considered the risks associated with the continued prosecution and possible appeal of this complex and time-consuming litigation, as well as the likelihood of success on the merits of the ACTION; and consider this proposed settlement as fair, reasonable, adequate, and in the best interests of the SETTLEMENT CLASS; and

WHEREAS, the issues in the ACTION are complex and would likely result in expensive and protracted litigation, appeals, and continued uncertainty as to outcome if fully litigated; and

WHEREAS, the PARTIES desire to avoid the additional cost, time, effort, and uncertainties that would result from the continuation of the entire ACTION, regardless of the outcome, and desire to enter into this SETTLEMENT AGREEMENT; and

WHEREAS, all PARTIES have concluded that this SETTLEMENT AGREEMENT provides an appropriate resolution of a number of issues in this ACTION and resolves such issues raised in the ACTION between the PARTIES to this SETTLEMENT AGREEMENT without protracted litigation and the risks and uncertainties involved in litigation; and

WHEREAS, although all PARTIES deny any fault, wrongdoing, or liability of any kind, they are entering into the SETTLEMENT AGREEMENT to avoid the expense, inconvenience and inherent risk of litigation; and

WHEREAS, nothing in this SETTLEMENT AGREEMENT, nor any of its terms, nor any of the negotiations or proceedings connected with it, shall be offered as evidence or received in evidence in any pending or future action or proceeding of any type whatsoever to establish any liability or admission by any PARTY.

NOW, THEREFORE, IT IS HEREBY AGREED by and between the PARTIES, through their respective counsel, that the ACTION be settled and compromised by PLAINTIFF, the SETTLEMENT CLASS, and USAgencies on the following terms, and that this AGREEMENT is intended to effect a full and final settlement with prejudice on the terms set forth below and to the full extent reflected in Paragraph 36, subject to the approval of the COURT:

I. ADDITIONAL DEFINITIONS

In addition to terms defined elsewhere in this AGREEMENT, the following terms shall be defined as follows (such terms to have the meaning as assigned herein whether or not presented in all capital letters):

1. "ACTUAL CASH VALUE" means the pre-accident value of the totaled vehicle.
2. "CLAIM FORM" means the claim form attached hereto as Exhibit 1, which a SETTLEMENT CLASS member must submit to be considered for payment under the settlement as provided in Paragraph 48, below.
3. "CLASS COUNSEL" means J.R. Whaley and Travis Holley.
4. "CLASS NOTICE" means the notice of the preliminary approval of this proposed settlement and SETTLEMENT CLASS members' rights thereunder to be given in accordance with the provisions of Louisiana Code of Civil Procedure Article 592.
5. "CLASS REPRESENTATIVE" means PLAINTIFF Nickey L. Marsh.
6. "COURT" shall mean and refer to the Fourth Judicial District Court in and for the Parish of Morehouse, Louisiana and the Honorable Judge Wilson Rambo, District Judge, or his successor.
7. "DETAIL/PREP" means that adjustment sometimes used by USAgencies to affect the indemnification paid to USAgencies' insureds for a total loss.
8. "EFFECTIVE DATE" means the first date on which all of the following statements are true:
 - (a) All PARTIES and their counsel have executed this AGREEMENT;
 - (b) No party has terminated this AGREEMENT;
 - (c) The COURT has preliminarily approved this AGREEMENT as provided in Paragraph 27, below;
 - (d) The COURT has entered a FINAL APPROVAL ORDER AND JUDGMENT consistent with the terms herein, approving this AGREEMENT and the proposed Settlement, releasing all of the RELEASED PERSONS from all of the RELEASED CLAIMS and dismissing the ACTION with prejudice and without leave to amend; and
 - (e) Either (i) the time to file an appeal from the FINAL APPROVAL ORDER AND JUDGMENT has expired without the filing of any appeal(s); or (ii)

any appeal(s) from the FINAL APPROVAL ORDER AND JUDGMENT:
(x) has/have either been dismissed or resulted in the affirmation of the FINAL APPROVAL ORDER AND JUDGMENT by all applicable appellate courts; and (y) the passage of time and/or a decision of the Louisiana Supreme Court and/or the United States Supreme Court has/have made further appellate review unavailable.

9. "FINAL APPROVAL HEARING" means the hearing to be held by the COURT to consider final approval of this proposed settlement as provided in Paragraph 35 below.
10. "FINAL APPROVAL ORDER AND JUDGMENT" means the order and judgment fully and finally disposing of all claims asserted in the ACTION against USAgencies and all claims settled as provided in Paragraph 35, the form of which is attached to this SETTLEMENT AGREEMENT as Exhibit 2.
11. "LEGALLY AUTHORIZED REPRESENTATIVE" means an administrator/administratrix or executor/executrix of a deceased SETTLEMENT CLASS member's estate, a tutor or curator of an interdicted SETTLEMENT CLASS member or minor, or any other legally appropriate PERSON responsible for handling the business affairs of a SETTLEMENT CLASS member.
12. "MAILED NOTICE" means a notice, in the form attached as Exhibit 3, that is mailed to the SETTLEMENT CLASS as provided in Paragraphs 30, 31, and 32, that explain the preliminary approval of this AGREEMENT, and that will be available on the website (as set forth in Paragraph 27[s]), and by request to CLASS COUNSEL.
13. "NOTICE ADMINISTRATOR" means Analytics, Inc.
14. "NOTICE PLAN," attached as Exhibit 4, means and refers to the plan for disseminating CLASS NOTICE.
15. "OBJECTOR" shall have the meaning given such term in Paragraph 27(o), below.
16. "OPT OUT(S)" shall refer to those persons and/or entities who or which are included within the SETTLEMENT CLASS definition but who properly opt out of the SETTLEMENT CLASS in accordance with the procedures set forth herein.

17. "PERSON" means any natural person, individual, corporation, association, partnership, trust, or any other type of legal entity.
18. "PRELIMINARY APPROVAL ORDER" shall have the meaning given such term in Paragraph 27, below, the form of which is attached to this SETTLEMENT AGREEMENT as Exhibit 5.
19. "PUBLISHED NOTICE" means the text in the form of Exhibit 6, attached, which may be published as provided in the NOTICE PLAN.
20. "RELEASED CLAIMS" means and includes any and all claims, rights, demands, actions, causes of action, or suits of whatever kind or nature, whether known or UNKNOWN CLAIMS, whether ex contractu or ex delicto, including but not limited to claims related to all debts, liens, attorney's fees, accountings, bad faith claims, extra-contractual claims, damages at law, including punitive or exemplary damages, contracts, liabilities, agreements, interest, costs, expenses or losses of any kind involving, based on, relating to, arising out of, or in any way connected with, directly or indirectly, USAgencies' valuations and/or review, handling, payment, adjustment, or denial of claims for physical damage to automobiles that were declared to be total losses, and any claims that were, could have been, or should have been brought in the ACTION by PLAINTIFF and/or the SETTLEMENT CLASS related to claims for physical damage to automobiles declared to be a total loss. Upon the EFFECTIVE DATE, each member of the SETTLEMENT CLASS shall be deemed to have expressly waived and released any and all RELEASED CLAIMS, including UNKNOWN CLAIMS, that he, she, or it has or might have involving, based on, relating to, arising out of, or in any way connected with, directly or indirectly, USAgencies' valuations and or review, handling, payment, adjustment, or denial of claims for physical damage to automobiles that were declared to be total losses, and any claims that were, could have been or should have been brought in the ACTION by the PLAINTIFF and/or the SETTLEMENT CLASS. The term "RELEASED CLAIMS" shall not include, and shall not be construed to include, any claims asserted or that may be asserted by any government entity under any statute or regulation. The term "RELEASED

CLAIM" shall not include, and shall not be construed to include, any claims asserted or that may be asserted for bodily injury or death.

