

IN THE CIRCUIT COURT OF COOK COUNTY ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

Mayra Hernandez, as Guardian of the Estate of
Desmond Brown, Jr., Individually and on behalf of
all others similarly situated,

Plaintiffs,

vs.

Liberty Mutual Insurance Company,

Defendant.

No. 06 CH 3539

Judge Mary Anne Mason

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

If you purchased a Probate Bond Between January 1, 2001 and June 30, 2006, in Illinois from Liberty Mutual, you could get a payment from a class action settlement.

PLEASE READ THIS NOTICE CAREFULLY BECAUSE IT MAY AFFECT CERTAIN OF YOUR RIGHTS IN A PENDING LAWSUIT.

An Illinois state court authorized this Notice. This is not a solicitation from a lawyer.

This Notice has been issued pursuant to Rules 5/2-801 et Seq. of the Illinois Court Rules and Procedures an Order of the Circuit Court of Cook County, Illinois (the "Court"). The purpose of this Notice is to inform you of the pendency and proposed Settlement of this Class Action lawsuit, and of the hearing to be held by the court to consider the fairness, reasonableness, an adequacy of the Settlement. This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in this litigation, or the merits of the claims or defenses asserted. This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the Settlement and this class action lawsuit.

WHY SHOULD YOU READ THIS NOTICE?

You should read this notice because you may be eligible to receive money from the settlement of a class action lawsuit relating to sale of surety bonds in Probate Court in Illinois.

WHAT IS THE LAWSUIT ABOUT?

The lawsuit claims that some persons and entities in Illinois who paid a premium in full for the first year of a probate bond (Class Codes 203, 204, 213, 214) issued by Liberty Mutual Insurance Company between January 1, 2001 and June 30, 2006 should have received a refund, because either (a) the penal sum (penalty amount) was reduced from the original bond amount to a lower amount prior to the expiration of the first year of the bond, or (b) the bond was terminated prior to the expiration of the first year of the bond, subject to an annual minimum premium of \$100.00. Excluded from the Settlement Class are the Defendant, any entity in which Defendant has a controlling interest, and their legal representatives, heirs, and successors.

The Defendant denies all liability and denies that the Plaintiff or any Class Members were damaged.

WHY IS THIS LAWSUIT A CLASS ACTION?

In a class action, one or more people called Class Representatives sue on behalf of people who have similar claims. All of these people are referred to collectively as the settlement class, or individually as Settlement Class Members. One Court resolves the issues for all Settlement Class Members, except for those who exclude themselves from the Settlement Class.

HOW DO I KNOW IF I AM A CLASS MEMBER?

The Court has preliminarily determined that the following persons are members of the Settlement Class:

all persons and entities in Illinois who paid a premium in full for the first year of a probate bond (Class Codes 203, 204, 213, 214) issued by Liberty Mutual Insurance Company between January 1, 2001 and June 30, 2006, where either (a) the penal sum (penalty amount) was reduced from the original bond amount to a lower amount prior to the expiration of the first year of the bond, or (b) the bond was terminated prior to the expiration of the first year of the bond, and where Liberty Mutual did not adjust the premium for the probate bond pro rata upon either termination of the bond or reduction of the penal sum of the bond by order of Court, subject to an annual minimum premium of \$100.00.

WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of the Plaintiff or the Defendant. Instead, Class Representatives and the Defendants agreed to a settlement. The Class Representative and her attorneys (who are also known as Settlement Class Counsel) believe the Settlement is best for all Settlement Class Members.

WHAT AMOUNT OF MONEY AM I ENTITLED TO RECEIVE?

Under the proposed settlement, each Settlement Class Member is eligible to receive as a refund the *pro rata* adjustment of the first year premium paid up by the Settlement Class Member, for the time period following the reduction in amount or termination of the Bond, subject to an annual minimum premium of \$100. If the amount of refund claims exceeds the amount available for distribution after the payment of any amounts approved by the Court for attorneys' fees and expenses and the incentive award to the representative, then each Settlement Class Member will receive a pro rata share of the amount available for distribution.

HOW DO I CLAIM MY SHARE OF THE SETTLEMENT?

To receive a refund, a Settlement Class Member must complete a valid Claim Form and submit it so that it is postmarked by May 29, 2007. A copy of the Claim Form is attached to this Notice, or you can obtain a claim form by calling (610) 832-8252. You can also download a Claim Form from Settlement Class Counsel's website at www.attorneyzim.com. The Claim Form explains how to make a claim. **If you do not submit a claim form, you will not receive any part of the settlement.**

WHAT IS THE LEGAL EFFECT OF THE SETTLEMENT?

The settlement provides for a release of all claims relating to the sale of Probate Bonds by Liberty Mutual for Settlement Class Members. For the precise details of the release of claims, consult the settlement agreement on file with the Court.

WHO WILL DETERMINE IF THE SETTLEMENT IS FAIR?

