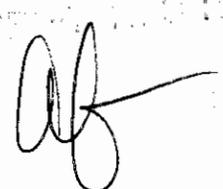


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**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

IN RE ALLSTATE FAIR CREDIT)
REPORTING ACT LITIGATION) MDL No. 3:02-md-1457 - ALL CASES

**AMENDED STIPULATION OF SETTLEMENT
OF CLAIMS OF CERTAIN PLAINTIFFS¹**

IT IS HEREBY STIPULATED AND AGREED, by and between Plaintiffs Woodrow Shelton, Larry Daniels, Sr., Sandra Daniels, Cynthia Silhol, Marsha D. Myers, Ronald Kelvin Myers, and Michael Sanchez ("Plaintiffs"), individually and as proposed representatives of all Class Members (as hereinafter defined), Allstate Insurance Company, Allstate Property Casualty Company, Allstate Indemnity Company, Allstate County Mutual Insurance Company, Allstate Floridian Indemnity Company, Allstate Floridian Insurance Company, Allstate New Jersey Insurance Company, Allstate Texas Lloyd's, Deerbrook Insurance Company, Encompass Floridian Indemnity Company, Encompass Floridian Insurance Company, Encompass Indemnity Company, Encompass Insurance Company, Encompass Insurance

¹ This settlement pertains only to the claims of Plaintiffs Woodrow Shelton, Larry Daniels, Sr., Sandra Daniels, Cynthia Silhol, Marsha D. Myers, Ronald Kelvin Myers, Michael Sanchez and the class members that they represent, as set forth in Counts I through VI of the Fifth Amended Complaint. Plaintiffs Jeanne Cochran, Geoffrey Cochran, Teresita Enriquez, Timothy Carlson, and Nancy Rose and the putative class members they seek to represent in Counts VII through XII of the Fifth Amended Complaint are not settling their claims and are not parties to this settlement.

This amendment contains only non-substantive modifications that shall be deemed to supplement the initial Stipulation of Settlement filed on August 18, 2004.

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Company of New Jersey, First Colonial Insurance Company, and Northbrook Indemnity Company, (collectively, "Allstate"), by their duly-authorized counsel, subject to approval of the United States District Court for the Middle District of Tennessee, pursuant to Rule 23 of the Federal Rules of Civil Procedure, that the above-captioned action (the "Litigation") with respect to the above-named Plaintiffs only and all claims, demands and causes of action which are or have been asserted in the Fifth Amended Complaint, Counts I through VI, filed by Plaintiffs (as defined herein) shall be and hereby are settled, compromised and dismissed with prejudice, subject to the following terms and conditions.

I. BACKGROUND.

A. The Litigation And the Allegations In The Litigation.

1. In the Fifth Amended Complaint, Plaintiffs sue Allstate for violation of section 1681n and of section 1681o of Title 15 of the United States Code or the Fair Credit Reporting Act ("FCRA"). Plaintiffs allege, *inter alia*, that Allstate violates the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., ("FCRA") in connection with its use of credit reports to underwrite and price automobile and homeowners insurance policies and both the permissible purpose and adverse action notification requirements under FCRA.

2. In the Fifth Amended Complaint, Plaintiffs seek injunctive and declaratory relief, actual and statutory damages, disgorgement, and punitive damages for each Class Member, as well as attorneys' fees and costs.

3. Counsel for Plaintiffs, and experts consulted by them, have conducted an examination into and an evaluation of the law and of the facts, including the facts made available through discovery, relating to the allegations with respect to Plaintiffs and in the Fifth Amended Complaint and regarding how best to confer a substantial benefit on the Class as hereinafter

defined in light of the strengths and weakness of Plaintiffs' claims and the obstacles to and risks of establishing liability and obtaining damages and/or other relief.

4. Based upon discovery and their investigation and evaluation of the facts and law relating to the matters set forth in the Fifth Amended Complaint, Counts I through VI, Plaintiffs' counsel have concluded that there are uncertainties in establishing liability with respect to Plaintiffs' claims and that this Stipulation Of Settlement confers a substantial benefit upon the Class.

5. Plaintiffs have agreed to settle Counts I through VI of the Fifth Amended Complaint, pursuant to the provisions of this Stipulation, after considering: (a) the benefit that Plaintiffs and the other Class Members will receive from this Stipulation; (b) the attendant risks of litigation, especially in complex actions such as these, as well as the difficulties and delays inherent in such litigation; (c) the uncertainty relating to proof of the allegations included in the Fifth Amended Complaint; (d) the desirability of permitting this Stipulation to be promptly consummated according to its terms; and (e) the conclusion of Plaintiffs' counsel that resolution of Counts I through VI of the Fifth Amended Complaint is in the best interests of the Class.

6. Allstate denies all allegations of wrongful conduct set forth in the Fifth Amended Complaint, denies any liability in the Litigation, and denies that the Plaintiffs or any potential class member is entitled to recover damages or obtain any other relief in the Litigation. Allstate has asserted various factual and legal defenses to the Litigation. Allstate contends that its use of consumer report information complies with FCRA and that if its practices relevant to Plaintiffs' claims failed to comply with FCRA in any respect, such non-compliance was inadvertent and unintentional. However, Allstate recognizes the uncertainties inherent in continued litigation and considers it desirable that Counts I through VI of the Fifth Amended Complaint be settled and dismissed because the Stipulation will: (a) halt the expense,

inconvenience and distraction of continued litigation of Plaintiffs' claims as set forth in Counts I through VI; (b) finally put to rest those claims; and (c) confer a substantial benefit upon the Class and Allstate, including, without limitation, the avoidance of further expense and disruption due to the pendency of Counts I through VI of the Fifth Amended Complaint.

II. DEFINITIONS.

As used in this Stipulation Of Settlement and the related documents attached hereto as Exhibits, the terms and conditions of which are incorporated herein by reference, the following terms shall have the following meanings:

A. “**Adverse Action Notice**” shall have the same meaning as the term "Notice" is used in the Fair Credit Reporting Act, 15 U.S.C. § 1681m.

B. “**Allstate**” shall mean Allstate Insurance Company, Allstate Property Casualty Company, Allstate Indemnity Company, Allstate County Mutual Insurance Company, Allstate Floridian Indemnity Company, Allstate Floridian Insurance Company, Allstate New Jersey Insurance Company, Allstate Texas Lloyd's, Deerbrook Insurance Company, Encompass Floridian Indemnity Company, Encompass Floridian Insurance Company, Encompass Indemnity Company, Encompass Insurance Company, Encompass Insurance Company of New Jersey, First Colonial Insurance Company, and Northbrook Indemnity Company.

C. “**Applicant**” shall mean an individual who applied for a Policy but, in accordance with Allstate's applicable underwriting guidelines in effect at the time the Policy was applied for, was informed that he or she did not qualify for, and, as a result, was not issued, a Policy (as that term is defined below) based in whole or in part on the individual's Credit Information (as that term is defined below).

D. **“Attorneys’ Fees”** means any attorneys’ fees, costs or expenses approved and ordered by the Court to be paid to Plaintiffs’ Counsel pursuant to Section IV. herein.

E. **“Claim”** means any past, present or future claim, action, cross-claim, counter-claim, right, demand, request, inquiry, letter, notice, suit, lawsuit, administrative proceeding, arbitration, mediation, cause of action, order, judgment, settlement, and any other assertion of liability of any kind, whether known or unknown, direct or consequential, foreseen or unforeseen, asserted or unasserted, filed or which may be filed in the future.

F. The **“Class”** and **“Class Member”** mean:

1. Sub-Class A

Sub-Class A shall consist of all: (1) Secondary Operators or Occupants of Current and Former Policyholders; and (2) Secondary Operators or Occupants of Applicants whose Credit Information was obtained by Allstate in connection with the underwriting and/or rating of a Policy for the time period between February 4, 2000 and October 1, 2004.

2. Sub-Class B

Sub-Class B shall consist of all Current and Former Policyholders and Secondary Operators or Occupants of Current and Former Policyholders who were issued a Policy and charged a premium at anything other than the lowest available premium for a Policy based in whole or in part on Credit Information of a Secondary Operator or Occupant of a Current and/or Former Policyholder for the period of time between November 1998 and October 1, 2004.

3. Sub-Class C

Sub-Class C shall consist of all Current and Former Policyholders with respect to whom, between November 1998 and October 1, 2004, in connection with a Policy, Allstate charged anything but the lowest available rate for a Policy based in whole or in part on Credit Information and Allstate did not provide a Notice within 60 days of issuing the Policy, including

those instances which were the result of a computer programming error like the one that occurred in Tennessee in October 2000.

4. Sub-Class D

Sub-Class D shall consist of all customers to whom Allstate did not issue an automobile, homeowners or other personal lines insurance policy and, between November 1998 and October 1, 2004, who received a notice with form number X6096, X66323, X66204, X6425, X6845, or X6936 which allegedly did not provide that Allstate's decision to not issue a policy was based in whole or in part on information from a consumer report from a particular source.

G. **"Class Counsel"** shall have the same meaning as "Plaintiffs' Lead Counsel" as that term is use in the Case Management Order.

H. **"Class Notice"** means the Notice of Proposed Settlement Of Class Action and Hearing Thereon having the content attached hereto as Exhibit A.

I. **"Confidential Information"** means all documents and things produced as discovery materials by the parties and designated as confidential consistent with the protective order entered by the Court, as well as all documents and things produced pursuant to subpoena by third-party Acxiom Corporation, and all reproductions of these discovery materials, whether by photocopies, scanned copies, electronic copies, printouts or copies created by any other method of reproduction; all documents filed with the Court under seal; all transcripts, or portions thereof, of depositions of employees of Allstate or Acxiom designated as confidential pursuant to the protective order entered by the Court. Notwithstanding the above, any documents filed in the public record during the course of this Litigation, unless filed under seal, shall not be deemed Confidential Information.

J. **"Credit Information"** means credit information on individuals that TransUnion sells to third parties in accordance with the Fair Credit Reporting Act.

K. **"Credit Report"** means a report prepared by TransUnion that contains consumer credit information on an individual and that TransUnion provides or sells to consumers in its ordinary course of business and in accordance with the Fair Credit Reporting Act.

L. **"Current Policyholder"** means a Policyholder under a Policy that is in effect at the time a Notice of Class Action Settlement is sent to the Policyholder.

M. **"Effective Date"** means the date that is ten business days after the date upon which all of the following conditions have occurred: (a) entry of the Final Judgment and Order of Dismissal with Prejudice in the form attached as Exhibit B, without material modification; (b) time for seeking appeal or judicial review of the Final Judgment in any court is expired; and (c) if an appeal or review of the Final Judgment is filed, (i) such Final Judgment is affirmed or the appeal or review is dismissed or denied, provided that the Final Judgment is not reversed or modified by an appellate court other than changes to formatting of the documents or to any typographical errors in them, and (ii) such Final Judgment is no longer subject to further judicial review in any court.

N. **"FCRA"** means the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.

O. **"Final Judgment"** means the Final Judgment and Order of Dismissal With Prejudice to be rendered by the Court consistent with this Stipulation of Settlement in the form, without material alteration, attached as Exhibit B.

P. **"Former Policyholder"** means a Policyholder who was a "named insured" as that term is defined under a Policy that is not in effect at the time a Notice of Class Action Settlement is sent to the Policyholder.

Q. **"Non-Settling Plaintiffs"** shall mean Jeanne Cochran, Geoffrey Cochran, Teresita Enriquez, Timothy Carlson, Nancy Rose, and those plaintiffs in the consolidated cases

herein asserting claims of Walk-Aways and claims of Secondary Operators or Occupants of Walk-Aways, as set forth in Counts VII through XII of the Fifth Amended Complaint.

R. **"Plaintiffs"** shall mean Woodrow Shelton, Larry Daniels, Sr., Sandra Daniels, Cynthia Silhol, Marsha D. Myers, Ronald Kelvin Myers, and Michael Sanchez represented by Class Counsel in the cases comprising a portion of this multi-district litigation.

S. **"Policy"** means a personal or specialty lines automobile, homeowners, Specialty Auto (motorcycle, motorhomes, golf carts, exhibition autos), mobile home, residential fire, renters, landlord's package policy, condominium owners, personal umbrella policy, boat, or recreational vehicle policy of insurance issued to an individual or individuals by Allstate at new business or renewal. The term "Policy" expressly excludes any commercial lines policy of insurance issued by Allstate or any other entity.

T. **"Policyholder"** means an individual, other than a Secondary Operator or Occupant, whose Credit Information was obtained by Allstate in connection with the establishment of a premium for a Policy under which the individual qualifies as a "named insured" as that term is defined under a Policy. A Policyholder is identified in certain Allstate records as "first operator" or "subject number one."

U. **"Preliminary Approval Order"** means the Order of Preliminary Approval of Settlement and Authorizing Notice of Proposed Settlement of Class Action and Hearing Thereon in the form attached as Exhibit C.

V. **"Premium Down Payment"** means a requirement, based in whole or in part on an individual's Credit Information, that the individual pay 33.3% or more of the premium for a Policy in the form of a lump sum payment prior to the inception of the Policy.

W. **"Quote"** means an estimated premium, stated in the form of a specific dollar figure, generated by Allstate and that is based in whole or in part on an individual's Credit

Information and that is provided to the individual by an agent or other representative of Allstate prior to the issuance of a Policy.

X. **“Released Claims”** means any and all actions, causes of action, obligations, costs, fees, sanctions, damages, losses, claims, liabilities and demands that are released and discharged under paragraph 13 below.