21. "RELEASED PERSONS" means (a) all parent entities, subsidiaries, divisions, and affiliates of USAgencies, (b) all of the past and present officers, directors, agents, employees, attorneys, managers, owners, and stockholders of USAgencies and any of the entities listed in this Paragraph; and (c) all of the heirs, estates, successors, assigns, and legal representatives of any of the entities or persons listed in this Paragraph.

22. "PARTICIPATING SETTLEMENT CLASS MEMBER" shall mean any SETTLEMENT CLASS member who has complied with all orders of the COURT and this SETTLEMENT AGREEMENT in order to be eligible to receive payment under the terms of this SETTLEMENT AGREEMENT.

23. "SETTLEMENT CLASS" means:

All persons who, from August 24, 1996 to [date of the PRELIMINARY APPROVAL ORDER], (a) were issued a private passenger automobile insurance policy issued by USAgencies in the State of Louisiana, (b) made a first-party property damage claim for physical damage to the insured vehicle, (c) were informed by USAgencies that the vehicle had been declared a total loss, and (d) received payment for the totaled vehicle that was reduced by a "detail/prep" adjustment. Officers, directors and employees of USAgencies and members of the COURT and their immediate families are not part of the SETTLEMENT CLASS.

It is acknowledged by USAgencies that the members of the SETTLEMENT CLASS are among those persons whose claims were contained within that "pool of claims" previously identified in this proceeding (approximately 9,000 more or less) from which the "random sample" was drawn. The total number of person in this SETTLEMENT CLASS is approximately 3,021.

24. "SETTLEMENT CONSIDERATION" means (i) a maximum of \$5.25 million in potential monetary relief to SETTLEMENT CLASS Members and for payment of attorney's fees and costs, and any class representative incentive award, and (ii)

injunctive relief valued at \$1.25 million as more fully described in Section VII. The SETTLEMENT CONSIDERATION will provide payment of: (i) attorneys' fees to CLASS COUNSEL, subject to COURT approval, (ii) the costs of litigation of CLASS COUNSEL, including cost of CLASS NOTICE and claims administration, including costs for the identification of members of the SETTLEMENT CLASS, and (iii) a class representative incentive award.

25. "TOTAL LOSS EVALUATION FORM" means the form used by USAgencies to determine the ACTUAL CASH VALUE to be paid on first party total loss claims in the State of Louisiana.
26. "UNKNOWN CLAIM" means any claim and its related relief and/or damages arising out of newly discovered facts and/or facts found hereafter to be other than or different from the facts now believed to be true. The RELEASED CLAIMS defined in Paragraph 20 include any and all UNKNOWN CLAIMS involving, based on, relating to, arising out of, or in any way connected with, directly or indirectly, USAgencies' valuations and or review, handling, payment, adjustment, or denial of claims for physical damage to automobiles that were declared to be total losses, and any claims that were, could have been or should have been brought in the ACTION by the PLAINTIFF and/or the SETTLEMENT CLASS.

II. PRELIMINARY CERTIFICATION OF THE SETTLEMENT CLASS

27. No later than five (5) business days after execution of this AGREEMENT, PLAINTIFF shall submit to the COURT this AGREEMENT and the Motion for Preliminary Approval approved by the PARTIES. The Motion for Preliminary Approval shall move the COURT to enter the PRELIMINARY APPROVAL ORDER, which will request the COURT to, among other things:
- (a) Preliminarily certify the SETTLEMENT CLASS, as defined herein, for settlement purposes only, and designate PLAINTIFF as CLASS REPRESENTATIVE and the following attorneys as CLASS COUNSEL:

J.R. Whaley
NEBLETT, BEARD, AND ARSENAULT
P.O. Box 1190
Alexandria, LA 71309-1190

Travis M. Holley
TRAVIS M. HOLLEY & ASSOCIATES
1302 Leavell Avenue
Bastrop, LA 71220-3226

- (b) Provide that preliminary certification and all actions associated with preliminary certification are undertaken on the condition that the certification and all actions associated with certification shall be automatically vacated if this AGREEMENT is terminated or is disapproved in whole or in part by the COURT, any appellate court and/or any other court of review, or if any of the PARTIES invoke their right to terminate their agreement to settle as provided in Paragraphs 59, 60, and 61, in which event this AGREEMENT and the fact that it was entered into shall not be offered, received or construed as an admission or as evidence for any purpose including the certifiability of any class, as discussed in Paragraph 72.
- (c) Preliminarily approve this AGREEMENT as sufficiently fair and reasonable to warrant sending notice to the SETTLEMENT CLASS preliminarily certified for settlement purposes.
- (d) Appoint Analytics, Inc. as NOTICE ADMINISTRATOR.
- (e) Approve the MAILED NOTICE and direct that the NOTICE ADMINISTRATOR cause the MAILED NOTICE to be distributed by first class mail, postage prepaid, bearing the return address of the CLASS COUNSEL, and in accordance with the terms of this SETTLEMENT AGREEMENT and the NOTICE PLAN;
- (f) Approve the PUBLISHED NOTICE and direct that, if after the additional efforts to obtain delivery as set forth herein have been undertaken and after the second mailing, the number of MAILED NOTICES returned as undeliverable by the U.S. Postal Service exceeds 10% of the 3,021 letters originally sent, there may be notice by publication, in the form attached as Exhibit 6. USAgencies has the right, in its sole discretion, to exercise the option of requiring PUBLISHED NOTICE, which decision must be made

by no later than sixty-three (63) calendar days after the date of the PRELIMINARY APPROVAL ORDER. If it is determined that a MAILED NOTICE is undeliverable because the addressee is deceased that MAILED NOTICE shall not be considered in the calculation referred to in this paragraph.

- (g) Determine the implementation of the NOTICE PLAN as described herein, is reasonable and the best practicable notice under the circumstances; is reasonably calculated to apprise the SETTLEMENT CLASS members of the proposed settlement of the ACTION and of their right to object or opt out of the proposed settlement; constitutes due, adequate, and sufficient notice to all SETTLEMENT CLASS members; and meets the requirements of the Louisiana Code of Civil Procedure, and requirements of due process under the Louisiana and United States Constitutions;
- (h) Require each potential SETTLEMENT CLASS member who wishes to exclude himself, herself, or itself from the SETTLEMENT CLASS to submit to the CLASS COUNSEL a written request for exclusion postmarked no later than ninety-eight (98) calendar days after the date of the PRELIMINARY APPROVAL ORDER in the form prescribed in Paragraph 63, below, as set forth in Paragraph 63;
- (i) Rule that any potential SETTLEMENT CLASS Member who does not submit a timely, written request for exclusion from the SETTLEMENT CLASS according to the procedure required in this SETTLEMENT AGREEMENT will be bound by all proceedings, orders and judgments in the ACTION, including the FINAL APPROVAL ORDER AND JUDGMENT, even if such member of the SETTLEMENT CLASS has previously initiated or subsequently initiates individual litigation or other proceedings encompassed by this AGREEMENT (as set forth in Paragraph 35);
- (j) Stay consideration of all motions and deadlines pending in this ACTION;