The Court has ordered that a hearing be held on June 18, 2007, at 11:00 a.m. in Room 2510 of the Cook County Circuit Court, Richard J. Daley Center, Chicago, Illinois, to determine whether the proposed settlement is fair, reasonable, and adequate and whether it should be approved by the Court; whether judgment should be entered dismissing the lawsuit with prejudice; and the amount of attorneys' fees and costs to be awarded to Class Counsel. The Settlement Hearing may be continued from time to time by the Court without further notice to you.

WHAT IF I OBJECT TO THE SETTLEMENT?

A Settlement Class Member wishing to object to the settlement must file a written objection to it. Your written objection must be postmarked on or before May 29, 2007. Your objection must list your name, address, telephone number and, if applicable, the name, address and telephone number of your attorney. Your objection must be accompanied by copies of any supporting papers or briefs you intend to submit in support of your objection. Objections must be mailed to the Court, Class Counsel, and Defendants' Counsel at the addresses listed below. You may also attend the Settlement Hearing. If you intend to appear personally or through personal counsel at the hearing, you must include a notice of intent to appear in addition to your objection and mail copies to the

Court, Class Counsel, and Defendants' Counsel. **ANY CLASS MEMBER WHO DOES NOT OBJECT IN THE WAY DESCRIBED ABOVE SHALL BE DEEMED TO HAVE WAIVED SUCH OBJECTION AND SHALL NOT HAVE ANY RIGHT TO OBJECT TO THE FAIRNESS OR ADEQUACY OF THE SETTLEMENT.**

Clerk of the Court

Clerk of the Court
Circuit Court of
Cook County
Richard J. Daley Center
Chicago IL 60602

Settlement Class Counsel

Thomas A. Zimmerman, Jr.
Zimmerman and Associates, P.C.
100 West Monroe St., Suite 1300
Chicago, IL 60603
www.attorneyzim.com

Liberty Mutual's Counsel

William M. Hannay
Schiff Hardin LLP
6600 Sears Tower
Chicago IL 60606

WHAT SHOULD I DO IF I DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT?

To exclude yourself from the Settlement Class, you must submit a written request for exclusion that includes your name and current address. Each request must also contain a signed statement that: "I/we hereby request that I/we be excluded from the proposed Settlement Class in the Mayra Hernandez v. Liberty Mutual Insurance Company, Case No. 06 CH 3539." Requests for exclusion must be mailed to Settlement Class Counsel at the address listed above, and must be postmarked no later than May 29, 2007. **DO NOT REQUEST EXCLUSION IF YOU WISH TO PARTICIPATE IN THE SETTLEMENT.**

If you validly request exclusion from the Class, you will (a) not be entitled to any of the Settlement Class benefits; (b) be excluded from the Class; (c) not be bound by any judgment entered in the lawsuit; and (d) not be precluded from prosecuting an individual claim, if timely, against the Released Parties based on the issues raised in the lawsuit.

If you do not request exclusion from the Class, you will be bound by all determinations or judgments in the lawsuit in connection with the settlement entered into or approved by the Court, whether favorable or unfavorable to the Class, including the judgment ultimately rendered in the lawsuit.

WHAT IS THE DIFFERENCE BETWEEN EXCLUSION AND OBJECTING FROM THE SETTLEMENT?

Objecting simply tells the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the lawsuit no longer affects you.

WHO REPRESENTS THE CLASS?

The Court has appointed Mrs. Hernandez as Class Representative and her attorneys as Settlement Class Counsel. The Class Counsel for the Settlement Class are:

Thomas A. Zimmerman, Jr.
Zimmerman and Associates P.C.
100 West Monroe St., Suite 1300
Chicago, IL 60603
(312) 440-0020
www.attorneyzim.com

Dennis T. Trainor
M. Scott Barrett
Barrett & Associates
100 West Monroe St., Suite 1300
Chicago, IL 60603
(312) 269-0600

Settlement Class Counsel represent your interest in the lawsuit. You will not be charged for their services except to the extent that the Court approves attorneys' fees from the Settlement Fund be paid to Settlement Class Counsel. The Settlement Agreement provides that Settlement Class Counsel may petition the Court for an award of attorneys' fees not to exceed one-third of the Settlement Fund, plus costs. You may, however, hire your own attorney at your own expense to advise you in this matter.

WHO IS RESPONSIBLE FOR CLASS COUNSEL'S ATTORNEYS' FEES AND COSTS?

Settlement Class Counsel has indicated that they intend to petition the Court for an award of attorneys' fees and costs for their work on behalf of the Settlement Class. Defendants have agreed not to take any position on this request. Attorneys' fees and costs will be awarded by the Court out of the Settlement Fund. To the extent that the Settlement Fund is insufficient to pay all claims in full after payment of attorneys' fees, costs and the incentive payment to the Class Representative, each Settlement Class Member will have a pro rata portion of the sums awarded deducted from their recovery. If the Settlement Fund is sufficient to pay all claims in full after payment of the foregoing sums, there will be no deduction from Settlement Class Members' recoveries.

WHEN WILL I RECEIVE MY PAYMENT?