Y. **“Released Parties”** means Allstate Insurance Company, Allstate Indemnity Company and Allstate Property and Casualty Company, Allstate County Mutual Insurance Company, Allstate Floridian Indemnity Company, Allstate Floridian Insurance Company, Allstate New Jersey Insurance Company, Allstate Texas Lloyd's, Deerbrook Insurance Company, Encompass Floridian Indemnity Company, Encompass Floridian Insurance Company, Encompass Indemnity Company, Encompass Insurance Company, Encompass Insurance Company of New Jersey, First Colonial Insurance Company, and Northbrook Indemnity Company and each of their respective present and former officers, directors, partners, shareholders, agents, independent contractors, employees, predecessors, successors, assigns, parents, affiliates, subsidiaries, insurers and attorneys, and the agents and employees of any of them.

Z. **“Request Form”** means the form, substantially in the form of Exhibit D-1 for members of Sub-Classes A and D and in the form of Exhibit D-2 for members of Sub-Classes B and C, that each class member must send into the Class Administrator to obtain a free Credit Report from TransUnion.

AA. **“Secondary Operator or Occupant”** means an individual, other than a Policyholder, whose Credit Information was obtained by Allstate in connection with the establishment of a premium to be charged for a Policy. A Secondary Operator or Occupant is either a "named insured" or "insured" under the Policy. A Secondary Operator or Occupant is

identified in certain Allstate records as “second operator” or “subject number two.”

BB. “**Settlement**” means the settlement terms and conditions embodied in this Stipulation Of Settlement and in the Exhibits attached hereto, the terms of which are incorporated herein by reference.

CC. “**Settlement Administrator**” means The Garden City Group, Inc.

DD. “**Settlement Hearing**” means the hearing held by the Court to consider final approval of the Settlement pursuant to Rule 23 of the Federal Rules of Civil Procedure.

EE. “**Settlement Processing Procedures**” means those certain terms, conditions and procedures identified and described in paragraph III.B. below.

FF. “**SRM**” or “**Strategic Risk Management**” means a rating plan used by Allstate in one or more states, and in certain personal lines of insurance and during certain periods of time, where Credit Information is used as one of several factors to determine the premium to be charged for a Policy.

GG. “**SRM I**” shall mean the first phase of the SRM rating plan wherein Credit Information is used to determine whether an individual risk is classified as “clean” or “non-clean” and where these credit classifications are used *inter alia* to determine the premium to be charged for a Policy.

HH. “**SRM II**” shall mean the second phase of the SRM rating plan wherein Credit Information is used to determine a Policy IFS Group that is used *inter alia* to determine the premium to be charged for a Policy.

JJ. “**Stipulation**” means this Stipulation Of Settlement and the Exhibits attached hereto and incorporated herein by reference.

KK. “**TransUnion**” shall mean TransUnion, LLC.

LL. “**Walk-Away**” means: (1) an individual who sought and obtained a Quote

from an agent or other representative of Allstate that was anything other than the lowest premium available from Allstate, but who terminated the transaction prior to a decision being made by Allstate as to whether to issue a Policy; (2) an individual who was told by an agent or other representative of Allstate that he or she would have to make a Premium Down Payment but who terminated the transaction prior to a decision being made by Allstate as to whether to issue a Policy; or (3) an individual who qualified for and was offered a Policy by Allstate at anything other than the lowest available premium, based in whole or in part on the individual's Credit Information, offered by Allstate for the Policy and who terminated the transaction prior to accepting the offer and being issued the Policy.

III. THE SETTLEMENT.

A. The obligations incurred pursuant to the Settlement shall be in full and final disposition and settlement of all the Released Claims (whether class, individual or on behalf of the "public") against the Released Parties by Plaintiffs and by Class Members, or any of them.

B. The parties agree that Allstate shall carry out the Settlement in accordance with the following terms, conditions and procedures:

1. Practice Changes

a. The practices changes contained in this Settlement will be maintained for at least one year but not beyond a commercially reasonable period of time and only so long as the practice changes remain consistent with applicable federal and state law.

b. Allstate shall alter its procedures regarding ordering of Credit Information by ceasing to obtain the Credit Information of Secondary Operators or Occupants except where a Secondary Operator or Occupant is the spouse of an applicant or Policyholder. Allstate's alteration of its procedures shall include, but not necessarily be limited to, a process through which a spouse that applies for insurance with Allstate ("applicant spouse")

acknowledges that he or she is acting on behalf of his or her spouse and that, pursuant thereto, the applicant spouse is initiating the insurance underwriting transaction with Allstate on both his or her own behalf, and on behalf of the Secondary Operator or Occupant spouse. Pursuant thereto, Allstate would have a permissible purpose to obtain Credit Information of both the applicant spouse and Secondary Operator or Occupant spouse in connection with the insurance underwriting transaction as both spouses will be deemed to have initiated this transaction.

c. Allstate shall amend its current versions of its form “Important Notice – Rating Procedures and Practices” by replacing the current words (“Based on information contained in your credit report, we are not able to offer you a lower rate”) with the following words: “Based on information contained in your credit report, and/or the credit report of your spouse, the premium you are being charged for your policy is not the lowest premium charged by Allstate for this type of policy.”

2. Free Copy of Credit Report and Credit Brochure

a. All Class Members shall receive a Settlement Notice offering each Class Member the opportunity to obtain his or her Credit Report from TransUnion free of charge. The Settlement Notice shall include a Request Form (substantially in the form of either Exhibit D-1 or D-2) that Class Members must complete and return to the Settlement Administrator prior to the date set by the Court for final approval of the Settlement in order to receive their respective free credit reports. The Settlement Administrator shall send a list of all Class Members that timely return Request Forms requesting a free credit report to TransUnion. TransUnion shall send each Class Member on the list his or her free credit report. The Settlement Notice shall also include reference to a web site, to be maintained by the Claims Administrator, where further information regarding the management of Credit Reports may be obtained by Class Members. The web site shall have a home page substantially in the form

attached hereto as Exhibit E. The parties shall agree on the content of the web site and shall submit it to the Court for approval.

b. All Class Members shall receive a credit brochure, in the form attached hereto as Exhibit F, with the Settlement Notice providing information on the management of Credit Reports by individuals.

3. Credit Report Correction Process

Policyholders and Secondary Operators of Policyholders who are members of Sub-Classes B and C shall have the opportunity to engage in the following Credit Report correction process to determine if they are entitled to participate in a damages proxy and, if they are Current Policyholders and/or Secondary Operator or Occupant of a Current Policyholders, potentially receive a premium adjustment.² Individuals who participate in the Credit Report Correction Process shall be deemed to have authorized Allstate to request the Credit Reports of those individuals.

a. A Policyholder or Secondary Operator or Occupant of a Policyholder who is a member of Sub-Class B or C who timely returns to the Settlement Administrator the form appended to the Settlement Notice requesting his or her free credit report will be sent his or her free Credit Report by TransUnion ("Initial Credit Report") and will also be eligible to participate in the credit report correction process in order to potentially recover a damages proxy ("Correction Participant"). Within thirty (30) days from receipt of his or her Initial Credit Report, a Correction Participant must notify TransUnion that he or she is disputing the completeness or accuracy of an item(s) or information contained in his or her Initial Credit Report. If a Correction Participant does not notify TransUnion of a dispute within thirty (30)

² All other class members are free to pursue correction of any errors they find in their respective credit reports as they see fit but will not be entitled to any additional benefits pursuant to this Settlement.

days of receiving his or her Initial Credit Report, the Correction Participant shall not be entitled to participate in the damages proxy and, if a Current Policyholder and Current Secondary Operator or Occupant of a Policyholder, potentially receive a premium adjustment. Pursuant to §1681i(a)(1)(A) of FCRA, TransUnion shall have 30 days, beginning on the date it receives notification of a dispute and subject to TransUnion's right under §1681i(a)(1)(B) and (C) to a 15 day extension to reinvestigate, to complete a Credit Report correction process.

b. The Credit Report correction process shall be undertaken by Correction Participants through TransUnion, and TransUnion staff will follow its normal procedures as a consumer reporting agency for investigation and correction, if any, of such reports as set forth in the Fair Credit Reporting Act. The Parties agree that Allstate shall work with TransUnion to ensure that TransUnion has the appropriate staffing level necessary to handle the volume of Correction Participants participating in this Credit Report correction process through TransUnion's normal procedures.

c. A Correction Participant that successfully corrects any errors or omissions in his or her Credit Report through this Credit Report correction process ("Corrected Credit Report") shall participate in a determination of whether he or she is entitled to a class payment as set forth in paragraph III.B.4.

4. Class Payment Process

a. Derivation of Policy Credit Classifications and Policy IFS Groups

1). A Correction Participant shall have his or her Initial Credit Report and Corrected Credit Report evaluated under the current phase of SRM rating plan in *effect for the line of the insurance of the Policy and for the state in which the Policy is, or was, issued.*

a). In a line and state in SRM I, TransUnion shall send the Initial Credit Report and Corrected Credit Report of a Correction Participant to Acxiom (or

other appropriate entity of Allstate's choosing, collectively "Acxiom"). Acxiom shall utilize Allstate's applicable credit classification methodology, based on the line and state of the Policy, and assign credit classifications of "clean" or "non-clean" to both the Initial Credit Report ("Initial Policy Credit Classification") and the Corrected Credit Report ("Corrected Policy Credit Classification").

(1) Where a Policyholder and a Secondary Operator or Occupant of a Policyholder both participate in the Credit Report correction process, the Initial Policy Credit Classification shall be made on a Policy basis and will be: (i) "clean" if both the Policyholder's Initial Policy Credit Classification and the Secondary Operator or Occupant's Initial Policy Credit Classification is "clean"; (ii) "non-clean" if either the Policyholder or the Secondary Operator or Occupant of a Policyholder's Initial Credit Classification is "non-clean" or the Initial Credit Classifications of both are "non-clean." This same process shall be used to determine the Corrected Policy Credit Classification.

(2) Where only a Policyholder or a Secondary Operator or Occupant of a Policyholder, but not both (for a Policy on which each is named insured and/or insured), participates in the Credit Report correction process, the Initial Policy Credit Classification and the Corrected Policy Credit Classification shall be derived in the same manner as set forth in III.B.4.a.1).a).(1). above, except that the Initial Policy Credit Classification and Corrected Policy Credit Classification of the non-participating Policyholder or non-participating Secondary Operator or Occupant of a Policyholder shall be the Initial Policy Credit Classification of the participating Policyholder or participating Secondary Operator or Occupant of a Policyholder.

b). In a line and state in SRM II, TransUnion shall send the Initial Credit Report(s) and Corrected Credit Report(s) of a Correction Participant to Acxiom.

Axiom shall utilize Allstate's applicable insurance scoring methodology, applicable to the line and state of the Policy, to assign the appropriate Insurance Financial Stability ("IFS") group to the Initial Credit Report ("Initial Policy IFS Group") and the Corrected Credit Report (Corrected Policy IFS Group)(Policy IFS groups are numerical, with the best Policy IFS Group being Group 1 and, in certain states and lines, Groups 1 and 2).

(1). Where both a Policyholder and a Secondary Operator or Occupant of a Policyholder participate in the Credit Report correction process, the Initial Policy IFS Group shall be derived by taking the average of the numerical IFS score of the Policyholder's Initial Credit Report and the numerical IFS score of the Secondary Operator or Occupant of a Policyholder's Initial Credit Report and assigning the appropriate numerical IFS Group in accordance with Allstate's applicable insurance scoring methodology for the line and state of the Policy. This same process shall be used to derive the Corrected Policy IFS Group.

(2). Where only a Policyholder or a Secondary Operator or Occupant of a Policyholder, but not both (for a Policy on which each is named insured and/or insured), participates in the Credit Report correction process, the Initial Policy IFS Group and Corrected Policy IFS Group shall be derived in the same manner as set forth in Paragraph III.B.4.a.1).b).(1) above, except that the numerical IFS scores of the Initial Credit Report and Corrected Credit Report, respectively, of the non-participating Policyholder or Secondary Operator or Occupant of a Policyholder shall be the IFS score of the Initial Credit Report of the participating Policyholder or Secondary Operator or Occupant of a Policyholder.

2) Where an Initial Policy Credit Classification is "non-clean," and the Corrected Policy Credit Classification is "clean," there shall be a class payment made as set forth below. Similarly, if the Corrected Policy IFS Group decreases by one (1) or more numerical Policy IFS groups from the Initial Policy IFS Group, there shall be a class

payment made as set forth below. However, if the Initial Policy IFS Group entitles the Policy to the lowest available rate under the rating rules in effect in the line and state of the Policy, there shall be no class payment made, regardless of whether the Corrected Credit Report results in decrease of one (1) Policy IFS group from the Initial Policy IFS Group. (For example, where Policy IFS groups 1 and 2 entitle the Policy to the lowest available rate in the state and line of the Policy, where the Initial Policy IFS Group is group 2, there shall be no class payment made if the Corrected Policy IFS Group is 1).

3) There shall be no class payment if the Initial Policy Credit Classification and Corrected Policy Credit Classification do not change, or if there is no change in Policy IFS groups between the Initial Policy IFS Group and the Corrected Policy IFS Group.