- (k) Schedule a FINAL APPROVAL HEARING to consider the fairness, reasonableness, and adequacy of the proposed settlement;
- (l) Approve the CLAIM FORM for distribution to members of the SETTLEMENT CLASS, set a date after which CLAIM FORMS shall be deemed untimely (as further provided in Paragraph 46), and require each member of the SETTLEMENT CLASS who wishes to be eligible for a monetary payment to complete the CLAIM FORM in compliance with the instructions in the MAILED NOTICE;
- (m) Require the NOTICE ADMINISTRATOR to file proof of mailing of the MAILED NOTICE and require CLASS COUNSEL to file a list of all persons who have timely excluded themselves from the SETTLEMENT CLASS, at or before the FINAL APPROVAL HEARING;
- (n) Preliminarily enjoin all members of the SETTLEMENT CLASS unless and until they have timely excluded themselves from the SETTLEMENT CLASS (i) from filing, commencing, prosecuting, intervening in, or participating as plaintiff, claimant, or class member in any other lawsuit or administrative, regulatory, arbitration, or other proceeding in any jurisdiction based on, relating to, or arising out of the claims and causes of action, or the facts and circumstances relating thereto, in this ACTION and/or the RELEASED CLAIMS (as defined in Paragraph 20); (ii) from filing, commencing, or prosecuting a lawsuit or administrative, regulatory, arbitration, or other proceeding as a class action on behalf of any members of the SETTLEMENT CLASS who have not timely excluded themselves (including by seeking to amend a pending complaint to include class allegations or seeking class certification in a pending action), based on, relating to, or arising out of the claims and causes of action, or the facts and circumstances relating thereto, in this ACTION and/or the RELEASED CLAIMS; and (iii) from attempting to effect an opt-out of a class of individuals in any lawsuit or administrative, regulatory, arbitration, or other proceeding based on, relating to, or arising out of the

claims and causes of action, or the facts and circumstances relating thereto, in this ACTION and/or the RELEASED CLAIMS;

- (o) Require each member of the SETTLEMENT CLASS who has not submitted a timely request for exclusion from the SETTLEMENT CLASS and who wishes to object to the fairness, reasonableness, or adequacy of this AGREEMENT or the proposed settlement, or to the attorneys' fee or class representative incentive award (as provided in Paragraph 66) (the "OBJECTOR"), to serve CLASS COUNSEL and Counsel for USAgencies, and to file with the COURT, no later than ninety-eight (98) calendar days after the date of the PRELIMINARY APPROVAL ORDER, a statement of the objection, as well as the specific legal and factual reasons, if any, for each objection, including any support the OBJECTOR wishes to bring to the Court's attention and all evidence OBJECTOR wishes to introduce in support of his or her objection, or be forever barred from objection (all as provided in paragraphs 65-69);
- (p) Require any attorney hired by the OBJECTOR at the OBJECTOR'S expense for the purpose of objecting to this AGREEMENT or to the proposed settlement, or to the attorneys' fee or to the class representative incentive award, to serve CLASS COUNSEL and Counsel for USAgencies and to file with the COURT a notice of appearance no later than ninety-eight (98) calendar days after the date of the PRELIMINARY APPROVAL ORDER;
- (q) require each OBJECTOR who intends to appear at the FINAL APPROVAL HEARING, either in person or through counsel hired at the OBJECTOR's expense, to serve CLASS COUNSEL and Counsel for USAgencies, and to file with the COURT, a notice of appearance no later than ninety-eight (98) calendar days after the date of the PRELIMINARY APPROVAL ORDER.
- (r) Direct CLASS COUNSEL to rent a post office box in Baton Rouge, Louisiana to be used for receiving requests for exclusion, objections,

notices of intention to appear, CLAIM FORMS, and any other communications, and provide that only the CLASS COUNSEL and counsel for USAgencies shall have access to this post office box;

- (s) Direct CLASS COUNSEL to establish, by no later than the date of the first MAILED NOTICE, a neutral website (www.detailclassaction.com) whose home page shall be in the form attached hereto as Exhibit 7, and to provide and staff a toll-free telephone number to respond to questions from all SETTLEMENT CLASS members. The PARTIES recognize that the website may be amended during the course of the settlement as appropriate and agreed to by the PARTIES. CLASS COUNSEL shall maintain the website and telephone number for at least ninety (90) calendar days after expiration of the period for submitting CLAIM FORMS.
- (t) Direct CLASS COUNSEL to furnish Counsel for USAgencies with copies of each objection, written request for exclusion, notice of intention to appear, CLAIM FORM, or other communication that comes into its possession (except as expressly provided in this AGREEMENT) within three (3) calendar days of CLASS COUNSEL's receipt of the same; and,
- (u) Contain any additional provisions agreeable to the PARTIES that might be necessary to implement the terms of this AGREEMENT and the proposed settlement.

28. Upon the preliminary approval of this AGREEMENT and the proposed Settlement as provided in Paragraph 27, above, all proceedings in the ACTION shall be stayed until further order of the COURT; provided, however, that the PARTIES may conduct such limited proceedings as may be necessary to implement the proposed Settlement or to effectuate the terms of this AGREEMENT.

29. In the event the COURT fails to enter the PRELIMINARY APPROVAL ORDER, then this AGREEMENT is terminated and the status of litigation shall be as it was prior to the execution of the Memorandum of Understanding dated

December 2, 2008 and signed by all counsel for the PARTIES. It is specifically recognized that, in such circumstances, USAgencies shall retain the right to seek decertification of the class, pursuant to applicable law.

III. CLASS NOTICE

30. The PARTIES will attempt to send the MAILED NOTICE to the members of the SETTLEMENT CLASS identified in Exhibit 8 attached hereto to the extent their names and current addresses are reasonably ascertainable. The attached Exhibit 8 is to be filed under seal and subject to the Protective Order previously issued by this COURT.
31. The NOTICE ADMINISTRATOR and CLASS COUNSEL shall complete the first mailing of the MAILED NOTICE and CLAIM FORM to SETTLEMENT CLASS members at the most current address reasonably available within twenty-one (21) calendar days after entry of the PRELIMINARY APPROVAL ORDER. The mailing to the SETTLEMENT CLASS members that contains the MAILED NOTICE will also include a copy of the CLAIM FORM.
32. If any MAILED NOTICE and CLAIM FORM mailed to any potential SETTLEMENT CLASS MEMBER in accordance with Paragraph 30 is returned to CLASS COUNSEL as undeliverable, CLASS COUNSEL shall forward it to the NOTICE ADMINISTRATOR, who shall send the MAILED NOTICE and CLAIM FORM to any forwarding address and shall perform a reasonable search for a more current address for the potential SETTLEMENT CLASS member, including updating the name and/or address through the LEXIS "All find" database and NCOA search if not previously done. If a more current name and/or address can be found through such a search, the NOTICE ADMINISTRATOR will re-send the returned MAILED NOTICE and CLAIM FORM to the potential SETTLEMENT CLASS member by first-class mail to the more current address on a rolling basis, but in any event shall complete the second mailing no later than twenty-one (21) days after the initial mailing. In the event that any MAILED NOTICE and CLAIM FORM mailed to a potential SETTLEMENT CLASS member is returned as undeliverable a second time, then no further mailing shall

be required. Undeliverable items will be returned to a post office box in Baton Rouge, Louisiana, maintained by CLASS COUNSEL, who will prepare a log of them, undated daily and provide that information to USAgencies' Counsel on a daily basis. The PUBLISHED NOTICE is defined in Paragraph 19 herein. CLASS COUNSEL shall inform USAgencies of the total number of undeliverable of MAILED NOTICES (from both the first and second mailings) by no later than sixty-three (63) calendar days after the entry of the PRELIMINARY APPROVAL ORDER. If after the additional efforts to obtain delivery as set forth herein have been undertaken, the total number of MAILED NOTICES returned as undeliverable by the U.S. Postal Service, after the second mailing, exceeds 10% of the 3,021 letters originally sent, there may be notice by publication, in the form attached as Exhibit 6. USAgencies has the right, in its sole discretion, to exercise the option of requiring PUBLISHED NOTICE, which decision must be made no later than sixty-three (63) calendar days after the date of the PRELIMINARY APPROVAL ORDER. In the event USAgencies exercises its right, the PUBLISHED NOTICE shall be published, as provided in the NOTICE PLAN, within seventy (70) calendar days after the date of the PRELIMINARY APPROVAL ORDER. If it is determined that a MAILED NOTICE is undeliverable because the addressee is deceased, that MAILED NOTICE shall not be considered in the calculation referred to in this paragraph.

