

CLASS ACTION SETTLEMENT NOTICE – Mustard v. Mutual of Enumclaw Ins. Co., Case No. 15-2-13118-4 KNT (King County Sup. Ct.)

A Superior Court in King County Washington authorized this Notice. You received it because you owned a policy issued by Defendant Mutual of Enumclaw Insurance Company (“MOE”) on May 6, 2015, when MOE issued its proxy to existing policyholder-owners soliciting their approval to certain corporate restructurings (the “Proposed Transactions”). The Plaintiffs in this class action lawsuit (“Action”) challenged the adequacy of the disclosures made in the proxy statement, seeking to stop or reverse the Proposed Transactions. MOE denies any wrongdoing.

What does the Settlement provide? A settlement has been preliminarily approved by the Court in this Action. Both sides have agreed to settle the Action because the negotiated Settlement resolves the concerns underlying the allegations of the Action, benefits MOE’s Policyholders who comprise the Settlement Class and avoids the cost and uncertainty of further litigation. The settlement calls for injunctive relief that in principal part: (1) preserves the Settlement Class’s interests in MOE’s surplus in the event MOE seeks to fully convert into a stock company (or “demutualize”) within three years after the Proposed Transactions are completed, by ensuring that the Settlement Class’s member interests are not diluted by the inclusion of policyholders from its stock subsidiaries as mutual members (MOE confirms it has no plans to demutualize); and (2) preserves the Settlement Class’s rights and interests in MOE’s ongoing operations for five years after the reorganization by ensuring that premiums and claims payments will not be adversely affected as a result of the Proposed Transactions.

Who is in the Settlement Class? The Court certified a Settlement Class consisting of: All MOE Policyholders who owned MOE policies on May 6, 2015, when the Proxy was disseminated and were entitled to vote on June 8, 2015 on the Proposed Transactions. MOE’s records indicate that you are a member of the class.

Do you have a lawyer representing you in this lawsuit? The Court appointed lawyers from three law firms to act as Class Counsel for the Settlement Class: Hagens Berman Sobol Shapiro LLP; Adkins, Kelston & Zavez, P.C.; and Bonnett, Fairbourn, Friedman & Balint, P.C. Class Counsel will ask the Court to approve payment of \$343,000 for attorneys’ fees and expenses for their efforts to achieve this Settlement and for their risk in undertaking their representation on a contingency basis, and payment of \$2,500 each to the two named Plaintiffs for their services as Class Representatives. MOE – not the Settlement Class – will pay the fees and expenses and service awards approved by the Court. Payment of these items will not reduce the benefits available to the Settlement Class. If you wish, you may hire your own attorney at your own cost, who may enter an appearance on your behalf.

What does it mean to be a part of the Settlement? If you are in the Settlement Class, that means that you cannot sue, continue to sue, or be part of any other lawsuit against MOE and all of its related parties (“Released Defendant”) concerning the legal issues in this case. The Mutual Release in the Settlement provides:

...[T]he Releasing Plaintiffs and the Releasing Defendant shall upon the Final Settlement Date (a) have and be deemed by operation of law to have completely, fully, finally, and forever dismissed, released, relinquished, and discharged with prejudice each and every one of the Released Plaintiffs and Released Defendant from any and all of the Released Claims; (b) forever be barred and enjoined from in any jurisdiction filing, commencing, intervening in, instituting, maintaining, prosecuting, or seeking relief (including, but not limited to, filing an application or motion for preliminary or permanent injunctive relief) in any other lawsuit, arbitration, or other proceeding that asserts any of the Released Claims against any or all of the Released Plaintiffs or the Released Defendant; and (c) have and be deemed to have covenanted not to sue any of the Released Plaintiffs or the Released Defendant with respect to any of the Released Claims.

To the extent that any law, legal principle or statute purports to cause the releases described in Section II (“Mutual Release”) not to extend to unknown or unsuspected claims, then the Parties hereby expressly, knowingly and intentionally waive the benefits of such applicable law, legal principle or statute, including any and all common law principles that would tend to preserve such claims. The Parties acknowledge that it is possible that unknown losses or claims exist or that present losses, if any, may have been underestimated in amount or severity. The Parties are aware, understand, and agree that the releases set forth herein extend to all claims whatsoever, known and unknown, suspected or unsuspected, and hereby expressly waive any and all rights under or in protection of federal, state, or local law governing releases, including without limitation Section 1542 of the Civil Code of California. California Civil Code Section 1542 provides verbatim as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known to him must have materially affected his settlement with debtor."

How do I tell the Court if I don’t like the Settlement? No action is required on your part to participate in the Settlement. However, you or your own lawyer have the right to object to or comment on the Settlement and on Class Counsel’s request for attorneys’ fees, expenses and Class Representative service awards by mailing objections to the Court and counsel for the Parties at the addresses listed below. Objections must be in writing and include the objectors’ name, address, phone number, a detailed statement of the objection, all factual and legal support for the objection, evidence in support of the objection and the name and case number appearing on the Settlement Class Notice. If you filed a timely, written objection, you (or your own lawyer) may appear and speak at the Fairness Hearing but, to do so, you must file a “Notice of Intention to Appear” mailing a copy to the Court and the Parties’ counsel at the addresses listed below. The notice of intention to appear must contain the case name, case number and your name, address, telephone number and signature. No one will be permitted to appear at the final approval hearing to present an objection unless that person has complied with the requirements set forth for filing a timely written objection.

Any objection and notice of intention to appear must be filed with the Court by September 17, 2015.

COURT	CLASS COUNSEL			DEFENSE COUNSEL
Clerk of the Court Superior Court of Washington – King County 516 3 rd Ave., Rm. C-203 Seattle, WA 98104	Steve W. Berman Hagens Berman Sobol Shapiro LLP 1918 Eighth Ave., Suite 3300 Seattle, WA 98101	Jason B. Adkins Adkins, Kelston & Zavez, P.C 90 Canal Street, 5 th Floor Boston, MA 02114	Andrew S. Friedman Bonnett, Fairbourn, Friedman & Balint, P.C. 2325 E. Camelback Rd., Suite 300 Phoenix, AZ 85016	Steven Caplow Davis Wright Tremaine LLP 1201 Third Ave., Suite 2200 Seattle, WA 98101

The Honorable Laura Middaugh, the judge presiding over the Action, will hold a Fairness Hearing on **October 16, 2015 at 9:00 a.m.** in Courtroom 3J at the Maleng Regional Justice Ctr., 401 4th Ave. N., Kent, WA to decide whether to approve the Settlement and Class Counsel’s request for attorneys’ fee and expenses and service awards. You do not need to attend the hearing to object. The hearing may be changed to a different date or time without notice.

This notice is only a summary. In the event of any conflict between this summary and the Settlement Agreement, the terms of the Settlement Agreement control. Please read the Settlement Agreement at www.MOEProxySettlement.com, or obtain a copy by calling 1 (877) 939-6154.