4) Furthermore, Allstate will not increase the premium of any Policy in effect at the time the Notice of Settlement is sent to the Policyholder based solely on the Credit Information of the Policyholder and/or Secondary Operator or Occupant where the Corrected Policy Credit Classification is “non-clean” and the Initial Policy Credit Classification is “clean” or where the Corrected IFS Group is a numerically greater Policy IFS group than the Initial Policy IFS Group.

b. Class Payments

1) Class payments shall be made (i) where a Corrected Policy Credit Classification is “clean” and an Initial Policy Credit Classification is “non-clean” or, (ii) where a Corrected Policy IFS Group reflects a numerical decrease of one or more Policy IFS groups from the Initial Policy IFS Group in the amounts set forth below (except that no class payment shall be made where the Initial Policy IFS Group already entitles the Policy to the lowest available rate under the rating rules in effect for the state and line of the Policy). Where the Policy at issue is in effect at the time the Notice of Settlement is sent to the Policyholder, the

class payment shall take the form of a premium credit to the Policy. Where the Policy at issue is not in effect at the time the Notice of Settlement is sent to the former Policyholder, the class payment shall take the form of a monetary payment to the Former Policyholder.

a) Subject to the limitations in paragraph III.B.4.a., if the Corrected Policy Credit Classification is “clean” and the Initial Policy Credit Classification is “non-clean,” and Credit Information was used to rate the Policy for one (1) policy period, a class payment shall be \$50. If Credit Information was used to rate the Policy for two (2) policy periods, the class payment shall be \$100, and if Credit Information was used to rate the Policy for three (3) or more policy periods, the class payment shall be \$150.

b) Subject to the limitations in paragraph III.B.4.a., if the Corrected Policy IFS Group decreases by one or more numerical Policy IFS groups from the Initial Policy IFS Group, the following class payments shall be made:

(1). If the Corrected Policy IFS Group decreases by one numerical Policy IFS group from the Initial Policy IFS Group, and Credit Information was used to rate the Policy for one policy period, the class payment shall be \$50. (For example, if the Initial Policy IFS Group is “3” and the Corrected Policy IFS Group is “2,” this would be a decrease of one Policy IFS group and there would be a \$50 class payment.) If Credit Information was used to rate the Policy for two policy periods, the class payment shall be \$100, and if Credit Information was used to rate the Policy for more than two policy periods, the class payment shall be \$150.

(2). If the Corrected Policy IFS Group decreases by two or more numerical Policy IFS groups from the Initial Policy IFS Group, and Credit Information was used to rate the Policy for one policy period, the class payment shall be \$75; if Credit Information was used to rate the Policy for two policy periods, the class payment shall be

\$150; and if Credit Information was used to rate the Policy for more than two policy periods, the class payment shall be \$225.

2). Only one class payment shall be made per Policy. Where both a Policyholder and Secondary Operator or Occupant of a Policyholder participate in the Credit Report correction process and their Policy is entitled to a class payment, the class payment for the Policy shall be made to the "named insured," as that term is defined under the Policy. Where the Secondary Operator or Occupant of a Policyholder is also a "named insured" under the Policy, the class payment shall be made jointly payable to both the Policyholder and Secondary Operator or Occupant of the Policyholder.

3). Premium Adjustment to Current Policyholders

If a class payment is made pursuant to paragraph III.B.4.b.1)., the Policy may be subject to a premium adjustment based on Credit Information obtained by Allstate at the next renewal of the Policy as follows:

a) If both the Policyholder and a Secondary Operator or Occupant that is a spouse of that Policyholder are both Current Policyholders, then both the Policyholder and that Secondary Operator or Occupant of the Policyholder must each participate in the Credit Report correction process in order for the Policy to potentially be entitled to a premium adjustment based on Credit Information obtained by Allstate at the next renewal.

b) If the Secondary Operator or Occupant of a Policyholder is not an insured under a Policy of a Current Policyholder, or is a Secondary Operator or Occupant of a Current Policyholder but not the spouse of that Current Policyholder, then only the Policyholder must participate in the Credit Report correction process in order for the Policy to potentially be entitled to a premium adjustment based on Credit Information obtained by Allstate at the next renewal.

c) Where both a Current Policyholder and a Current Secondary Operator or Occupant of a Policyholder that is a spouse of the Current Policyholder participate in the Credit Report correction process, Allstate shall obtain the Credit Information of both at the next renewal of the Policy. Allstate shall evaluate that Credit Information in accordance with its applicable rating rules for the line and state of the Policy. The premium established by Allstate for the Policy at renewal shall be based on these applicable rating rules, and may increase or decrease accordingly. However, Allstate shall not increase the Policy premium based solely on the Credit Information of the Policyholder and/or Secondary Operator or Occupant of the Policy it obtained in this Settlement.

d) Where a Secondary Operator or Occupant is not an insured under a Policy of a Current Policyholder, Allstate shall not obtain the Credit Information of that Secondary Operator or Occupant in connection with the renewal of the Policy of that Current Policyholder. If the Current Policyholder has a new spouse that is, or will be, a Secondary Operator or Occupant of the Policyholder at the renewal of the Policy, Allstate will obtain the Credit Information of both the Current Policyholder and the new spouse of the Current Policyholder. If the Current Policyholder does not have a spouse at the renewal of the Policy, Allstate will only obtain the Credit Information of the Current Policyholder. Allstate shall evaluate the appropriate Credit Information it obtains in accordance with its applicable rating rules for the line and state of the Policy. The premium established by Allstate for the Policy at renewal shall be based on these applicable rating rules, and may increase or decrease accordingly. However, Allstate shall not increase the Policy premium based solely on the Credit Information of the Policyholder and/or Secondary Operator or Occupant of the Policyholder that it obtained at that renewal.

e) The individuals for whom Allstate obtains Credit

Information in accordance with this potential premium adjustment process shall each have been deemed to expressly authorize Allstate to obtain such Credit Information.

5. Settlement Assistance For Class Members

a. The Settlement Administrator shall establish a toll-free telephone number to provide reasonable assistance to Class Members regarding the Settlement. A call center will be established to handle calls to the toll-free number. The call center will have sufficient staff, toll free lines, and other necessary resources to promptly answer calls and provide reasonable assistance, in a timely manner, to Class Members. The call center will be in operation for a sufficient period of time to meet the needs of the Settlement. Sufficient documents will be maintained by the call center so that it may be audited. Additionally, the call center will report to the parties on a weekly basis for the first month and bi-weekly thereafter such information as the number of communications received from Class Members and the number of communications handled on an hourly basis by the call centers.

b. The Parties shall agree upon a reasonable scope of Settlement assistance that will be provided by the call center. This assistance shall include, but not necessarily be limited to, answering Class Members' questions about the process for obtaining a free Credit Report, whether Class Members may be entitled to participate in the Credit Report correction process and the general steps eligible Class Members would need to take to participate in this process, including the making of inquiries to TransUnion on behalf of Class Members regarding the status of their Credit Report correction process. However, this assistance shall not include participation by the call center in the Credit Report correction process (any corrections to Credit Reports shall be undertaken solely by and between the Class Members and TransUnion in accordance with TransUnion's ordinary procedures -- as set forth in paragraph III.B.3.b. above),

or assisting Class Members in reading or interpreting Credit Reports or determining if there are errors in Credit Reports.

C. Plaintiffs, through their attorneys, at Plaintiffs' or Plaintiffs' Counsels' own expense, have the right to review or audit the procedures undertaken by Allstate to ensure that said procedures are carried out in compliance with the Settlement Processing Procedures. The parties shall attempt in good faith to resolve any dispute over the scope of any review or audit. Any such dispute that the parties are unable to resolve shall be presented to Magistrate Judge Knowles for final resolution, with no appeal to Judge Trauger.

D. The Settlement Processing Procedures set forth in paragraph III.B. above shall govern the processing of Policyholders under the Settlement. Allstate's completion of said Settlement Processing Procedures in the manner set forth in paragraph III.B. above shall be deemed conclusive as to all Class Members. Class Members who do not participate in and comply with the Settlement procedures in the manner and within the time frames specified in paragraph III.B. shall be barred from receiving the benefits provided therein (including, without limitation, any Class Payment that would have been available to the Class Member if the Class Member had complied with said procedures and time frames), but nevertheless shall be bound by all of the terms of this Stipulation, including the terms of the Release contained herein and Judgment entered in the Litigation, unless the Class Member has been properly excluded from the Class.

IV. ATTORNEYS' FEES AND COSTS.

A. The award of Attorneys' Fees for Plaintiffs' Counsel was not negotiated by Plaintiffs' Counsel and Allstate's counsel until after agreement was reached between the parties on all other terms of this Settlement. Plaintiffs' request for Attorneys' Fees will be subject to court approval and Attorneys' Fees shall be awarded only in the Final Judgment that is consistent

with the terms of this Stipulation and does not materially change the terms herein. Allstate shall have no obligation to pay any Attorneys' Fees incurred by Plaintiffs or Plaintiffs' counsel, except upon the following terms and conditions or as provided in section VIII below:

B. Subject to the approval of the Court in the Final Judgment, Allstate agrees to pay Plaintiffs' counsel the sum of Eight Million Dollars (\$8,000,000.00) in full and final payment of and for any and all attorneys' fees, costs and/or expenses of Plaintiffs and/or Plaintiffs' counsel, including any and all attorneys' fees, costs and/or expenses to which Plaintiffs' or Plaintiffs' counsel may claim that they are entitled under any statute or rule or common law. However, if the Court should determine that Plaintiffs' counsel is entitled only to a sum less than \$8,000,000.00, Allstate shall be obligated to pay Plaintiffs' counsel only that amount awarded by the Court. Plaintiffs and Plaintiffs' Counsel waive any Attorneys' Fees awarded in excess of \$8,000,000.00, agree they will not seek to enforce or recover any Attorneys' Fees awarded in excess of \$8,000,000.00, and agree to return to Allstate any Attorneys' Fees paid in excess of \$8,000,000.00; and this sentence is a material term of this Stipulation such that any occurrence of it not being fully enforceable and effective would constitute failure of a material term, permitting termination of the Settlement under Section VIII.

C. Plaintiffs' Counsel shall file an Application with the Court seeking approval of payment by Allstate of Eight Million Dollars (\$8,000,000.00) for Attorneys' Fees. Allstate agrees that it will not object or seek to engender objection to the Court's approval of payment of Attorneys' Fees to Plaintiffs' Counsel in the amount of Eight Million Dollars (\$8,000,000.00) or comment in any negative manner on Plaintiffs' Counsels' entitlement to said fee.

D. Allstate shall pay said Eight Million Dollars (\$8,000,000.00) to Plaintiffs' Counsel within fourteen (14) business days after the Effective Date.

E. If this Stipulation is voided pursuant to the provisions of section VIII below or otherwise, Plaintiffs' Counsel shall not be entitled to payment of any Attorneys' Fees by Allstate as provided for in this Stipulation.

V. RELEASES.

A. In consideration for the acts to be performed and amounts to be paid by Allstate as set forth above and other terms of this Settlement, and except as expressly provided below, Plaintiffs and each member of the Class forever release and discharge Allstate Insurance Company, Allstate Indemnity Company, Allstate Property Casualty Company, Allstate County Mutual Insurance Company, Allstate Floridian Indemnity Company, Allstate Floridian Insurance Company, Allstate New Jersey Insurance Company, Allstate Texas Lloyd's, Deerbrook Insurance Company, Encompass Floridian Indemnity Company, Encompass Floridian Insurance Company, Encompass Indemnity Company, Encompass Insurance Company, Encompass Insurance Company of New Jersey, First Colonial Insurance Company, and Northbrook Indemnity Company and each of their respective present and former officers, directors, partners, shareholders, agents, independent contractors, employees, predecessors, successors, assigns, parents, affiliates, subsidiaries, insurers, and attorneys, and the agents and employees of any of them, from and against any and all actions, causes of action, obligations, costs, fees, sanctions, damages, losses, claims, liabilities and demands (hereinafter collectively referred to as "Claims") in any way based upon or arising, from November, 1998 to date of final approval of the Settlement, in any way under the Fair Credit Reporting Act, or any state laws or regulations that impose obligations on users of consumer reports, like Allstate, that are similar, or related to, the obligations imposed on Allstate under the Fair Credit Reporting Act, that Class Members ever had, now have, or hereafter may have arising out of Allstate's obtaining and using any "consumer report," as that term is defined in the Fair Credit Reporting Act, 15 U.S.C.

§1681a, in its underwriting and/or rating of Policies. Except as expressly provided below, such releases and discharges will extend to all such Claims of any and every kind and character, known or unknown, developed or undeveloped, suspected or unsuspected, which ever existed, now exist or may hereafter exist, and Plaintiffs and each Class member expressly waive all rights with respect to such claims.

B. Each Plaintiff and each member of the Class who is a resident of California, or who was a resident of California during the time periods identified in the definition of "Class" herein, waives the application of California Civil Code Section 1542, which provides as follows: "A general release does not extend to claims that the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

C. Notwithstanding the foregoing, the releases and discharges set forth in paragraph V.A. above do not apply to any claims currently being asserted in DeHoyos v. Allstate, filed in the United States District Court for the Western District of Texas, or Corbett v. Allstate, filed in Florida's Sixth Circuit Court, or the claims of Non-Settling Plaintiffs regarding Walk-Aways and Secondary Operators or Occupants of Walk-Aways as defined herein. Said claims of Walk-Aways and Secondary Operators or Occupants of Walk-Aways shall not be released in this Settlement, and the parties agree that claims of Non-Settling Plaintiffs, as Class Representatives, will continue to be litigated in further proceedings before the Honorable Aleta Trauger, federal District Court Judge, Middle District of Tennessee, Nashville Division.

D. Nothing in this release shall preclude any Class Member from recovery for any damage caused by any non-compliance by Allstate with the procedures of this Settlement.