IV. COSTS OF CLASS NOTICE

33. CLASS COUNSEL will pay all of the costs of the initial and any subsequent mailing of the MAILED NOTICE and CLAIM FORM to all SETTLEMENT CLASS members through the efforts described in the NOTICE PLAN, including the costs of printing and reproducing the MAILED NOTICE and CLAIM FORM and the cost of mailing the MAILED NOTICE and CLAIM FORM to each potential SETTLEMENT CLASS member. USAgencies will pay all of the costs of any PUBLISHED NOTICE if it is required.
34. CLASS COUNSEL will be reimbursed all costs incurred in providing notice to SETTLEMENT CLASS Members, subject to the limitation set forth in the

definition of SETTLEMENT CONSIDERATION, and as set forth in Paragraph 53.

V. FINAL APPROVAL OF THE PROPOSED SETTLEMENT

35. If this AGREEMENT (including any modification thereto made with the consent of the PARTIES as provided for herein) is approved by the COURT following the FINAL APPROVAL HEARING, the PARTIES shall request the COURT to enter the FINAL APPROVAL ORDER AND JUDGMENT that, among other things,

(a) finds that the COURT has personal jurisdiction over all members of the SETTLEMENT CLASS and that the COURT has subject matter jurisdiction to approve this AGREEMENT and all exhibits thereto;

(b) gives final approval to this AGREEMENT as being fair, reasonable, and adequate as to the PARTIES, and consistent and in compliance with all requirements of due process and Louisiana law, as to, and in the best interests of, each of the PARTIES and the members of the SETTLEMENT CLASS, and directs the PARTIES and their counsel to implement and consummate this AGREEMENT in accordance with its terms and provisions;

(c) declares this AGREEMENT and the FINAL APPROVAL ORDER AND JUDGMENT to be binding on, and to have res judicata and preclusive effect in, all pending and future lawsuits or other proceedings encompassed by the RELEASED CLAIMS referred to herein which are (as set forth in Paragraph 20) maintained by or on behalf of PLAINTIFF and all other members of the SETTLEMENT CLASS, as well as their heirs, executors and administrators, successors, and assigns;

(d) finds that the MAILED NOTICE, the PUBLISHED NOTICE, and the NOTICE PLAN notice methodology implemented pursuant to this AGREEMENT (i) constitute the best practicable notice; (ii) constitute notice that is reasonably calculated, under the circumstances, to apprise members of the SETTLEMENT CLASS of the pendency of the ACTION, their right to object or exclude themselves from the proposed settlement

and to appear at the FINAL APPROVAL HEARING, and their right to seek monetary and other relief; (iii) are reasonable and constitute due, adequate, and sufficient notice to all persons entitled to receive notice; and (iv) meet all applicable requirements of due process and Louisiana law;

(e) finds that CLASS COUNSEL and the PLAINTIFF adequately represented the SETTLEMENT CLASS for the purpose of entering into and implementing the AGREEMENT;

(f) dismisses the ACTION (including all individual and class claims presented thereby) on the merits and with prejudice and without fees or costs except as provided herein;

(g) adjudges that PLAINTIFF and the SETTLEMENT CLASS have conclusively compromised, settled, discharged, dismissed, and released any and all RELEASED CLAIMS against RELEASED PERSONS ;

(h) approves the payment of the attorneys' fee award to CLASS COUNSEL, and the incentive award to PLAINTIFF, as set forth herein;

(i) without affecting the finality of the FINAL APPROVAL ORDER AND JUDGMENT for purposes of appeal, reserves jurisdiction over USAgencies, the PLAINTIFF, and the SETTLEMENT CLASS as to all matters relating to the administration, consummation, enforcement, and interpretation of the terms of the settlement and the FINAL APPROVAL ORDER AND JUDGMENT, and for any other necessary purposes;

(j) provides that, upon the EFFECTIVE DATE, PLAINTIFF, and all members of the SETTLEMENT CLASS who have not been excluded from the SETTLEMENT CLASS, whether or not they return a CLAIM FORM within the time and in the manner provided for, and regardless of whether they received actual notice of the ACTION or the proposed settlement, shall be barred from asserting any RELEASED CLAIMS against the RELEASED PERSONS, and any such members of the SETTLEMENT CLASS shall have released any and all RELEASED CLAIMS as against the RELEASED PERSONS;

(k) determines that the AGREEMENT and the settlement provided for herein, and any proceedings taken pursuant thereto, are not, and should not in any event be offered or received as evidence of, a presumption, concession, or an admission of liability or of any misrepresentation or omission in any statement or written document approved or made by USAgencies; provided, however, that reference may be made to this AGREEMENT and the settlement provided for herein in such proceedings as may be necessary to effectuate the provisions of this AGREEMENT;

(l) bars and enjoins all members of the SETTLEMENT CLASS who have not been excluded from the SETTLEMENT CLASS from (i) filing, commencing, prosecuting, intervening in, or participating (as class members or otherwise) in any other lawsuit or administrative, regulatory, arbitration, or other proceeding in any jurisdiction based on, relating to, or arising out of the claims and causes of action, or the facts and circumstances relating thereto, in this ACTION and/or the RELEASED CLAIMS and (ii) organizing members of the SETTLEMENT CLASS who have not been excluded from the class into a separate class for purposes of pursuing as a purported class action any lawsuit or administrative, regulatory, arbitration, or other proceeding (including by seeking to amend a pending complaint to include class allegations, or seeking class certification in a pending action) based on, relating to, or arising out of the claims and causes of action, or the facts and circumstances relating thereto, in the ACTION and/or the RELEASED CLAIMS;

(m) approves the complete list of all SETTLEMENT CLASS members who have properly and timely requested exclusion from the SETTLEMENT CLASS and accordingly, decrees that they shall neither share in nor be bound by the FINAL APPROVAL ORDER AND JUDGMENT;

(n) authorizes the PARTIES, without further approval from the Court, to agree to and adopt such amendments, modifications, and expansions of

this AGREEMENT and all exhibits hereto as consistent in all material respects with the FINAL APPROVAL ORDER AND JUDGMENT.

(o) authorizes CLASS COUNSEL, within ten (10) business days after the EFFECTIVE DATE, to mail to each PARTICIPATING SETTLEMENT CLASS member whose claim has been approved a check for \$1,600.00, or such lesser amount as is calculated pursuant to the provisions of Paragraph 43 of the SETTLEMENT AGREEMENT; and

(p) enjoins USAgencies, for a period of six (6) years from the date of the FINAL APPROVAL ORDER AND JUDGMENT, from including a "DETAIL/PREP" entry on its TOTAL LOSS EVALUATION form used to determine the ACTUAL CASH VALUE to be paid on first party total loss claims in Louisiana, as set forth in Paragraph 44.

VI. DISMISSAL OF ACTION AND RELEASE OF CLAIMS

36. As of the EFFECTIVE DATE of this AGREEMENT (as defined herein), the PLAINTIFF, and other members of the SETTLEMENT CLASS who have not properly excluded themselves from the SETTLEMENT CLASS, hereby expressly agree that they shall release and discharge all of the RELEASED PERSONS, as defined herein, of and from all RELEASED CLAIMS and shall not now or hereafter initiate, maintain, or assert against the RELEASED PERSONS any and all causes of action, claims, rights, demands, actions, claims for damages, equitable, legal, and/or administrative relief, interest, demands, or rights, including without limitation, claims for all damages of any kind, including those in excess of actual damages, whether based on federal, state, or local law, statute, ordinance, regulation, contract, common law, or any other sources, that have been, could have been, may be, or could be alleged or asserted now or in the future by the PLAINTIFF or any member of the SETTLEMENT CLASS against the RELEASED PERSONS or any of them in the ACTION or in any other court action or before any administrative body (including any state department of insurance or other regulatory entity or organization), tribunal, arbitration panel, or other adjudicating body on the basis of, connected with, arising out of, or related

to the RELEASED CLAIMS.