The Court will hold a fairness hearing on June 18, 2007 to decide whether to approve the Settlement. If the Settlement is approved, the payment of claims determined to be valid based on the Claim Forms submitted by you and other potential claimants will be made within 69 days from the end of the claim period, assuming no appeals have been filed. In the event there are appeals filed, this would delay the process of payment of the claims.

DO I HAVE TO COME TO THE HEARING?

No. Settlement Class Counsel will answer any questions the Court may have.

WHERE CAN I GET ADDITIONAL INFORMATION?

This notice is intended only as a summary of the lawsuit and proposed settlement. It is not a complete statement of the lawsuit or the proposed settlement. You may inspect the pleadings and other papers (including the proposed settlement agreement) that have been filed in this lawsuit at the Office of the Clerk, Richard J. Daley Center, Chicago, Illinois. If you have any questions about this notice or the proposed settlement, you may contact Class Counsel at the address listed above.

DO NOT CONTACT THE COURT OR DEFENDANT FOR INFORMATION.

By Order of Court

Dated: March 29, 2007

Honorable Judge Mary Anne Mason
Circuit Court of Cook County, Illinois

CLAIM FORM INSTRUCTIONS

1. Please print your name carefully. A check will only be sent to the person whose name appears in the Claim Form.
2. Settlement proceeds can only be paid to the person or entity that purchased and paid the premium for the probate bond. Typically (but not always) it is the Estate of the deceased, of the minor, or of the disabled person that paid the premium. If the Estate is still open, the settlement amount will be paid into the Estate. If the Estate is closed, the former administrator or executor of the Estate must choose one of three options set forth in the Claim Form for the disposition of the settlement proceeds.
3. For the "Date the Probate Bond Was Purchased/Issued" information, it is sufficient to list a month and year of purchase/issuance.
4. Your Claim Form will be rejected as invalid if you do not include all of the information requested.
5. You must fill out a separate Claim Form for each probate bond that you purchased.

CLAIM FORM

HERNANDEZ V. LIBERTY MUTUAL PROBATE BOND SETTLEMENT

Name

Address

City

State

Zip

()

Telephone Number

Date the probate bond was purchased/issued

Original amount of the Bond

Total first year premium paid

Date Bond was reduced or terminated

The amount the bond was reduced to
(if applicable)

Amount of premium refunded, if any

Is the probate estate still open? Check one: YES _____ or NO _____

If you checked "YES" (because the probate estate is still open), provide the following information:

Name of Estate (Insert Name of Decedent, Minor or Disabled Person, etc.)

Docket or Court Number

County in Illinois Where Estate is Pending

Name of Administrator or Executor

Address of Administrator or Executor

If you checked "NO" (because the probate estate is no longer open), these are your settlement options.

CHECK ONE OF THE FOLLOWING OPTIONS AND SIGN AND DATE THAT OPTION

OPTION 1

_____ I will undertake to reopen the estate so the money can be paid to the estate and will notify you when I have accomplished this step. I understand that the money must be paid into the estate. I declare under penalty of perjury under the laws of the United States of America that to the best of my knowledge, the information provided in this claim form is true and correct.

Signature: _____

Date: _____

OPTION 2

_____ I choose not to receive payment, and instead want the money to be paid to a charity selected by the parties to this lawsuit and approved by the Court. I declare under penalty of perjury under the laws of the United States of America that to the best of my knowledge, the information provided in this claim form is true and correct.

Signature: _____

Date: _____

OPTION 3

_____ I request that the money be paid to me as the former administrator/executor of the Estate, and I will take responsibility for distributing the settlement benefit to the beneficiaries of the Estate. I declare under penalty of perjury under the laws of the United States of America that to the best of my knowledge, the information provided in this claim form is true and correct, and that I am the former administrator/executor of the Estate and I will take responsibility for distributing the settlement benefit to the beneficiaries of the Estate. I also declare under penalty of perjury under the laws of the United States of America that I shall defend, indemnify and hold harmless the Plaintiff and Defendant, and all of their predecessors, successors, members, divisions, affiliates, parents, subsidiaries, and each and all of their respective current and former officers, directors, employees, affiliates, agents, consultants, attorneys, representatives, beneficiaries, heirs, and assigns ("Released Persons"), from and against claims, demands, losses, costs, damages, actions, suits, or proceedings by the Estate or any beneficiaries of the Estate that arise out of, or are attributable to, my performance of the responsibility to distribute the settlement benefit to the beneficiaries of the Estate.

Signature: _____

Date: _____

Please fill out the above information completely. If the information you provide is insufficient to determine whether you are a Class Member, your claim may be rejected.

Mail this Claim Form to the following address:

**Chief Counsel
Liberty Mutual Surety
450 Plymouth Road, Suite 400
Plymouth Meeting, PA 19462**

**YOUR CLAIM FORM MUST BE POSTMARKED AND MAILED TO THE ABOVE
ADDRESS ON OR BEFORE MAY 29, 2007.**