E. None of Allstate's conduct in compliance with the Settlement Processing Procedures established under this Settlement shall be the basis of any Claim. However, it is

further understood and agreed that, without limiting the scope or effect of the release set forth in paragraph A. above, the release does not extend to any claim by a Class Member against any party herein arising out of any wrongful act or omission committed after the completion of the Settlement Processing Procedures for that Class Member.

F. Plaintiffs, all Class Members who do not properly exclude themselves from the Class, and the respective heirs, executors, administrators, partners, agents, successors and assigns of each of them, shall be permanently barred and enjoined from asserting, either directly or indirectly, individually, or in a representative capacity or on behalf of a class or the “public,” and whether under State or Federal statutory or common law, any Released Claim.

VI. PRELIMINARY APPROVAL AND NOTICE TO THE CLASS.

As soon as practicable after this Stipulation has been executed, Plaintiffs shall submit a Motion to the Court, in a form acceptable to Allstate, for an Order Of Preliminary Approval of the Settlement and Authorizing Notice of Proposed Settlement Of Class Action and Hearing Thereon (substantially in the form of Exhibit C attached hereto) providing, inter alia, as follows:

A. Certifying, in accordance with the terms of this Stipulation of Settlement, four subclasses consisting of:

1. Sub-Class A

Sub-Class A shall consist of all: (1) Secondary Operators or Occupants of Current and Former Policyholders; and (2) Secondary Operators or Occupants of Applicants whose Credit Information was obtained by Allstate in connection with the underwriting and/or rating of a Policy for the time period between February 4, 2000 and October 1, 2004.

2. Sub-Class B

Sub-Class B shall consist of all Current and Former Policyholders and Secondary Operators or Occupants of Current and Former Policyholders who were issued a Policy and

charged a premium at anything other than the lowest available premium for a Policy based in whole or in part on Credit Information of a Secondary Operator or Occupant of a Current and/or Former Policyholders for the period of time between November 1998 and October 1, 2004.

3. Sub-Class C

Sub-Class C shall consist of all Current and Former Policyholders with respect to whom, between November 1998 and October 1, 2004, in connection with a Policy, Allstate charged anything but the lowest available rate for a Policy based in whole or in part on Credit Information and Allstate did not provide a Notice within 60 days of issuing the Policy, including those instances which were the result of a computer programming error like the one that occurred in Tennessee in October 2000.

4. Sub-Class D

Sub-Class D shall consist of all customers to whom Allstate did not issue an automobile, homeowners or other personal lines insurance policy and, between November 1998 and October 1, 2004, who received a notice with form number X6096, X66323, X66204, X6425, X6845, or X6936 which allegedly did not provide that Allstate's decision to not issue a policy was based in whole or in part on information from a consumer report from a particular source.

B. Appointing Class Counsel;

C. Directing that a Fairness Hearing be held to determine whether the Settlement is fair, reasonable and adequate, and in the best interests of the Class, and whether Judgment should be entered dismissing the Litigation on the merits and with prejudice; and in the event that the Court approves this Settlement, to pass upon application of Plaintiffs' Counsel for allowance of fees, and to pass on such other matters as the Court deems appropriate;

D. Providing that notice of this Settlement and of the Fairness Hearing be given in the name of the Clerk of the Court by or at the direction of the Court to all persons who

are members of the Class;

E. Requiring that Notice to all Class Members shall be given by directing Allstate to Mail a copy of the Notice, having the content attached hereto as Exhibit A, and credit brochure, having the content attached hereto as Exhibit F, to the addresses of Class Members appearing in the business records maintained by Allstate, including any new addresses revealed by the results of using the National Change of Address Databases, which Allstate shall obtain at its own expense;

F. Requiring that, not later than ten (10) business days after the date of completion of Mailing of the Notice under subparagraph VI.E. above, Allstate shall cause the Summary Notice, having the content attached hereto as Exhibit G, to be published once in a section (not exclusively devoted to advertising) of the Sunday Parade and USA Sunday magazines;

G. Requiring the filing of a sworn statement by Allstate, prior to the Fairness Hearing, of Mailing of the Notice to Class Members in accordance with paragraph VI.E. and of publication of the Summary Notice in accordance with paragraph VI.F.;

H. Determining that the notice described in subparagraphs VI.E. and VI.F. above constitutes the best notice practicable under the circumstances and constitutes due and sufficient notice of the Fairness Hearing and proposed Settlement to all persons affected by and/or entitled to participate in the Settlement;

I. Setting the date ("Exclusion Date") by which any Class Member's request for exclusion from the Class must be postmarked; and

J. Determining that the Court has subject matter jurisdiction over the claims of the named Plaintiffs and of proposed Class Members.

VII. FINAL JUDGMENT

Prior to the Fairness Hearing, the parties shall submit for entry by the Court a proposed Final Judgment, substantially in the form attached hereto as Exhibit B. The proposed Final Judgment substantially in the form of Exhibit B shall provide, among other things, as follows:

A. Approving the Settlement, as provided herein, as fair, reasonable, adequate and in the best interests of the Class; ruling that this Stipulation, including the release provisions thereof, is fully binding upon all Class Members according to its terms; and directing consummation of the Settlement in accordance with the Settlement Processing Procedures and all other of the terms and conditions of this Settlement;

B. Dismissing Counts I through VI of the Fifth Amended Complaint with prejudice and on the merits, without leave to amend, and extinguishing all Released Claims (Counts VII through XII shall remain pending);

C. Approving an award of Attorneys' Fees in conformance with this Stipulation's provisions;

D. Permanently barring and enjoining Plaintiffs and each and every Class Member (other than those who have been excluded), and the respective heirs, executors, administrators, partners, agents, successors and assigns of each of them, from asserting, either directly or indirectly, individually, or in a representative capacity or on behalf of a class or the "public," and whether under State or Federal statutory or common law, any Released Claim;

E. Determining that the Court has subject matter jurisdiction over the claims of the named Plaintiffs and of all Class Members; and

F. Reserving jurisdiction, without affecting the finality of the Final Judgment with respect to the foregoing matters, over all matters relating to issues of compliance or non-compliance with the Settlement Processing Procedures and to the administration and consummation of the Settlement provided herein.

VIII. CONTINGENCIES, EFFECT OF DISAPPROVAL, EFFECT OF APPEAL, TERMINATION OF SETTLEMENT.

A. Allstate shall have the unilateral option to terminate this Stipulation and cancel the Settlement in the event that the number of Class Members who request exclusion from the Class is in excess of a specified number of Class Members agreed upon by Plaintiffs' Counsel and Allstate's counsel (the "Exclusion Threshold"). Within ten (10) business days following the Exclusion Date, Allstate's counsel shall notify Plaintiffs' counsel in writing if Allstate wishes to terminate this Settlement based upon the Exclusion Threshold having been exceeded or this option shall lapse.

B. This Stipulation and Settlement and the consideration therefor are offered and given in return for and are contingent upon the Releases described herein and Allstate receiving a full and final dismissal, with prejudice (under Rule 54(b) of the Federal Rules of Civil Procedure, or otherwise), approved by the Court and not subject to further appeal by any person, with respect to the Released Claims.

C. The Stipulation and Settlement are contingent upon the Court's entry of Final Judgment in the form, without material alteration, of Exhibit B hereto approving all of the terms of this Settlement, including the substantive terms and the terms for payment of Attorneys' Fees. In the event that the Court refuses to approve any material part of this Settlement, any party hereto may terminate this Stipulation and the Settlement as to that party by giving all other parties, or their counsel, written notice of the termination no later than ten (10) business days following the date of the Order disapproving the Settlement.

D. In the event that the Court approves this Settlement, an appeal is taken, and on appeal any term or provision of the Stipulation or Settlement is disapproved in material part, any party hereto may terminate this Stipulation and the Settlement as to that party by giving all other

parties written notice of the termination no later than ten (10) business days following the date of the Order disapproving the Settlement.

E. Either party may terminate this Stipulation and the Settlement if the other party materially breaches this Stipulation.

F. Allstate may terminate this Stipulation and the Settlement if the Court issues an order or award in this Action that requires Allstate to pay any attorneys fees, costs, expenses of litigation, damages, penalties, or other sums in excess of or in addition to those provided for in this Stipulation or that deprives Allstate of the protections accorded to Allstate by this Stipulation or that requires Allstate to perform or pay other than as provided for in this Stipulation.

G. If the Settlement is terminated for any reason whatsoever: (a) this Stipulation and each and every provision thereof shall have no further force or effect of any kind; (b) the parties shall stand in the same position as to every issue of fact and law as they do on the date of execution of this Stipulation (including whether a class may be certified) as though this Stipulation had never been entered into; (c) any and every Order entered pursuant to the Stipulation (including the Order Of Preliminary Approval And Authorizing Notice Of Proposed Settlement Of Class Action And Hearing Thereon) shall be vacated and of no further force or effect; and (d) neither this Stipulation nor any provision thereof nor any Order entered on or pursuant to this Stipulation shall be used or relied on in the Litigation or in any other proceeding for any purpose. All negotiations, proceedings, and statements made in connection herewith shall be without prejudice to any person or party hereto and shall not be deemed or construed to be an admission by any person or party of any act, matter, or proposition.

IX. REPRESENTATION OF OPT-OUTS.

Plaintiffs' Counsel and their respective firms agree - only to the extent that it is enforceable, allowable, and otherwise not violative of any applicable professional rules, ethical

guidelines or interpretations - not to encourage, solicit or refer to other counsel any person in requesting exclusion from the Class.

X. RETURN OF CONFIDENTIAL INFORMATION AND OTHER DISCOVERY.

For purposes of this Settlement, the parties and all counsel agree that the Protective Order that is in place in this case remains in effect and all parties and counsel remain bound to comply with the provisions of the Protective Order including those parties and counsel who, as a result of this Settlement, will not continue to participate in this litigation.

XI. STIPULATION IS NOT AN ADMISSION.

This Stipulation and each of its provisions and any prior drafts thereof and the Settlement provided for herein, whether or not consummated, and any negotiations, proceedings or agreements relating to this Stipulation, or any matter arising in connection with such negotiations, proceedings, or agreements, are not and shall not in any event be:

A. Construed as or deemed to be evidence or a presumption, concession, or an admission by Allstate of the truth of any fact alleged or the validity of any claim which has been asserted or could have been asserted in the Litigation, or of any liability, fault, wrongdoing or otherwise of Allstate;

B. Offered or received in evidence, or as a presumption or concession, or an admission of any actual or potential fault, misrepresentation or omission in any statement or written document or report heretofore issued, filed, or approved by any Allstate;

C. Offered or received in evidence, or as a presumption, concession, or an admission of any actual or potential liability, fault or wrongdoing or in any way referred to for any other reason against Allstate in the Litigation or in any other civil, criminal or administrative action or proceeding other than such proceedings as may be necessary to consummate or enforce this Stipulation or the Settlement;

D. Construed by anyone for any purpose whatsoever as a presumption, concession, or an admission of any actual or potential liability, fault or wrongdoing or otherwise on the part of Allstate;

E. Construed as a concession or an admission that Plaintiffs and the Class Members (or any of them) have in fact suffered any damage;

F. Construed as an admission or concession by anyone that the consideration to be given hereunder represents the amount that could be recovered after trial; or

G. Construed as an admission or concession that the Litigation is properly certifiable as a class action other than as part of this Settlement.

XII. MISCELLANEOUS PROVISIONS.

A. All parties to the Litigation and all of their attorneys agree to cooperate fully with one another in seeking Court approval of the Stipulation and to use their best efforts to effect consummation of this Stipulation and the Settlement provided for herein. The Parties further agree not to attack or take positions inconsistent with this Stipulation in connection with objections made to final approval of the Stipulation and settlement or in any appeal of the Final Judgment or in any collateral attack on the Stipulation or the Final Judgment.

B. Plaintiffs, Allstate, and their respective counsel, agree with respect to communications to the press, media, and to the public as follows:

1. Except with the written consent of the other parties, no party to this Stipulation nor any party's counsel nor representative will issue any press release, publicity notice, statement or communication to the press or media of any kind regarding the Litigation or proposed Settlement. Unless and until the Court were to disapprove the Settlement, in response to any inquiry by the press or media, the parties and counsel will respond only by stating "no comment" or by referring the inquiring party to the official Court file. No party or party's

counsel shall make any statements, to the press or otherwise, stating or suggesting that either party has through this Stipulation prevailed or established the propriety of its claims or defenses or that the other party has lost on or acknowledged the invalidity of its claims or defenses. In the event that the Court does not approve the Settlement, no party to this Agreement nor any party's counsel nor representative will solicit or suggest an inquiry from the media or press regarding the Litigation or proposed Settlement; however, in the event of disapproval of the Settlement, a party or the party's counsel may answer inquiries from the media or press regarding the Litigation and proposed Settlement with objective statements of fact or good faith statements of counsel's opinion.

2. Plaintiffs and Allstate agree that they will exchange proposed press releases regarding this Settlement. Plaintiffs and Allstate further agree that neither will issue a press release regarding this Settlement that has not been approved by the other.

3. In no event shall any party or counsel for any party make any statement to encourage an objection to the Settlement or that supports disapproval of any term or provision of the Settlement.

C. The undersigned counsel represent that they are fully authorized to execute and enter into the terms and conditions of this Stipulation on behalf of their respective clients.