(a) Without in any way limiting the scope of the AGREEMENT, this AGREEMENT covers, without limitation, any and all claims for attorneys' fees, costs, or disbursements incurred by CLASS COUNSEL or any other counsel representing the PLAINTIFF or members of the SETTLEMENT CLASS, or by the PLAINTIFF or members of the SETTLEMENT CLASS, or any of them, in connection with or related in any manner to the ACTION, the settlement of the ACTION, the administration of such settlement, and/or the RELEASED CLAIMS except to the extent otherwise specified in the AGREEMENT.

(b) The PLAINTIFF and the SETTLEMENT CLASS expressly acknowledge that they are familiar with principles of law such as Section 1542 of the Civil Code of the State of California, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

To the extent that, notwithstanding the choice of law provisions in the AGREEMENT, California or other law may be applicable, as a result of a member of the SETTLEMENT CLASS now being a resident of the State of California, the PLAINTIFF and the SETTLEMENT CLASS hereby expressly agree that the provisions, rights, and benefits of Section 1542 and all similar federal or state laws, rights, rules, or legal principles of any other jurisdiction which may be applicable herein, are hereby knowingly and voluntarily waived and relinquished by the PLAINTIFF and the SETTLEMENT CLASS to the fullest extent permitted by law solely in connection with unknown claims constituting RELEASED CLAIMS, and the PLAINTIFF and the SETTLEMENT CLASS hereby agree and acknowledge that this is an essential term of this Release. In connection with this AGREEMENT, the PLAINTIFF and the SETTLEMENT

CLASS acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which they now know or believe to be true with respect to the matters released herein. Nevertheless, it is the intention of the PLAINTIFF and the SETTLEMENT CLASS in executing this AGREEMENT fully, finally, and forever to settle and release all matters, and all claims relating thereto, which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action) constituting RELEASED CLAIMS.

37. Nothing in this AGREEMENT shall preclude any action to enforce the terms of the AGREEMENT, including participation in any of the processes detailed therein.
38. Upon the EFFECTIVE DATE, PLAINTIFF, all SETTLEMENT CLASS members who have not properly excluded themselves pursuant to Paragraph 63, and regardless of whether they received actual notice of the settlement and/or ACTION, and their heirs, trustees, executors, administrators, principals, beneficiaries, assigns and successors will be bound by the FINAL APPROVAL ORDER AND JUDGMENT and conclusively deemed to have fully released, acquitted and forever discharged, to the fullest extent permitted by law, all of the RELEASED PERSONS from the RELEASED CLAIMS.
39. Upon entry of the FINAL APPROVAL ORDER AND JUDGMENT , described in Paragraph 35, the ACTION will be dismissed with prejudice.

VII. RELIEF TO SETTLEMENT CLASS MEMBERS

40. This settlement contemplates a two-prong approach to Settlement, both of which provide substantial benefit and value to SETTLEMENT CLASS members and insureds of USAgencies. The first prong is a substantial cash payment to SETTLEMENT CLASS members who timely and properly submit duly executed CLAIM FORM, with a copy of a government issued photo identification of the claimant attached, as set forth in this SETTLEMENT AGREEMENT. The second

prong is an agreement by USAgencies to not include a "DETAIL/PREP" adjustment on its TOTAL LOSS EVALUATION FORM for a period of six years.

41. SETTLEMENT CLASS members who properly and timely submit a duly executed CLAIM FORM with a copy of a government issued photo identification of the claimant attached and who qualify for payment will receive cash payments under the settlement. The amount paid to each such PARTICIPATING SETTLEMENT CLASS member will be \$1,600, as limited by Paragraph 43. It is agreed that any member of the SETTLEMENT CLASS who has litigated or arbitrated his/her total loss claim to its conclusion will not receive any monetary payment.
42. To be eligible for a payment described in Paragraph 41, a SETTLEMENT CLASS member must properly and timely submit a duly executed CLAIM FORM with a government issued photo identification of the claimant attached thereto; must not have filed a request to be excluded from the SETTLEMENT CLASS; and must be determined eligible for payment.
43. The monetary payments described above are the only payments to which any SETTLEMENT CLASS members will be entitled under the proposed Settlement. The total amount of payments made available to PARTICIPATING SETTLEMENT CLASS members shall not exceed an amount which, when added to the amount approved by the COURT for items (i), (ii), and (iii) in the second sentence of the definition of "SETTLEMENT CONSIDERATION" is equal to \$5,250,000.00. If the total dollar amount of claims approved for payment to PARTICIPATING SETTLEMENT CLASS member exceeds the amount determined to be payable to PARTICIPATING SETTLEMENT CLASS members in accordance with the preceding sentence, then the amount paid for each such claim will be reduced proportionally.
44. As an additional consideration of settlement, USAgencies also agrees as follows:
 - USAgencies shall refrain, for a period of six (6) years beginning with the date of the FINAL APPROVAL ORDER AND JUDGMENT, from including a "DETAIL/PREP" entry on its TOTAL LOSS EVALUATION

FORM used to determine the ACTUAL CASH VALUE to be paid on first party total loss claims in Louisiana.

- The PARTIES agree that the value of this injunctive relief is at least \$1.25 million. USAgencies will present evidence at the FINAL APPROVAL HEARING supporting the value of this injunctive relief.
- The PARTIES agree that the value to the SETTLEMENT CLASS on which the attorneys' fees will be calculated includes the value of the monetary and injunctive relief.

VIII. SUBMISSION OF CLAIMS BY SETTLEMENT CLASS MEMBERS

45. SETTLEMENT CLASS members will be provided an opportunity to submit CLAIM FORMS requesting payments calculated in accordance with Paragraphs 41 and 43. Blank CLAIM FORMS shall be included with the MAILED NOTICES mailed to SETTLEMENT CLASS members as provided in Paragraph 30, above, and available upon request to the CLASS COUNSEL by telephone, written correspondence and through the web page. CLAIM FORMS may be submitted on behalf of deceased, minor, or incapacitated SETTLEMENT CLASS members by their LEGALLY AUTHORIZED REPRESENTATIVE but none of the rights or interests of SETTLEMENT CLASS members under the proposed Settlement, including but not limited to the right to submit a CLAIM FORM and to be considered for payment, are otherwise assignable.
46. To be considered for payment, a CLAIM FORM must be completed in accordance with Paragraph 47, mailed to the address specified in the CLAIM FORM, and postmarked no later than thirty (30) calendar days after the FINAL APPROVAL ORDER AND JUDGMENT. CLAIM FORMS will not be considered for payment if they are postmarked more than thirty (30) calendar days after the date of the FINAL APPROVAL ORDER AND JUDGMENT.
47. To be considered for payment, a CLAIM FORM should, to the best of the SETTLEMENT CLASS member's ability, supply all information requested on the face of the CLAIM FORM. Furthermore, the SETTLEMENT CLASS member must declare, under penalty of perjury, that the information submitted in

the CLAIM FORM is true and correct to the best his/her knowledge and affix to the CLAIM FORM a copy of a state or federal government issued photo identification document.

IX. CLAIMS ADMINISTRATION

48. CLAIM FORMS that are timely mailed to the correct address shall be processed as follows:

(a) Throughout the claims process, but no later than within fifty (50) calendar days after the FINAL APPROVAL ORDER AND JUDGMENT, the PARTIES will meet to finalize the list of PARTICIPATING SETTLEMENT CLASS members. Within five (5) business days of the EFFECTIVE DATE, USAgencies will prepare checks, as appropriate, in the amount of \$1,600 or such lesser amount as provided herein to each participating SETTLEMENT CLASS member and provide those checks to CLASS COUNSEL. Within five (5) business days of receipt of those settlement checks, CLASS COUNSEL will forward all settlement checks to PARTICIPATING SETTLEMENT CLASS members. CLASS COUNSEL will provide a report to USAgencies and the COURT of that effort. If CLASS COUNSEL and Counsel for USAgencies disagree as to who should receive checks, or the amount of those checks, those disputes will be submitted to the COURT for resolution.

(b) If settlement proceeds to PARTICIPATING SETTLEMENT CLASS members are not cashed within one hundred eighty (180) calendar days of mailing those checks will be voided or a stop payment issued and those funds will revert to USAgencies.

(c) If a PARTICIPATING SETTLEMENT CLASS member's check is returned as undeliverable then the PARTIES may apply to the COURT for instructions on the disposition of those funds.

X. COMMUNICATIONS WITH MEMBERS OF THE SETTLEMENT CLASS

49. Communications with potential SETTLEMENT CLASS members regarding the proposed Settlement shall be handled through the CLASS COUNSEL. The

primary means of communication will be through the NOTICE PLAN. In the event that USAgencies or its counsel receives any communications from potential SETTLEMENT CLASS members regarding the proposed Settlement, those communications shall be relayed to CLASS COUNSEL and SETTLEMENT CLASS Members will be immediately referred to CLASS COUNSEL.

XI. COSTS OF SETTLEMENT ADMINISTRATION

50. CLASS COUNSEL will pay all costs of settlement administration, including but not limited to the costs of printing, reproducing and mailing the forms, notices, and responses that it sends in connection with the administration of the claims process described herein, and/or in connection with its determination of claims submitted in the course of the claims process. In addition, CLASS COUNSEL will pay for the printing and mailing of all notices, the cost of mailing the settlement checks, and the costs associated with the establishment of a web page to answer questions concerning the proposed Settlement. USAgencies will bear the cost of printing checks to PARTICIPATING SETTLEMENT CLASS members and PUBLISHED NOTICE, if any. CLASS COUNSEL will bear the costs of a toll-free telephone number in order that questions concerning the settlement can be answered.

XII. ATTORNEYS' FEES, CLASS REPRESENTATIVE INCENTIVE AWARD, AND COSTS

51. CLASS COUNSEL'S entitlement, if any, to an award of attorneys' fees, costs, and/or expenses will be determined by the COURT. The CLASS REPRESENTATIVE'S entitlement, if any, to a class representative incentive award will be determined by the COURT.
52. PLAINTIFF will file a motion with the COURT prior to the FINAL APPROVAL HEARING requesting an award of attorneys' fees and costs, payable to CLASS COUNSEL in a total amount not to exceed Two Million Six Hundred Thousand Dollars (\$2,600,000). The motion shall include a request for the costs incurred by CLASS COUNSEL in litigation, including costs of identifying SETTLEMENT CLASS members, the costs of CLASS NOTICE and claims administration and

CLASS REPRESENTATIVE incentive award in an aggregate amount not to exceed \$260,000. CLASS COUNSEL will request a CLASS REPRESENTATIVE incentive award of \$25,000.

53. USAgencies will not object to PLAINTIFF'S motion requesting an award of attorneys' fees, to be paid to CLASS COUNSEL in a total amount not to exceed Two Million Six Hundred Thousand Dollars (\$2,600,000) and agrees to pay attorneys' fees not to exceed that amount. Furthermore, USAgencies does not object to PLAINTIFF'S motion and approval by the COURT of an amount not to exceed \$260,000 for the costs enumerated in Paragraph 24, second sentence (ii). CLASS COUNSEL's claims for attorney fees and costs, as referred to in this paragraph, and the monetary relief available to CLASS MEMBERS, in no event will exceed \$5,250,000, as set forth in the definition of "SETTLEMENT CONSIDERATION."
54. All approved attorneys' fees, costs, and awards as set forth in Paragraph 53 shall be paid to Neblett, Beard, and Arsenault within five (5) business days after the EFFECTIVE DATE. Attorneys' fees and costs will be allocated among CLASS COUNSEL per their private agreement.

XIII. REPRESENTATION OF OPT OUTS/CONFIDENTIALITY AGREEMENT

55. CLASS COUNSEL agree that any representation, encouragement, solicitation or other assistance, including, but not limited to, referral to other counsel, to any person seeking exclusion from the SETTLEMENT CLASS or any other person seeking to litigate with USAgencies over any of the RELEASED CLAIMS in this matter, prior to the FINAL APPROVAL HEARING would constitute a material breach of its obligations under this Agreement. Accordingly, CLASS COUNSEL and their respective firms agree not to represent, encourage, solicit or otherwise assist, in any way whatsoever, including, but not limited to, referrals to other counsel, any person in requesting exclusion from the SETTLEMENT CLASS.
56. It is further agreed that the PLAINTIFF, Nickey L. Marsh, will not opt out of the SETTLEMENT CLASS.

57. The names, addresses, policy numbers, and other data concerning potential SETTLEMENT CLASS members used in effectuating the proposed settlement, the electronic data processing and other record keeping procedures and materials to be utilized in identifying the potential SETTLEMENT CLASS members, constitute confidential and proprietary business information (the "PROPRIETARY INFORMATION"). The PROPRIETARY INFORMATION shall be protected from disclosure to any persons other than those described in the Protective Order previously entered by the COURT.
58. No persons other than USAgencies' counsel and clerical/administrative personnel employed by USAgencies, CLASS COUNSEL and clerical/administrative personnel employed by CLASS COUNSEL, NOTICE ADMINISTRATOR, and such other persons as the Court may order, after hearing and notice to all counsel of record, shall be allowed access to any PROPRIETARY INFORMATION.

XIV. DISAPPROVAL OR TERMINATION OF THE PROPOSED SETTLEMENT

59. Within five (5) business days after notice of the occurrence of any of the following events, each party shall have the right, exercisable at its own discretion, to terminate this AGREEMENT by delivering written notification of such election to opposing counsel:
- (a) If the COURT, or any appellate or reviewing court(s), rejects, denies, approval, disapproves, modifies or attempts to modify any material portion of the AGREEMENT, including, but not limited to, the terms of the SETTLEMENT CLASS relief, the provisions relating to notice, the definition of the SETTLEMENT CLASS, agreed upon payment of attorneys' fees, costs and class representative incentive award, and the RELEASED CLAIMS;
 - (b) The Court, or any appellate or reviewing court(s), does not enter or completely and unconditionally affirm any material portion of the AGREEMENT, PRELIMINARY APPROVAL ORDER or FINAL

APPROVAL ORDER AND JUDGMENT and motion to approve attorneys' fees, costs, and class representative awards;

- (c) If, in its sole discretion, USAgencies determines that the number of opt out claims or nature of opt out claims is unacceptable, USAgencies shall have the right to withdraw from this AGREEMENT.

60. If an option to withdraw from and terminate this AGREEMENT arises, the PARTIES are not required for any reason or under any circumstance to exercise that option. The option to withdraw from and terminate this AGREEMENT must be exercised no later than five (5) business days after notice of the event prompting the right to terminate.