D. Plaintiffs' Lead Counsel, as duly authorized, is signing this stipulation on behalf of Plaintiffs and, additionally, on behalf of each Plaintiffs' Counsel themselves with respect to the provisions pertaining to or placing obligations on Plaintiffs' Counsel themselves, including without limitation the provisions relating to Attorneys' Fees. Accordingly, each of Plaintiffs' Counsel is bound himself and/or herself solely as listed below, and their successors and assigns.

E. To the extent permitted by law, this Stipulation 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 Stipulation.

F. This Stipulation is and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns and any corporation, partnership or other entity into or with which any party hereto may merge, consolidate or reorganize.

G. All of the Exhibits to this Stipulation are an integral part of this Stipulation and the agreement of the parties to this Stipulation as though fully set forth herein.

H. This Stipulation and its Exhibits may be executed in one or more original counterparts, all of which together shall be one instrument and all of which shall be considered duplicate originals.

I. All proceedings with respect to the Settlement described in this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims and all matters relating to issues of compliance or non-compliance with the Settlement Processing Procedures and the administration and consummation of the Settlement provided herein, shall be subject to the jurisdiction of the Court.

J. The foregoing, including all of the Exhibits attached hereto, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified or amended except by a writing signed by all of the parties hereto or their duly authorized counsel.

K. The waiver by one party of any breach of this Stipulation by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

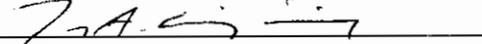
L. All terms of this Stipulation and the Exhibits hereto shall be governed and interpreted according to the substantive laws of the State of Illinois.

IN WITNESS WHEREOF, the Stipulation has been executed by the undersigned counsel
for the parties as of the date set forth below.

Dated September 21, 2004

PLAINTIFF WOODROW SHELTON
PLAINTIFFS LARRY DANIELS, SR., AND
SANDRA DANIELS
PLAINTIFF CYNTHIA SILHOL
PLAINTIFFS MARSHA D. MYERS AND
RONALD KEVIN MYERS
MICHAEL SANCHEZ
ATTORNEYS FOR PLAINTIFFS LARRY
DANIELS, SR., AND SANDRA DANIELS
ATTORNEYS FOR PLAINTIFF WOODROW
SHELTON
ATTORNEYS FOR PLAINTIFF CYNTHIA
SILHOL
ATTORNEYS FOR PLAINTIFFS MARSHA D.
MYERS AND RONALD KEVIN MYERS
ATTORNEYS FOR MICHAEL SANCHEZ

By: _____


Plaintiffs' Lead Counsel
JAMES, HOYER, NEWCOMER
& SMILJANICH, P.A.
Terry A. Smiljanich
One Urban Centre, Suite 550
4830 W. Kennedy Blvd., Suite 147
Tampa FL. 33609

Dated September 3, 2004

ALLSTATE INSURANCE COMPANY
ALLSTATE INDEMNITY COMPANY
ALLSTATE PROPERTY CASUALTY
COMPANY
ALLSTATE COUNTY MUTUAL INSURANCE
COMPANY
ALLSTATE FLORIDIAN INDEMNITY
COMPANY
ALLSTATE FLORIDIAN INSURANCE
COMPANY
ALLSTATE NEW JERSEY INSURANCE
COMPANY
ALLSTATE TEXAS LLOYD'S
DEERBROOK INSURANCE COMPANY
ENCOMPASS FLORIDIAN INDEMNITY
COMPANY
ENCOMPASS FLORIDIAN INSURANCE
COMPANY
ENCOMPASS INSURANCE COMPANY
ENCOMPASS INDEMNITY COMPANY
ENCOMPASS INSURANCE COMPANY OF
NEW JERSEY
FIRST COLONIAL INSURANCE COMPANY
NORTHBROOK INDEMNITY COMPANY

By: M. Keith Moskowitz
SONNENSCHN NATH & ROSENTHAL LLP
Jeffrey Lennard
John C. Koski
M. Keith Moskowitz
8000 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606
312/876-8000

United States District Court
For the Middle District of Tennessee

**LEGAL NOTICE: You Are A Class Member
In A Lawsuit And Your Legal Rights Are Affected By
The Settlement Described In This Notice**

Notice of Your Rights in the Allstate Fair Credit Reporting Act Settlement



YOUR OPTIONS IN CONNECTION WITH THIS SETTLEMENT

Submit Request Form	The only way to get your credit report and, potentially, other benefits: Claim Forms must be mailed by April 8, 2005.
Do Nothing	Get the enclosed credit brochure and access to the website referenced in this Notice, but not a free copy of your credit report and other benefits you may potentially qualify for under this settlement.
Exclude Yourself	You have the right to hire a lawyer and file your own lawsuit. You must tell the Court in writing by March 9, 2005. However, if you do so, you will receive no additional benefits under this settlement, except for the credit brochure you have received and access to the website referenced in this Notice.
Object	Remain in the class, waive your rights, and file your objections with the Court by March 9, 2005.

V. WHAT AM I GIVING UP?

If you do not exclude yourself from the Settlement, you are forever releasing and discharging Allstate Insurance Company, Allstate Indemnity Company, Allstate Property Casualty Company, Allstate County Mutual Insurance Company, Allstate Floridian Indemnity Company, Allstate Floridian Insurance Company, Allstate New Jersey Insurance Company, Allstate Texas Lloyd's, Deerbrook Insurance Company, Encompass Floridian Indemnity Company, Encompass Floridian Insurance Company, Encompass Indemnity Company, Encompass Insurance Company, Encompass Insurance Company of New Jersey, First Colonial Insurance Company, and Northbrook Indemnity Company and each of their respective present and former officers, directors, partners, shareholders, agents, independent contractors, employees, predecessors, successors, assigns, parents, affiliates, subsidiaries, insurers, and attorneys, and the agents and employees of any of them, from and against any and all actions, causes of action, obligations, costs, fees, sanctions, damages, losses, claims, liabilities and demands (hereinafter collectively referred to as "Claims") in any way based upon or arising, from October 31, 1998 to date of final approval of the Settlement, in any way under the Fair Credit Reporting Act, or any state laws or regulations that impose obligations on users of any way under the Fair Credit Reporting Act, that you ever had, now have, or hereafter may have arising out of Allstate's obtaining and using any consumer report in its underwriting and/or rating of personal lines insurance policies. Except as expressly provided below, such releases and discharges will extend to all such Claims of any and every kind and character, known or unknown, developed or undeveloped, suspected or unsuspected, which ever existed, now exist or may hereafter exist, you are expressly waiving all rights with respect to such Claims. If you are a resident of California, or were a resident of California at any time between October 31, 1998 to the date of final approval of this Settlement, you are waiving the application of California Civil Code Section 1542, which provides as follows: "A general release does not extend to claims that the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

VI. WHAT HAPPENS NEXT

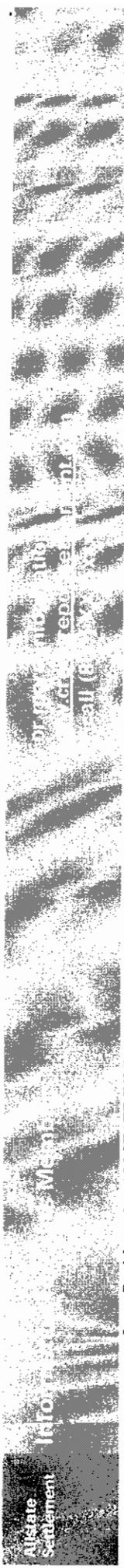
The Court will hold a final hearing to determine the fairness of the proposed settlement and the reasonableness of attorneys' fees at 9 a.m., April 11, 2005, in Room 873 at the federal courthouse in Nashville, Tennessee. You have the following options:

- If you want a free copy of your credit report, simply return the enclosed Request Form by April 8, 2005. In doing so, you are waiving your right to file your own lawsuit against Allstate for any violations of the Fair Credit Reporting Act from January 1998 to October 1, 2004.
- If you choose to do nothing, you will receive no additional benefits beyond the brochure entitled "Important Information About Your Credit Report" and access to the website www.creditreportsettlement.com.
- If you want to exclude yourself from this Settlement and preserve the right to hire your own attorney and bring your own lawsuit at your own expense ("opt out"), by March 9, 2005, you must put your request in writing to the Clerk of the District Court, U.S. District Court for the M.D. of Tennessee at United States Courthouse, 801 Broadway, Nashville, TN 37203. If you want to object to the Settlement or the fee award, you must remain in the Class and file your objection in writing with the Clerk of the District Court, M.D. Tennessee, United States Courthouse, 801 Broadway, Nashville, TN 37203; Terry Smijanich, James Hoyer Newcomer & Smijanich, 4830 W. Kennedy Blvd., Suite 550, Tampa, FL 33609; and Jeffrey Lennard, Sonnenschein, Nath & Rosenthal, Sears Tower, Suite 8000, Chicago, IL 60606, by March 9, 2005. If you plan to appear at the hearing in Tennessee on April 11, 2005, you must put your intention in writing and send it to the Court and the attorneys. However, if you opt out of the settlement, you will not receive any additional settlement benefits beyond the credit brochure and access to the settlement website.

EXHIBIT

A

blocks



Allstate Settlement

Information

Larry Daniels, et al. v. ALLSTATE INSURANCE, M.D. Tenn.

YOU ARE NOT BEING SUED
As a CLASS MEMBER, you may claim BENEFITS under this class action SETTLEMENT preliminarily APPROVED by the COURT.

A FEDERAL COURT authorized this Notice. This is NOT an attorney's solicitation.
Because you are a Class Member, as part of this settlement with Allstate Insurance you are entitled to receive a FREE COPY OF YOUR FULL CREDIT REPORT from Trans Union, a major credit reporting agency. To get your free credit report, which has a value in most states of \$9, you must submit the ENCLOSED REQUEST FORM. If you qualify, other benefits may also be available.

I. MEMBERS OF THE CLASS

Allstate Insurance Company and certain of its subsidiaries and affiliates ("Allstate") have settled a lawsuit brought by certain persons. The settlement concerns Allstate's use of credit reports under the Fair Credit Reporting Act in connection with its underwriting and pricing of automobile and homeowners policies, and certain other personal lines of insurance. The plaintiffs contend, and Allstate contests, that Allstate did not have a permissible purpose under the Fair Credit Reporting Act to obtain the credit reports of certain individuals and that Allstate did not send notices to certain individuals as required by the Fair Credit Reporting Act. This Class Action Settlement was preliminarily approved by the Honorable Aleta Trauger, United States District Judge, Middle District of Tennessee, on _____. The Court has made no determination that Allstate has done anything wrong.

Neither this settlement, nor the lawsuit, is about the prices Allstate sets for insurance policies or the insurance coverage it sells. In addition, this lawsuit does not challenge Allstate's right to use credit reports.

You are a Class Member affected by this Settlement Stipulation, if you meet one or more of the following descriptions of the four Sub-Classes:

- **Sub-Class A:** You were listed or identified as an insured by an individual applying for or renewing insurance under an Allstate personal lines policy of insurance, including an automobile or homeowners policy, between February 2000 and October 1, 2004, and your credit report was obtained by Allstate in connection with that application;
- **Sub-Class B:** You were issued an Allstate personal lines policy of insurance, including an automobile or homeowners policy, between November 1998 and October 1, 2004, and you were not charged the lowest available premium based in whole or in part on information in your credit report and the credit report of another person insured under the policy;
- **Sub-Class C:** You were issued an Allstate personal lines policy of insurance between November 1998 and October 1, 2004, including a homeowners or automobile policy, but were not charged the lowest available premium based in whole or in part on information in your credit report and/or the credit report of another individual insured under your policy and you did not receive a notice under the Fair Credit Reporting Act within 60 days of the policy issue date; or
- **Sub-Class D:** You were not issued an automobile, homeowners, or other personal lines insurance policy by Allstate and, between November 1998 and October 1, 2004, you received a notice with form number X6096, X66204, X6425, X6845, or X6936 which allegedly did not provide that Allstate's decision to not issue a policy to you was based in whole or in part on information from a consumer report from a particular source.

What's the deadline?
You must mail in your request form by April 8, 2005.

Why am I getting this?
You have been identified as a Class Member, and you may be entitled to further benefits in this settlement.

What am I entitled to?
A free copy of your full credit report. In addition, some Class Members may be entitled to cash payments or premium reductions.

What do I have to do?
Return the enclosed request form by the deadline of April 8, 2005, to get your free credit report.

What's the deadline?
You must mail in your request form by April 8, 2005.

If you received this Notice, you have been identified as a member of one or more of the above groups. You have legal rights and options to exercise in connection with this settlement. This Notice explains your rights and options -- and the deadlines to exercise them. The Court has made no determination on the merits of the case. The Court still has to decide whether to give final approval to this Settlement. If you request a credit report and are eligible for other benefits, you will not receive them unless and until the settlement is finally approved, including resolution of any appeals. A complete description of the Settlement and the benefits to which you are entitled, including a full copy of the Settlement Agreement and related documents, can be found at the following website: www.creditreportsettlement.com. This Notice generally describes the Settlement Benefits and provides the Request Form you need to submit to receive additional Settlement Benefits. If you remain in this Class, you will give up your right to bring your own individual lawsuit against Allstate for any alleged violations of your rights under the Fair Credit Reporting Act from November 1998 to October 1, 2004.

II. SUBJECT MATTER OF THE LAWSUIT

The parties have agreed to settle claims alleging that Allstate violated the Fair Credit Reporting Act because it did not have a permissible purpose to obtain the credit reports of certain individuals and did not send required notices to certain individuals in connection with its use of credit reports in the underwriting and pricing of personal lines policies of insurance, including automobile and homeowners policies. Allstate has denied liability, but has agreed to this settlement in resolution of all such claims by Class Members.

III. BENEFITS AVAILABLE TO YOU IN THIS SETTLEMENT

If you received this Notice, you are one of those Class Members. If you choose to receive additional settlement benefits, you must request that a free copy of your full credit report is sent to you by sending in the enclosed request form. If you ordered your credit report on your own today, it would cost you about \$9, depending on what state you live in. When you receive your free credit report, you will also receive instructions on how to correct errors in your credit report if you find any. Certain Class Members who make corrections to their credit reports may be eligible to receive a cash payment. You are a class member who may be eligible for a cash payment if you are in Sub-class B or C. If your request form has a "B/C" notation in the upper right hand corner, you are in one or both of these sub-classes and you may be entitled to receive a cash payment and/or a premium reduction after you correct your credit report. As part of the Settlement Agreement, Allstate has paid the cost of providing you with valuable information about your rights as a consumer under federal law. Included with this Class Notice is a brochure entitled "Important Information About Your Credit Report." You are urged to read this important brochure, which has been provided to you as a part of your settlement benefits. As a further benefit of the settlement, Allstate will change certain of its practices by only ordering credit reports on individuals applying for or renewing automobile, homeowners or other personal lines insurance policies and their spouses (if any). Also, Allstate will revise certain notifications it sends under the Fair Credit Reporting Act to reflect, where applicable, that the credit reports of both spouses resulted in it charging anything but the lowest available premium.

IV. ATTORNEYS' FEES

Fourteen separate law firms represented the several plaintiffs in this case. Lead Counsel appointed by the Court are: Terry Smiljanich, James Hoyer Newcomer & Smiljanich; Ken Canfield, Doffermire Shields Canfield Knowles & Devine LLC; and Charles McCallum, McCallum Law Firm. Allstate has agreed to pay the Class Members' attorneys' fees and costs incurred in prosecuting this case over the past four years. Class Counsel will be paid no more than \$8 million in fees and costs. The court will determine the amount of fair and reasonable costs and fees to be paid to class counsel. **No money will be taken from any award to class members. It will be paid by Allstate separately.** The Court will consider this matter at the hearing set for April 11, 2005.

Pursuant to an Order dated _____, 2004, ("Preliminary Approval Order"), the Court scheduled a hearing (the "Fairness Hearing") to consider the approval of the Settlement Stipulation and the settlement reflected in it, and directed that Notice of the proposed Settlement and the Fairness Hearing be mailed individually to each class member and published in the Sunday Parade and USA Sunday magazines.

Allstate denies any wrongdoing, fault, or violation of law, or liability for damages of any sort. Allstate would object to the certification of any class if this Litigation were not settled and has agreed to the certification of this class for settlement purposes only.

In accordance with the Settlement Stipulation and the Preliminary Approval Order, Notice was mailed to all Class Members and was published once in the Sunday Parade and USA Sunday magazines. Affidavits and/or declarations of mailing and publication of the Notice have been filed with the Court, demonstrating compliance with the Court's Order regarding Notice.

The Plaintiffs, Class Members, and Allstate have applied to the Court for approval of the terms of the Settlement Stipulation and for entry of this Final Judgment. Pursuant to the Notice, a Fairness Hearing was held before this Court on April 11, 2005, to consider, among other things, whether the settlement should be approved by this Court as fair, reasonable, and adequate, and whether Class Counsels' request for approval of attorneys' fees and expenses is reasonable and should be approved by this Court.

NOW, THEREFORE, GOOD CAUSE APPEARING, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. This Order incorporates by reference the definitions in the Settlement Stipulation, and all capitalized terms used in this Order will have the same meanings as set forth in the Settlement Stipulation, unless otherwise defined in this Order.

2. The Court has subject matter jurisdiction over the claims of the Plaintiffs and of all Class Members.

3. The Settlement Stipulation is the product of good faith arms' length negotiations, through counsel, by the Plaintiffs, the Class Members, and Allstate, each of whom is represented by experienced counsel.

4. The notification provided for and given to the Class Members was in compliance with the Preliminary Approval Order dated _____, 2004, and said notification was in full compliance with the notice requirements of due process and Rule 23(e)(1)(B) of the Federal Rules of Civil Procedure.

5. This Court approves the Settlement and all terms set forth in the Settlement Stipulation and finds that the Settlement is, in all respects, fair, reasonable, adequate and in the best interest of the Class Members, and the parties to the Settlement Stipulation are directed to fulfill and perform its terms.

6. Any and all objections to the Settlement Stipulation and Class Counsel's request for approval of attorneys' fees have been considered and are hereby found to be without merit and are overruled.

7. Counts I through VI of the Fifth Amended Complaint are dismissed with prejudice on the merits, and without leave to amend or costs to any party, and all Released Claims are extinguished.

8. Upon the Effective Date, the Plaintiffs and Class Members who did not exclude themselves effectively forever release and discharge Allstate Insurance Company, Allstate Indemnity Company, Allstate Property Casualty Company, Allstate County Mutual Insurance Company, Allstate Floridian Indemnity Company, Allstate Floridian Insurance Company, Allstate New Jersey Insurance Company, Allstate Texas Lloyd's, Deerbrook Insurance

Company, Encompass Floridian Indemnity Company, Encompass Floridian Insurance Company, Encompass Indemnity Company, Encompass Insurance Company, Encompass Insurance Company of New Jersey, First Colonial Insurance Company, and Northbrook Indemnity Company and each of their respective present and former officers, directors, partners, shareholders, agents, independent contractors, employees, predecessors, successors, assigns, parents, affiliates, subsidiaries, insurers, and attorneys, and the agents and employees of any of them, from and against any and all actions, causes of action, obligations, costs, fees, sanctions, damages, losses, claims, liabilities and demands (hereinafter collectively referred to as "Claims") in any way based upon or arising, from October 31, 1998 to date of this Order, in any way under the Fair Credit Reporting Act, or any state laws or regulations that impose obligations on users of consumer reports, like Allstate, that are similar, or related to, the obligations imposed on Allstate under the Fair Credit Reporting Act, that Class Members ever had, now have, or hereafter may have arising out of Allstate's obtaining and using any "consumer report," as that term is defined in the Fair Credit Reporting Act, 15 U.S.C. §1681a, in its underwriting and/or rating of Policies. Except as expressly provided below, such releases and discharges will extend to all such Claims of any and every kind and character, known or unknown, developed or undeveloped, suspected or unsuspected, which ever existed, now exist or may hereafter exist, and Plaintiffs and each Class Member expressly waive all rights with respect to such claims. Plaintiffs and each Class Member further agree to dismissal of the Claims with prejudice.

9. Plaintiffs and each and every Class Member (other than those who have been excluded), and the respective heirs, executors, administrators, partners, agents, successors and assigns of each of them is permanently barred and enjoined from asserting, either directly or indirectly, individually, or in a representative capacity or on behalf of a class or the "public," and whether under State or Federal statutory or common law, any Released Claim.

10. Each Plaintiff and each member of the Class who is a resident of California, or who was a resident of California during the time periods identified in the definition of "Class" in the Settlement Stipulation, waives the application of California Civil Code Section 1542, which provides as follows: "A general release does not extend to claims that the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

11. Notwithstanding the foregoing three paragraphs of this Order, the releases and discharges set forth in paragraphs 8, 9, and 10 above do not apply to any claims currently being asserted in DeHoyos v. Allstate, filed in the United States District Court for the Western District of Texas, or Corbett v. Allstate, filed in Florida's Sixth Circuit Court, or the claims of Non-Settling Plaintiffs regarding Walk-Aways and Secondary Operators or Occupants of Walk-Aways as defined in the Settlement Stipulation. Said claims of Walk-Aways and Secondary Operators or Occupants of Walk-Aways were not released through the Settlement, and the parties agree that claims of Non-Settling Plaintiffs, as Class Representatives, will continue to be litigated in further proceedings before this Court.

12. The Plaintiffs' and Class Counsel's request for approval of attorneys' fees in the amount of \$8 million is approved.

13. Any person wishing to appeal this Final Judgment shall post a bond with this Court in the amount of \$_____ as a condition of prosecuting the appeal.

14. If the Effective Date, as defined in the Settlement Stipulation, does not occur for any reason whatsoever, this Final Judgment and the Preliminary Approval Order and this Court's Order certifying a Settlement Class shall be deemed vacated and shall have no force and effect whatsoever.

15. Without affecting the finality of this Final Judgment in any way, this Court retains continuing jurisdiction for the purpose of enforcing the Settlement Stipulation and this Final Judgment, and other matters related or ancillary to the foregoing.

16. The Plaintiffs, the Class Members, and Allstate having so agreed, good cause appearing, and there being no just reason for delay, it is expressly directed that this Final Judgment and Order of Dismissal with Prejudice be, and hereby is, entered as a final and appealable order.

IT IS SO ORDERED.

Dated: _____

HONORABLE ALETA A. TRAUGER
UNITED STATES DISTRICT COURT JUDGE

14392046\V-4

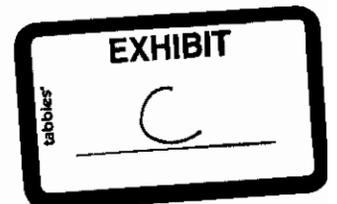
UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

IN RE ALLSTATE FAIR CREDIT)
REPORTING ACT LITIGATION) MDL No. 3:02-md-1457 - ALL CASES

**[PROPOSED] ORDER OF PRELIMINARY APPROVAL,
CERTIFICATION OF SETTLEMENT CLASS, AND
AUTHORIZING NOTICE OF PROPOSED SETTLEMENT OF
CLASS ACTION AND HEARING THEREON**

Upon review and consideration of the Stipulation of Settlement dated August 18, 2004 and the Exhibits attached thereto (collectively, the "Stipulation of Settlement"), executed on behalf of Class Representative Plaintiffs Woodrow Shelton, Larry Daniels, Sr., Sandra Daniels, Cynthia Silhol, Marsha D. Myers, Ronald Kevin Myers, and Michael Sanchez ("Plaintiffs") and Defendants Allstate Insurance Company, Allstate Property Casualty Company, Allstate Indemnity Company, Allstate County Mutual Insurance Company, Allstate Floridian Indemnity Company, Allstate Floridian Insurance Company, Allstate New Jersey Insurance Company, Allstate Texas Lloyd's, Deerbrook Insurance Company, Encompass Floridian Indemnity Company, Encompass Floridian Insurance Company, Encompass Indemnity Company, Encompass Insurance Company, Encompass Insurance Company of New Jersey, First Colonial Insurance Company, and Northbrook Indemnity Company, (collectively, "Allstate"), in the above-captioned litigation (the "Litigation"), and as a hearing on the proposed settlement (the "Settlement") set forth in the Stipulation of Settlement is necessary,

NOW, UPON THE APPLICATION OF THE PARTIES HERETO, IT IS HEREBY
ORDERED AS FOLLOWS:



1. The terms of the Stipulation of Settlement, and the Settlement provided therein, are preliminarily approved, subject to final consideration thereof at the Settlement Hearing described in paragraph 12 of this Order.

2. The definitions set forth in Section II of the Stipulation of Settlement are hereby incorporated into this Order.

3. Having made the findings set forth below, the Court hereby certifies four subclasses (the "Class" and "Class Member(s)") for the purpose of settlement in accordance with the Stipulation of Settlement, defined as follows:

A. Sub-Class A

Sub-Class A shall consist of all: (1) Secondary Operators or Occupants of Current and Former Policyholders; and (2) Secondary Operators or Occupants of Applicants whose Credit Information was obtained by Allstate in connection with the underwriting and/or rating of a Policy for the time period between February 2000 and October 1, 2004.

B. Sub-Class B

Sub-Class B shall consist of all Current and Former Policyholders and Secondary Operators or Occupants of Current and Former Policyholders who were issued a Policy and charged a premium at anything other than the lowest available premium for a Policy based in whole or in part on Credit Information of a Secondary Operator or Occupant of a Current and/or Former Policyholder for the period of time between November 1998 and October 1, 2004.

C. Sub-Class C

Sub-Class C shall consist of all Current and Former Policyholders with respect to whom, between November 1998 and October 1, 2004, in connection with a Policy, Allstate charged anything but the lowest available rate for a Policy based in whole or in part on Credit Information and Allstate did not provide a Notice within 60 days of issuing the Policy, including

those instances which were the result of a computer programming error like the one that occurred in Tennessee in October 2000.

D. Sub-Class D

Sub-Class D shall consist of all customers to whom Allstate did not issue an automobile, homeowners or other personal lines insurance policy and, between November 1998 and October 1, 2004, who received a notice with form number X6096, X66323, X66204, X6425, X6845, or X6936 which allegedly did not provide that Allstate's decision to not issue a policy was based in whole or in part on information from a consumer report from a particular source.

4. The above-described Class is so numerous that joinder of all members is impracticable.

5. Because of the nature of the Settlement Processing Procedures to be undertaken by Allstate under the Stipulation of Settlement, for the purposes of the Settlement, the Court finds as follows:

- a. There are questions of fact or law common to the above-described Class;
- b. The claims of the Plaintiffs are typical of the claims of the above-described Class;
- c. The Plaintiffs will fairly and adequately protect the interests of the above-described Class;
- d. Questions of law or fact common to the members of the above-described Class predominate over the questions affecting only individual Class Members; and
- e. Certification of the above-described Class for the purposes of the Settlement is superior to other available methods for the fair and efficient adjudication of the controversy.