61. If the proposed AGREEMENT is terminated for any reason other than a breach by the PARTIES:

- (a) This AGREEMENT and the proposed Settlement shall have no further force or effect, and all proceedings that have taken place with regard to this AGREEMENT and the proposed settlement shall be without prejudice to the rights and contentions of the parties hereto and any of the putative SETTLEMENT CLASS members;
- (b) This AGREEMENT, all of its provisions (including, without limitation, any provisions regarding class certification), and all negotiations, statements and proceedings relating to them shall be without prejudice to the rights of any of the parties, each of whom shall be restored to their respective positions existing immediately before settlement negotiations and the execution of this AGREEMENT;
- (c) This AGREEMENT, any provision of this AGREEMENT (including without limitation the provisions regarding class certification), and the fact of this AGREEMENT having been made, shall not be admissible or entered into evidence for any purpose whatsoever.

XV. CONDITIONS PRECEDENT TO SETTLEMENT

62. The PARTIES agree that the following conditions are material to this Proposed Settlement, such that failure of any of these conditions shall render this AGREEMENT null and void:

- a. Entry of the PRELIMINARY APPROVAL ORDER;
- b. COURT approval of the CLASS NOTICE AND NOTICE PLAN;
- c. COURT approval of the agreed upon amounts for attorneys' fees, class representation incentive award, and costs;
- d. Entry of the FINAL APPROVAL ORDER AND JUDGMENT;
- e. Expiration of the time in which an appeal must be perfected or affirmation by an appellate court on denial of writs by the Louisiana Supreme Court, and United States Supreme Court, if any application is filed, of the FINAL APPROVAL ORDER AND JUDGMENT.

XVI. REQUESTS FOR EXCLUSION AND OBJECTIONS TO THE SETTLEMENT

63. SETTLEMENT CLASS members who wish to exclude themselves from the SETTLEMENT CLASS must submit written requests for exclusion. To be effective, such a request must include the SETTLEMENT CLASS member's name and address, a clear and unequivocal statement that the SETTLEMENT CLASS member wishes to be excluded from the SETTLEMENT CLASS, and the signature of the SETTLEMENT CLASS member or, in the case of a SETTLEMENT CLASS member who is a minor, deceased or incapacitated only, the signature of the LEGALLY AUTHORIZED REPRESENTATIVE of the SETTLEMENT CLASS member. The request must be mailed to the CLASS COUNSEL at the address provided in the CLASS NOTICE and must be postmarked no later than ninety-eight (98) calendar days after the date of the PRELIMINARY APPROVAL ORDER.

64. CLASS COUNSEL shall promptly log each request for exclusion that it receives and provide copies of the log and each such request for exclusion within three (3) calendar days of its receipt, to USAgencies.

65. OBJECTORS must file written objections. Any SETTLEMENT CLASS member may appear at the FINAL APPROVAL HEARING, in person or by counsel, and be heard to the extent allowed by the Court, applying applicable Louisiana law, in opposition to the fairness, reasonableness and adequacy of the proposed Settlement, and on the application for an award of attorneys' fees and costs. The right to object to the proposed Settlement must be exercised individually by an individual SETTLEMENT CLASS member, not as a member of a group or subclass and, except in the case of a minor, deceased or incapacitated SETTLEMENT CLASS member, not by the act of another PERSON acting or purporting to act in a representative capacity.

66. To be effective, an objection to the proposed settlement must:

- (a) Contain a heading which includes the name of the case and case number;
- (b) Provide the name, address, telephone number and signature of the OBJECTOR;
- (c) Indicate the specific reasons why the OBJECTOR objects to the proposed settlement;
- (d) Be filed with the Clerk of the Court not later than ninety-eight (98) calendar days after the date of the PRELIMINARY APPROVAL ORDER;
- (e) Be sent to the Clerk of Court, CLASS COUNSEL and USAgencies by first-class mail, postmarked no later than ninety-eight (98) calendar days after the date of the PRELIMINARY APPROVAL ORDER to the following addresses:

Clerk of Court	J.R. Whaley	Herschel E. Richard, Jr.
Fourth Judicial District Court	Neblett, Beard & Arsenault	Cook, Yancey, King & Galloway
P. O. Box 1862	P. O. Box 1190	P. O. Box 22260
Bastrop, LA 71210-1862	Alexandria, LA 71309	Shreveport, LA 71120

- (f) Contain the name, address, bar number and telephone number of the OBJECTOR's counsel, if represented by an attorney. If the OBJECTOR is represented by an attorney, he or she must comply with all applicable

Louisiana laws and rules for filing pleadings and documents in Louisiana courts; and

(g) State whether the OBJECTOR intends to appear at the FINAL APPROVAL HEARING, either in person or through counsel.

67. In addition to the information required above, an objection must contain the following information, if the OBJECTOR or his/her or its attorney requests permission to speak at the FINAL APPROVAL HEARING:

(a) A detailed statement of the specific legal and factual basis for each and every objection;

(b) A list of any and all witnesses whom the OBJECTOR may call at the FINAL APPROVAL HEARING, with the address of each witness and a summary of his or her proposed testimony;

(c) A detailed description of any and all evidence the OBJECTOR may offer at the FINAL APPROVAL HEARING, including photocopies of any and all exhibits which the OBJECTOR may introduce at the FINAL APPROVAL HEARING; and

(d) Documentary proof of membership in the SETTLEMENT CLASS.

68. Any SETTLEMENT CLASS member who does not file a timely objection in accordance with the provisions above shall forever waive the right to object or to be heard at the FINAL APPROVAL HEARING and shall be forever barred from making any objection to the proposed settlement and appealing the approval of the settlement to any court. SETTLEMENT CLASS members have the right to exclude themselves from the proposed settlement and pursue a separate and independent remedy against USAgencies by complying with the exclusion provisions set forth above. SETTLEMENT CLASS members who object to the proposed settlement shall remain SETTLEMENT CLASS members, and have voluntarily waived their right to pursue an independent remedy against USAgencies. Any objection to the proposed settlement may be overruled in whole or in part.

69. Failure of a SETTLEMENT CLASS member to object to the settlement in accordance with the terms set forth herein forever waives that SETTLEMENT CLASS member's right to appeal the approval of the settlement to any appellate court.
70. USAgencies agrees that any representation, encouragement, solicitation or other assistance, including but not limited to referral to other counsel to any person objecting to any term of this SETTLEMENT AGREEMENT would represent a material breach of its obligations under this AGREEMENT. Accordingly, USAgencies and its respective counsel agree not to represent, encourage, solicit or otherwise assist in any way whatsoever, including but not limited to, referrals to other counsel, any person objecting to any term of this SETTLEMENT AGREEMENT.

XVII. DENIAL OF LIABILITY

71. USAgencies has indicated its intent to vigorously contest each and every claim in the ACTION. USAgencies maintains that it has at all times consistently acted in accordance with the governing laws and regulations of each State in which it does business. USAgencies denies each and every material allegation in the ACTION and denies that the certification of a litigation class is appropriate. USAgencies nonetheless has concluded that it is in its best interest that the ACTION be settled on the terms and conditions set forth in this AGREEMENT. USAgencies reached this conclusion after considering the factual and legal issues in the ACTION, the substantial benefits of a final resolution of the ACTION, and the expense that would be necessary to defend the ACTION through trial and through any appeals that might be taken.
72. As a result of the foregoing, USAgencies enters into this AGREEMENT without in any way admitting, conceding or acknowledging any fault, liability, or wrongdoing of any kind. Neither this AGREEMENT, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by USAgencies of the truth of any of the allegations in the ACTION, or of any liability, fault, or wrongdoing of any kind

on the part of USAgencies. This AGREEMENT shall not be offered or received in evidence in any action or proceeding in any court, administrative panel or proceeding, or other tribunal, as an admission or concession of liability or wrongdoing of any nature on the part of USAgencies. In the event the proposed settlement is not finally approved for any reason, USAgencies shall retain the right to object to the maintenance of the ACTION and/or any other case as a class action and to contest the ACTION and/or any other case on any ground.