6. Therefore, the Plaintiffs in the Litigation shall be the representatives of the above-described Class for the purposes of implementing the Settlement in accordance with the Stipulation of Settlement, and their counsel of record (Terry Smiljanich, James Hoyer Newcomer & Smiljanich; Ken Canfield, Doffermyre Shields Canfield Knowles & Devine LLC; and Charles McCallum, McCallum Law Firm) are appointed as counsel for said Class.

7. Defendant Allstate, at its cost and expense, shall give notice in the name and of the Clerk of this Court of the Settlement and of the Settlement Hearing to the above-described Class as follows:

a. By mailing, first class postage prepaid, a copy of the Notice having the content attached as Exhibit A to the Stipulation of Settlement to the addresses of Class Members maintained in the regular business records of Allstate including any new addresses revealed by the results of using the National Change of Address Databases, which Allstate shall obtain at its own expense;

b. By causing the Summary Notice to be published on Sunday, January 23, 2005, in the form attached as Exhibit G to the Stipulation of Settlement once in a section (not exclusively devoted to advertising) of Parade and USA Sunday magazines.

8. Notice in compliance with the provisions of paragraph 7 of this Order is hereby found to be the best notice practicable under the circumstances, and constitutes due and sufficient notice of this Order to all persons affected by and/or entitled to participate in the Settlement, in full compliance with the notice requirements of Rule 23 of the Federal Rules of Civil Procedure.

9. The costs and expenses of preparing, printing, mailing and publishing said Notices in accordance with paragraph 7 of this Order shall be paid by Allstate.

10. Prior to the hearing described in paragraph 12 of this Order, Allstate shall file with the Court a sworn statement of mailing of the Notice to Class members and of publication of the Summary Notice in accordance with paragraph 7 of this Order.

11. Any Class Member wishing exclusion from the Class shall mail a request for exclusion ("Request for Exclusion"), postmarked not later than March 9, 2005, to the Clerk of the District Court, M.D. Tennessee, United States Courthouse, 801 Broadway, Nashville, Tennessee 37203. Such request shall set forth: (i) the name and address of the Class Member; and (ii) the policy number(s) of the Class Member's Allstate insurance policy(ies). Any Class Member who does not properly and timely request exclusion shall be included in the Class and shall be bound by any Final Judgment entered in the Litigation.

12. A hearing (the "Fairness Hearing") shall be held before the undersigned at 9:00 a.m. on April 11, 2005, in Courtroom 873 in the United States District Court for the Middle District of Tennessee to consider the fairness, reasonableness and adequacy of the proposed Settlement, the dismissal of Counts I through VI of the Fifth Amended Complaint with prejudice and on the merits, entry of a Final Judgment with respect to Plaintiffs, the Class and Counts I through VI, an application for attorneys' fees and reimbursement of costs and expenses by Plaintiffs' counsel and other related matters. The hearing may be postponed, adjourned or continued by the Court without further notice to the Settlement Class.

13. Any Class Member who does not elect to be excluded from the Class may appear at the Fairness Hearing in person or by counsel, if an appearance is filed as hereinafter provided, and be heard to the extent allowed by the Court in support of, or in opposition to, the fairness, reasonableness and adequacy of the proposed Settlement, the requested award of attorneys' fees and reimbursement of costs and expenses; provided, however, that no person shall be heard in opposition to the proposed Settlement and, if approved, the Judgment entered thereon, or to the

requested award of attorneys' fees and reimbursement of costs or expenses, and no papers or briefs submitted by any person shall be accepted or considered by the Court, unless, on or before March 9, 2005, such person: (a) has filed with the Clerk of the Court a notice of such person's intention to appear together with a statement that indicates the basis for such opposition along with any supporting documentation, and (b) has served copies of such notice, statement and documentation together with copies of any other papers or briefs that such person files with the Court, either in person or by mail, upon the following: Plaintiffs' counsel, Terry Smiljanich and James Hoyer, Newcomer & Smiljanich, 4830 W. Kennedy Blvd., Suite 550, Tampa, Florida 33609; and Defendants' counsel, Jeffrey Lennard, Sonnenschein Nath & Rosenthal, 8000 Sears Tower, 233 S. Wacker Drive, Chicago, Illinois 60606.

14. All proceedings in the Litigation other than such as may be necessary to carry out the terms and conditions of the Stipulation or the responsibilities incidental thereto are stayed and suspended until further Order of this Court.

15. Upon consummation and approval of the Settlement provided for in the Stipulation of Settlement, the Stipulation of Settlement and each and every term and provision thereof and exhibits thereto shall be deemed incorporated herein as if explicitly set forth and shall have the full force and effect of an Order of this Court.

16. If the Settlement is terminated for any reason whatsoever, the Stipulation of Settlement and the Settlement and all proceedings had in connection therewith shall be without prejudice to the status quo ante rights of the parties to the action, the parties shall stand in the same position as to every issue of fact and law (including whether a class may be certified) as they did on the date of execution of the Stipulation of Settlement as though the Stipulation of Settlement had never been entered into and this Order had never been issued, and this Order and

any other Order(s) issued pursuant to the Stipulation of Settlement shall be vacated and of no further force or effect.

Dated: _____, 2004

United States District Judge

14363572V-3

Must be Postmarked
No Later Than
April 8, 2005

In Re Allstate Fair Credit Reporting Act Litigation Settlement
c/o The Garden City Group, Inc.
P.O. Box XXXX
New Albany, OH 43054
1 (800) 361-4132

DAL



REQUEST FORM

CLASS MEMBER IDENTIFICATION

Request Number:

REQUIRED INFORMATION OR CORRECTIONS

Write any name and address corrections below if any corrections are necessary **OR** if there is no preprinted data to the left, **YOU MUST** provide your name and address here:

Social Security Number

____ - ____ - ____

Daytime Telephone Number

(____) ____ - ____

E-mail Address

Evening Telephone Number

(____) ____ - ____

By returning this Request Form to the Settlement Administrator your request will be processed and you will receive your free credit report. Under the terms of the Settlement, you are not entitled to any additional settlement benefits.

For a full discussion of potential benefits, please refer to the enclosed Notice.

If you do not return the Request Form to the Settlement Administrator you will not receive any benefits provided by this settlement with the exception of the credit brochure included with the enclosed Notice.

VERIFICATION AND AUTHORIZATION

I hereby verify under penalty of perjury that all of the foregoing information provided in this Individual Class Member Claim Form is true and correct.

I understand that the Settlement Administrator is required to verify all information contained in this form, and I agree to cooperate with the Settlement Administrator if further inquiry is made of me.

By signing below, I am expressly authorizing Allstate, through the Settlement Administrator The Garden City Group, Inc., to have TransUnion send me a copy of my credit report. I acknowledge and agree that my express authorization allows Allstate, through The Garden City Group, Inc., to request that TransUnion send me my credit report in full compliance with the Fair Credit Reporting Act and any other applicable laws.

Sign your name here

Print your name here

Date

YOU MUST COMPLETE THIS FORM TO RECEIVE A FREE CREDIT REPORT THROUGH THIS SETTLEMENT

You must complete, sign, and mail this Request Form by first class mail, postmarked on or before April 8, 2005 to the Settlement Administrator, c/o In Re Allstate Fair Credit Reporting Act Litigation Settlement c/o The Garden City Group, Inc., P.O. Box XXXX New Albany, OH 43054.



In Re Allstate Fair Credit Reporting Act Litigation Settlement
Must be Postmarked
No Later Than
April 8, 2005
c/o The Garden City Group, Inc.
P.O. Box XXXX
New Albany, OH 43054
1 (800) 361-4132



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I understand that the Settlement Administrator is required to verify all information contained in this form, and I agree to cooperate with the Settlement Administrator if further inquiry is made of me.

By signing below, I am expressly authorizing Allstate, through the Settlement Administrator The Garden City Group, Inc., to have TransUnion send me a copy of my credit report. I acknowledge and agree that my express authorization allows Allstate, through The Garden City Group, Inc., to request that TransUnion send me my credit report in full compliance with the Fair Credit Reporting Act and any other applicable laws.

Sign your name here _____

Print your name here _____

Date _____

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I understand that the Settlement Administrator is required to verify all information contained in this form, and I agree to cooperate with the Settlement Administrator if further inquiry is made of me.

By signing below, I am expressly authorizing Allstate, through the Settlement Administrator The Garden City Group, Inc., to have TransUnion send me a copy of my credit report. I acknowledge and agree that my express authorization allows Allstate, through The Garden City Group, Inc., to request that TransUnion send me my credit report in full compliance with the Fair Credit Reporting Act and any other applicable laws.

Sign your name here _____

Print your name here _____

Date _____

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You must complete, sign, and mail this Request Form by first class mail, postmarked on or before April 8, 2005 to the Settlement Administrator, c/o In Re Allstate Fair Credit Reporting Act Litigation Settlement c/o The Garden City Group, Inc., P.O. Box XXXX, New Albany, OH 43054.

Must be Postmarked
No Later Than
April 8, 2005

In Re Allstate Fair Credit Reporting Act Litigation Settlement
c/o The Garden City Group, Inc.
P.O. Box XXXX
New Albany, OH 43054
1 (800) 361-4132

B/C

DAL



REQUEST FORM

CLASS MEMBER IDENTIFICATION

Request Number:

REQUIRED INFORMATION OR CORRECTIONS

Write any name and address corrections below if any corrections are necessary **OR** if there is no preprinted data to the left, **YOU MUST** provide your name and address here:

Social Security Number

____ - ____ - _____

Daytime Telephone Number

(____) ____ - _____

E-mail Address

Evening Telephone Number

(____) ____ - _____

By returning this Request Form to the Settlement Administrator your request will be processed to receive your free credit report and to determine your eligibility to receive additional settlement benefits.

For a full discussion of potential benefits, please refer to the enclosed Notice.

If you do not return this Request Form to the Settlement Administrator you will not receive any benefits provided by this settlement other than the credit brochure included with the enclosed Notice.

VERIFICATION AND AUTHORIZATION

I hereby verify under penalty of perjury that all of the foregoing information provided in this Request Form is true and correct.

I understand that the Settlement Administrator is required to verify all information contained in this form, and I agree to cooperate with the Settlement Administrator if further inquiry is made of me.

By signing below, I am expressly authorizing Allstate, through the Settlement Administrator The Garden City Group, Inc., to have Trans Union send me a copy of my credit report. If I engage in the credit correction process, I am also authorizing Allstate, through Acxiom Corporation, to obtain my credit report for purposes of determining whether I may be eligible for a cash payment or premium reduction. I acknowledge and agree that my express authorization allows Allstate through the Garden City Group Inc. and Acxiom to request that TransUnion send me my credit report and send my credit report to Allstate in full compliance with the Fair Credit Reporting Act or any other applicable laws.

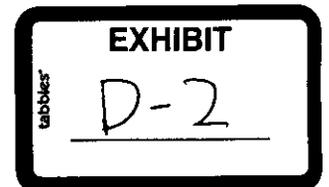
Sign your name here

Print your name here

Date

YOU MUST COMPLETE THIS FORM TO RECEIVE A FREE CREDIT REPORT AND TO BE ELIGIBLE FOR POTENTIAL ADDITIONAL BENEFITS THROUGH THIS SETTLEMENT

You must complete, sign, and mail this Request Form by first class mail, postmarked on or before April 8, 2005 to the Settlement Administrator, c/o In Re Allstate Fair Credit Reporting Act Litigation Settlement c/o The Garden City Group, Inc., P.O. Box XXXX New Albany, OH 43054.



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Sign your name here _____

Print your name here _____

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WEBSITE TEXT

Home Page

Welcome to the Allstate Fair Credit Reporting Act Litigation Settlement Website

PLEASE CLICK HERE FOR UPDATED INFORMATION

The federal District Court for the Middle District of Tennessee has preliminarily approved a settlement between Allstate and plaintiffs in the federal multi-district litigation case of *In re Allstate Fair Credit Reporting Act Litigation*, MDL No. 3:02-md-1457-ALL CASES. The Court has certified four Settlement Sub-Classes as follows:

(A) customers who were listed or identified as an insured by individuals applying for personal lines policies of insurance and whose credit reports were obtained by Allstate in connection with such applications

(B) customers who were issued personal lines policies of insurance and who were charged anything but the lowest available premium based in whole or in part on information in their credit reports

(C) customers who were issued personal lines policies and charged anything but the lowest available premium based in whole or in part on credit information but who did not receive certain adverse action notices under the Fair Credit Reporting Act within 60 days of the date on which policies were issued

(D) customers to whom Allstate did not issue an automobile, homeowners or other personal lines insurance policy and, between November 1998 and October 1, 2004, who received a notice with form number X6096, X66323, X66204, X6425, X6845, or X6936 which allegedly did not provide that Allstate's decision to not issue a policy was based in whole or in part on information from a consumer report from a particular source.

To determine your rights in this proposed Settlement, please click on the "Notice" link below. If you have questions, please see if they are answered by the F.A.Q. (frequently asked questions) section of this website or the court documents provided. If you still have questions after reviewing those items, please call toll free 1-_____.

Please select from the following:

- [Notice](#)
- [Claim Form](#)
- [F.A.Q.](#)
- [Court Documents](#)
- [Help](#)



Do I have to pay for a copy of my own credit report?

Sometimes. There's no charge if a company takes adverse action against you, such as denying your application for credit, insurance or employment, and you request your report within 60 days of receiving the notice of the action. The notice will give you the name, address, and phone number of the credit reporting agency. In addition in some states you're entitled to one free report a year. Otherwise, a credit reporting agency may currently charge you up to \$9 for a copy of your report. Even if you have not been denied credit or insurance, you may want to see the information in your credit report. Some financial advisors suggest you review your credit report for inaccuracies or omissions. This is especially important if you're planning a major purchase, such as buying a home or a car. Checking the accuracy of the information in your credit report could speed the credit-granting process. You may sometimes see offers for "free credit reports," but read the fine print carefully. They are usually selling you a credit-monitoring service.

What is the Fair Credit Reporting Act?

In 1970, Congress passed the Fair Credit Reporting Act (FCRA). The FCRA limits, among other things, the occasions on which a company may receive a copy of your credit report. It also requires the company, if it takes adverse action against you based in whole or in part on information in your credit report, to tell you of its decision. The company must also tell you the name of the credit reporting agency that provided your credit report to it, and information on how to contact that credit reporting agency. The company must also advise you of your right to obtain a free copy of your credit report that was used to take adverse action against you.

How can I fix errors in my credit reports?

Additional information about these topics is available at the website www.ftc.gov. In general, you may notify a credit reporting agency that there are errors in your credit report, and provide any documents you have to support your position. Under the law, the agency must conduct an investigation into the accuracy of the information. This includes contacting the source of the information that you believe is incorrect and obtaining verification. Generally, the agency has 30 days to investigate. After the agency completes its investigation, it has 5 days to report back to you. If the agency can't verify the negative information, it has to delete it. If the negative information stays in your file, you have the right to have it marked as disputed information.

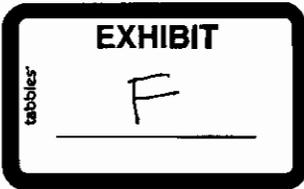
No one can legally remove accurate negative information from your credit report. The Federal Trade Commission suggests that you be wary of companies that promise "quick fixes" or "repairs" to your credit.

Where can I get more information about my rights concerning my credit report?

You can find helpful information at the following locations: <http://www.ftc.gov> (the Federal Trade Commission website); <http://www.nacra.net> (the website for the National Association of Consumer Advocates); or <http://www.nclc.org> (the website for the National Consumer Law Center).

Important Information About Your Credit Report

Your Rights as a Consumer



What is a credit report?

Your credit history, and other personal information about you, is collected and kept on file with major credit reporting agencies ("CRAs"), such as Trans Union, Equifax and Experian. CRAs legally sell your credit report information to businesses that, under the law, have the right to obtain and use your otherwise private credit information when, for example, you apply for credit, insurance, or employment. You have a credit record on file at a CRA if you have ever applied for a credit or charge account, a personal loan, insurance, or a job. Your credit record contains information about your debts, and credit payment history. It also indicates whether you have been sued, arrested, or have filed for bankruptcy.

Annually, over 2 billion credit reports are sold to businesses, so most American consumers have had their credit reports looked at many times each year. However, every year only a small percentage of consumers ask for and receive copies of their own credit reports. That means that hundreds of millions of consumers who have important decisions made about them daily based on their credit reports have never even bothered to look at their own reports.

What's in my credit report?

Your credit report contains the following types of information:

- Your name, and your spouse's name;
- where you live, where you work, and where you used to work;
- your Social Security number, prior addresses, phone number and birth date;
- whether you've paid bills on time, and how much credit you have available;
- if you've been late with rent or a mortgage payment;
- whether and to whom you have made an application for credit or a loan;
- companies who obtained your credit report; and
- bankruptcies, foreclosures, court judgments, convictions or tax liens.

Any particular company may not necessarily use all of these items in making determinations based on such reports.

What is a credit or insurance score?

The terms credit score or insurance score refer to a system used by companies to assist in determining what they consider to be a consumer's creditworthiness, insurability, or employability. Businesses use a variety of formulas to translate a consumer's credit information into a credit or insurance score. They may, for example, help predict how creditworthy the consumer is as compared to other consumers.

Who are the major credit reporting agencies?

There are three major credit reporting agencies in the country, each of which probably has a credit file on you. They are Trans Union, 1-800-916-8800, www.transunion.com; Equifax, 1-800-685-1111, www.equifax.com; and Experian, 1-888-397-3742, www.experian.com.

Why should I care about possible errors in my credit report?

While a good credit report can help you, errors in your credit report can cost you money. The General Accounting Office of the U.S. Congress (GAO) has stated that accurate credit reports are critical to the credit process -- for consumers attempting to obtain credit and to lending institutions making decisions about extending credit. Similarly, the Federal Trade Commission has told consumers that, because businesses use credit report information to evaluate consumers' applications for credit, insurance, employment, and other purposes allowed by the Fair Credit Reporting Act (FCRA), it's important that the information in consumer credit reports are complete and accurate. Industry officials and studies indicated that credit report errors could either help or hurt individual consumers depending on the nature of the error and the consumer's personal circumstances. Although the GAO recently concluded that there was insufficient evidence to indicate whether significant errors were common or rare in credit reports, it did conclude that a good way to help ensure the accuracy of credit reports is for consumers themselves to review their own consumer reports.

If there are mistakes in your credit report costing you money, only you are in the best position to discover them and do something about it. You may think you have great credit and don't need to worry about it, but you may be surprised at what is in your actual credit report. Your report may show late payments that were actually made on time. Or it may fail to show positive information about your credit, such as accounts that you have always paid on time. On the other hand, your report may be completely accurate. Unless you check it yourself, you may not know. For that reason, Congress has urged all Americans to check their own credit reports in order to look out for potential mistakes that could be costing them money.

What is identity theft?

Criminals have figured out how to use consumers' information for their own benefit. By stealing a person's private financial information, thieves can pose as that person and run up thousands of dollars in debt in the victim's name. The Federal Trade Commission estimates that more than 27 million Americans have been victims of identity theft in the last 5 years, including 9.9 million Americans in the last year alone. The sooner you realize you're a victim of identity theft, the less damage can be done to your good name. People whose identities have been stolen can spend months or years, and their hard-earned money, cleaning up the mess thieves have made of their good name and credit record. In the meantime, victims may lose job opportunities; may be refused loans, education, housing or cars; or even get arrested for crimes they didn't commit. The reality of identity theft is another reason why looking at your own credit report regularly is so important.

Can I demand to know what's in my credit report?

Yes. If you contact any of the major credit reporting agencies listed above, they must give you the information they keep on file about you.

Why is my credit report important?

Your credit report has a major impact on the interest rate you get for home mortgages, credit cards and car loans. It affects how much you pay for insurance. It can even factor into an employer's decision to hire or promote you.

What do I do if there are errors in my credit report?

You have the right to have accurate information in your credit report. But mistakes don't cure themselves. You have to initiate the correction process, and take specific steps.

Where can I learn the steps needed to fix errors?

www.ftc.gov

LEGAL NOTICE

**UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF
TENNESSEE**

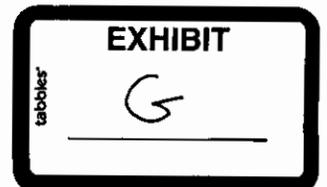
MDL No. 3:02-md-1457-ALL CASES – In re Allstate Fair Credit Reporting Act
Litigation

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

A nationwide settlement has been proposed in a class action lawsuit alleging that Allstate violated certain provisions of the Fair Credit Reporting Act in connection with its use of credit reports to underwrite and price automobile, homeowners and other personal lines insurance policies. Allstate denies these allegations and contends that it did nothing wrong. The settlement will provide all class members with a credit brochure that provides information on credit reports, including maintaining the accuracy of credit reports, and the opportunity to obtain a free credit report. In addition, some class members may be entitled to a cash payment and/or a premium reduction. If you are in the settlement class, you may send in a Request Form to obtain your free credit report and any other settlement benefits that may be available to you, or you may exclude yourself or object. The United States District Court for the Middle District of Tennessee authorized this notice. The Court will have a hearing to decide whether to approve the settlement so settlement benefits in addition to the credit brochure may be provided.

Neither this settlement, nor the lawsuit, is about the prices Allstate sets for insurance policies or the insurance coverage it sells. In addition, the lawsuit does not challenge Allstate's right to use credit reports.

WHO'S INCLUDED? The class consists of current and former customers of Allstate who applied for or were issued policies and who fall into one or more of the following four sub-classes: **Sub-Class A:** customers who were listed or identified as an insured by individuals applying for or renewing personal lines insurance policies between February 2000 and October 1, 2004 and whose credit reports were obtained by Allstate in connection with such applications or renewals; **Sub-Class B:** customers who were issued personal lines insurance policies between November 1998 and October 1, 2004 and who were charged anything but the lowest available premium based in whole or in part on information in the customer's credit report and the credit report of another person insured under the policy; **Sub-Class C:** customers who were issued personal lines insurance policies between November 1998 and October 1, 2004, and charged anything but the lowest available premium based in whole or in part on credit information, but who did not receive certain adverse action notices under the Fair Credit Reporting Act within 60 days of the date on which policies were issued; and **Sub-Class D:** customers to whom Allstate did not issue an automobile, homeowners or other personal lines insurance policy and, between November 1998 and October 1, 2004, who received a notice with form number X6096, X66323, X66204, X6425, X6845, or X6936 which allegedly did not



provide that Allstate's decision to not issue a policy was based in whole or in part on information from a consumer report from a particular source.

THIS IS ONLY A SUMMARY NOTICE. Contact the Settlement Administrator, Garden City Group at In Re Allstate Fair Credit Reporting Act Litigation c/o The Garden City Group, Inc. New Albany, Ohio 43054, Telephone Number: _____ or log onto www.creditreportsettlement.com to review a copy of the Notice that was mailed to Class Members, the Settlement Agreement and other documents filed with the Court that contain further information.

WHAT'S THIS ABOUT? Plaintiffs in the litigation referenced at the top of this notice allege that Allstate violated the permissible purpose and adverse action notification requirements under the federal Fair Credit Reporting Act when it used credit reports to underwrite and price automobile, homeowners and other personal lines insurance policies. Allstate denies it did anything wrong and the Court has made no determination that Allstate has done anything wrong. If the Settlement is Court-approved, Class Members will get valuable benefits, and the litigation will be resolved.

THE SETTLEMENT. If the Settlement is approved by the Court, all Class Members who send in a Request Form will receive a free credit report, in addition to the credit brochure. If you do not receive a Notice, and believe you are a member of the Class, you should call or write the Settlement Administrator, Garden City Group, Inc.: In Re Allstate Fair Credit Reporting Act Litigation c/o The Garden City Group, Inc., New Albany, Ohio 4305 Telephone Number: _____ or log onto www.creditreportsettlement.com. Some Class Members who are in Sub-Classes B and C may be entitled to additional benefits including cash payments, and/or premium reductions. In addition, Allstate will change certain of its practices by only ordering credit reports on individuals applying for or renewing automobile, homeowners or other personal lines insurance policies and their spouses (if any). In addition, Allstate will revise certain notifications it sends under Fair Credit Reporting Act to reflect, where applicable, that the credit reports of both spouses resulted in it charging anything but the lowest available premium. The Settlement also provides for payment by Allstate of Class Counsel's attorneys' fees. Class Counsel must apply for this payment with the Court and the Court must approve the payment. In no way is the Court's final approval of the Settlement contingent on approval of payment of the attorneys' fees. If you do not exclude yourself from the Settlement and the Class, you will be releasing all claims that have been made, or could have been made in this litigation under the Fair Credit Reporting Act or any other federal or state or common law theory arising out of the practices challenged in the Litigation that arose or will arise from October 31, 1998 through the date of final approval of the Settlement.

HOW TO GET SETTLEMENT BENEFITS. You must submit a Request Form to get *Settlement benefits. If you are a member of the Class, you may obtain a Request Form* from the website www.creditreportsettlement.com or by contacting the Settlement Administrator at: In Re Allstate Fair Credit Reporting Act Litigation c/o The Garden City Group, Inc., New Albany, Ohio 43054, Telephone Number: _____. Request Forms must be post-marked by April 8, 2005.

EXCLUDING YOURSELF AND OBJECTING. If you don't want the Settlement benefits and you don't want to be legally bound by the Settlement, you must exclude yourself by March 9, 2005 or you won't be able to sue Allstate about the claims in this litigation ever again. If you exclude yourself, you can't get any Settlement benefits. You may also object to the Settlement or to Class Counsels' application for attorneys' fees by March 9, 2005. The detailed Notice that was mailed to you or that you can obtain from the website www.creditreportsettlement.com, or by contacting the Settlement Administrator, The Garden City Group, Inc., explains how to exclude yourself or object.

FAIRNESS HEARING. A hearing will be held before the Honorable Aleta A. Trauger in Courtroom 873 at the United States District Court for the Middle District of Tennessee, 801 Broadway, Nashville, Tennessee, on April 11, 2005, at 9 a .m. C.S.T. to determine whether the proposed Settlement should be approved and whether an award of attorneys' fees should made to Class Counsel and to rule on any objections made to either. You may, but are not required, to attend the hearing.

Please do not contact the Court or the Clerk of the Court concerning this Notice.

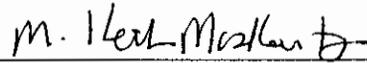
By Order of the Court

**THE HONORABLE ALETA A. TRAUGER
UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE**

143919931V-6

CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that true and correct copies of the foregoing were served on September 3, 2004, via U.S. first-class mail, upon all of the attorneys on the attached service list.



M. Keith Moskowitz

SERVICE LIST

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