XVIII. RETENTION OF RECORDS

73. The NOTICE ADMINISTRATOR, CLASS COUNSEL, and USAgencies shall retain all returned MAILED NOTICES, CLAIM FORMS, and correspondence relating thereto, for a period of three (3) years after the EFFECTIVE DATE. After this time, the NOTICE ADMINISTRATOR and CLASS COUNSEL shall destroy such documentary records including electronic data, that they have in their possession. Nothing in this AGREEMENT shall be construed to require the NOTICE ADMINISTRATOR, CLASS COUNSEL or USAgencies to retain records, including electronic data, beyond their respective, discretionary, record retention policies. At all time pertinent hereto, including the three year period after the EFFECTIVE DATE, all of the data referred to in this Paragraph shall be kept confidential and not used for any purpose other than the facilitation of this agreement.

XIX. COMMITMENT TO SUPPORT

74. The PARTIES agree that, to the best of their knowledge, information and belief, the SETTLEMENT AGREEMENT is made in good faith and in accordance with the laws of the United States, the State of Louisiana, and any other state or jurisdiction which may be applicable. The PARTIES agree to cooperate by providing affidavits and/or testimony concerning the circumstances of this AGREEMENT and attesting to the fact that it is a good faith agreement.

75. PLAINTIFF, CLASS COUNSEL, USAgencies, and Defendant's Counsel agree to recommend approval of this Settlement Agreement to the COURT and to the putative SETTLEMENT CLASS members and to undertake their best efforts,

including but not limited to all reasonable steps and efforts contemplated by this SETTLEMENT AGREEMENT that may be necessary and appropriate, by Order of the COURT or otherwise, to carry out the terms of this SETTLEMENT AGREEMENT. The PARTIES shall cooperate, assist and undertake all reasonable actions in order to accomplish the Settlement on a timely basis in accordance with the schedule established by the COURT or by the PARTIES' agreement in absence of Court Order. Neither USAgencies, nor Plaintiff, nor CLASS COUNSEL, nor Defendant's Counsel will aid or encourage or solicit any objections to this SETTLEMENT AGREEMENT (or any of its terms or provisions) nor to final certification of the SETTLEMENT CLASS, nor to encourage any putative class members to elect to opt-out.

76. The administration and consummation of the settlement is embodied in this AGREEMENT shall be under the authority of the COURT. The COURT shall retain jurisdiction to protect, preserve and implement the settlement, including but not limited to the Release entered into by the PARTIES. The COURT expressly retains jurisdiction in order to enter such further orders as may be necessary or appropriate in administering and implementing the terms and provisions of the Settlement, including but not limited to orders enjoining SETTLEMENT CLASS Members from prosecuting Claims that are released pursuant to the Settlement.

XX. MISCELLANEOUS PROVISIONS

77. The headings contained in this AGREEMENT are for reference purposes only and in no way define, extend, limit, describe, or affect the scope, intent, meaning, or interpretation of this AGREEMENT.
78. This AGREEMENT shall be construed, enforced, and administered in accordance with the laws of the State of Louisiana.
79. This AGREEMENT is not, and shall not be offered in evidence as, an admission of liability, USAgencies having denied any such liability.
80. The COURT shall retain jurisdiction with respect to implementation and enforcement of the terms of this AGREEMENT, and the PARTIES submit to the

jurisdiction of the COURT for purposes of implementing and enforcing the settlement embodied in this AGREEMENT.

81. In the event that there are any developments in the effectuation and administration of this AGREEMENT that are not dealt with by the terms of this AGREEMENT, then such matters shall be dealt with as agreed upon by the PARTIES, and, failing agreement, as shall be ordered by the COURT.
82. Except as otherwise stated herein, this AGREEMENT constitutes the entire agreement between and among the PARTIES with respect to the settlement of the action. This AGREEMENT shall not be construed more strictly against one PARTY than another merely because of the fact that it may have been prepared by counsel for one of the PARTIES, it being recognized that, because of the arms'-length negotiations resulting in the AGREEMENT, all PARTIES hereto have contributed substantially and materially to the preparation of the AGREEMENT. This AGREEMENT supersedes all prior negotiations and agreements (except as otherwise stated herein) and may not be modified or amended except by a writing signed by the PARTIES and their respective counsel.
83. This AGREEMENT may be executed in counterparts each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
84. The Exhibits to this AGREEMENT are an integral part of the settlement and are hereby incorporated and made part of this AGREEMENT.
85. The PARTIES shall execute all documents and perform all acts necessary and proper to effectuate the terms of this AGREEMENT. The executing of documents must take place prior to the date scheduled for the FINAL APPROVAL HEARING.
86. Each PARTY to this AGREEMENT warrants that he, she, or it is acting upon his, her, or its independent judgment and upon the advice of his, her, or its counsel and not in reliance upon any warranty or representation, express or implied, of

any nature or kind by any other party, other than the warranties and representations expressly made in this AGREEMENT.

87. The PARTIES hereto and their undersigned counsel agree to undertake their best efforts and to cooperate with each other to effectuate this AGREEMENT and the terms of the proposed settlement, including taking all steps and efforts contemplated by this AGREEMENT, and any other reasonable steps and efforts which may become necessary by order of the Court or otherwise.
88. The undersigned counsel represent that they are fully authorized to execute and enter into the terms and conditions of this AGREEMENT on behalf of their respective clients and the AGREEMENT is also to be signed by NICKEY L. MARSH and the undersigned, duly authorized representative of USAgencies.
89. All terms of this AGREEMENT are contractual and not mere recitals and shall be construed as if drafted by all PARTIES hereto. The terms of this AGREEMENT are and shall be binding upon each of the parties hereto, upon each of their agents, attorneys, employees, successors and assigns, and upon all other persons claiming any interest in the subject matter hereof through any of the parties hereto, including any SETTLEMENT CLASS member.
90. This AGREEMENT may be amended or modified only by a written instrument signed by counsel for all parties. Amendments and modifications may be made without additional notice to the potential SETTLEMENT CLASS members unless such notice is required by the COURT.
91. This AGREEMENT shall be subject to, governed by, construed in light of, and enforced pursuant to the laws of the State of Louisiana.
92. To the extent permitted by law, this AGREEMENT may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of this AGREEMENT.
93. This AGREEMENT shall be deemed to have been executed upon the last date of execution by all the undersigned PARTIES and/or counsel.

94. This AGREEMENT may be executed in counterparts, each of which shall constitute an original. Facsimile and/or electronically scanned signatures shall be deemed effective.
95. PLAINTIFF, CLASS COUNSEL, USAgencies, and counsel for USAgencies shall not make any statements, oral or written, to the media about this proposed settlement, except to refer media inquiries to the public record of the ACTION, or through a press release mutually agreed upon by the PARTIES.
96. As used herein, the plural of any defined term includes the singular thereof, and the singular of any defined term includes the plural thereof as the context may require.
97. In the event any date or deadline set forth in this AGREEMENT falls on a weekend or legal holiday, such date or deadline shall be on the first business day thereafter.
98. This AGREEMENT, including the exhibits hereto, was executed after arm's length negotiations.
99. This AGREEMENT shall be binding upon, and inure to the benefit of, the successors, assigns, executors, administrators, heirs and legal representatives of the SETTLEMENT CLASS and the RELEASED PARTIES; provided, however, that no assignment by any PARTY shall operate to relieve such PARTY of its obligation hereunder.
100. The PARTIES agree that in the event that any appeal is taken with respect to the Settlement embodied in the SETTLEMENT AGREEMENT, the PARTIES will join in a motion to require any appellant to post a 150% appeal bond.
101. The Protective Order previously entered in this matter shall remain in effect.

NICKEY L. MARSH

A.12 *2-28-09*

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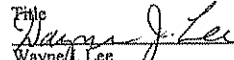
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