

Public Investors Lawsuit Claims Administrator
C/O Rust Consulting, Inc.-6150
P.O. Box 44
Minneapolis, MN 55440-0044

IMPORTANT LEGAL MATERIALS



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NINETEENTH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE, STATE OF LOUISIANA

A Louisiana Court authorized this notice. It is not a solicitation from a lawyer.

If you filed suit through the attorneys David P. Smith, John Gregory Odom, or Dan McKay in the period from 1991 to 1992 against the State of Louisiana Department of Insurance and Office of Financial Institutions for damages in connection with the failure of Public Investors Life Insurance Company, Inc., Public Investors, Inc., and/or Midwest Life Insurance Company, that matter is in the process of being converted to a class action by those same attorneys. The conversion could affect your rights. This notice also applies to you if you are the legal heir, successor, or assignee of a person who filed such a suit.

Your attorneys in this matter (identified more fully below) have continued to aggressively litigate this case from 1991 to the present. Over this 26-year period, your attorneys have engaged in litigation of this matter at every level, state and federal, from the 9th and 19th Judicial District Courts for the State of Louisiana, to the Louisiana First and Third Circuit Courts of Appeal, to the United States District Courts for the Middle and Western Districts of Louisiana, to the United States Fifth Circuit Court of Appeals, and have even filed briefing on appeals and writ applications with the Louisiana Supreme Court and the United States Supreme Court.

You or your predecessor may have previously consented to the conversion of your lawsuit into a class action when you authorized your attorneys to represent you in this litigation.

The purpose of this Notice is to inform you that the 19th Judicial District Court, State of Louisiana, has certified a class in the case, at the request of your attorneys.

Additionally, settlements have provisionally been reached between the lawyers for the Plaintiffs and the Defendants in this matter. These settlements call for the payment of a total of \$5.81 million to the members of the plaintiff class and are subject to certain contingent requirements, including approval by the Court.

You do not need to take any steps at this time in order to participate in this \$5.81 million settlement. If you do nothing, you will remain a member of the class, and will be provided with further notice and an opportunity to object to any aspect of the settlement and the proposed manner of distribution of the settlement funds. You will be entitled to submit a claim form to participate in the distribution of settlement proceeds.

Although the Plaintiffs' attorneys in this matter have worked on your behalf since 1991, co-lead counsel for the Plaintiff Class (Smith, Segura & Raphael, LLP and Odom & DesRoches, LLC) have represented to the Court that they do not intend to seek attorneys' fees from any pending settlement, although they do intend to seek reimbursement for reasonable costs, fees and expenses that have been incurred. Co-Lead Class counsel may present attorney fee applications from other Co-Counsel, if they determine such requests are reasonable and justified.

If you choose to opt out of the class, you will not be entitled to participate in class settlements and, if you intend to continue to pursue your claims, you will be required to retain new counsel and file a new suit prior to the expiration of any applicable statutes of limitation.

About The Lawsuit and the Class

- The purpose of this notice is to alert you about a class action lawsuit (the “Lawsuit”) brought as hundreds of individual lawsuits by persons and entities (“Plaintiffs”) against the State of Louisiana, through the Department of Insurance, Office of Risk Management, and Office of Financial Institutions (collectively referred to as “State Defendants”), and Admiral Insurance Company, Lexington Insurance Company, Westchester Fire Insurance Company, National Union Fire Insurance Company of Pittsburgh, PA, and American Excess Insurance Association and its members. The Lawsuit asserts that the State Defendants breached their duties in connection with the regulation of Public Investors Life Insurance Company and affiliated entities, causing the Plaintiffs to incur significant damages. All defendants have denied any wrongdoing.
- The Plaintiffs’ longtime attorneys reached the opinion that their clients’ interests would best be served by converting the hundreds of individual actions into a class action. Therefore, Plaintiffs’ attorneys requested that the Court certify the Plaintiffs as a class pursuant to Louisiana class action procedures. This request was vigorously opposed by the defendants, but after numerous hearings and appeals, the Court has determined that the Lawsuit can proceed as a class action because it meets the requirements of Louisiana Code of Civil Procedure article 591. The class (hereinafter, the “Class”), includes the following:

All persons or entities in the United States, and the legal heirs, successors, and assigns of such persons or entities who filed suit against the State of Louisiana and/or its Department of Insurance or Office of Financial Institutions for damages caused by the State’s conduct in connection with the failure of Public Investors Life Insurance Company, Inc., and whose claim was consolidated into Civil Action No. 377,713 or No. 412,265 (captioned Donald W. Abshire, et al., vs. The State of Louisiana, et al. and Arthur A. Lewis, et al., vs. The State of Louisiana, et al.);

All persons or entities in the United States, and the legal heirs, successors, and assigns of such persons or entities, who filed suit against the State of Louisiana and/or its Department of Insurance or Office of Financial Institutions for damages caused by the State’s conduct in connection with the failure of Public Investors, Inc., and whose claim was consolidated into Civil Action No. 377,713 or No. 412,265 (captioned Donald W. Abshire, et al., vs. The State of Louisiana, et al. and Arthur A. Lewis, et al. vs. The State of Louisiana, et al.);

All persons or entities in the United States, and the legal heirs, successors, and assigns of such persons or entities, who filed suit against the State of Louisiana and/or its Department of Insurance or Office of Financial Institutions for damages caused by the State’s conduct in connection with the failure of Midwest Life Insurance Company, and whose claim was consolidated into Civil Action No. 377,713 or No. 412,265 (captioned Donald W. Abshire, et al., vs. The State of Louisiana, et al. and Arthur A. Lewis, et al., vs. The State of Louisiana, et al.);

Excluded from the Class are any persons or entities to the extent their claims in Civil Action No. 377,713 or No. 412,265 have been resolved by a final, unappealable judgment, including those claims dismissed as a result of the rulings of the United States District Court, Western District of Louisiana, No. 06-1368.

YOUR LEGAL RIGHTS AND OPTIONS	
DO NOTHING	By doing nothing, you remain in the Class and retain the right to receive your appropriate share of the money to be paid by the defendants in connection with the pending settlements. All of the Court’s orders in the case will apply to you and legally bind you. Any judgment issued in the case, whether favorable or not, will apply to you and legally bind you.
EXCLUDE YOURSELF FROM THE CLASS	You may choose to exclude yourself (i.e., “opt out”) from the Class. If you decide to exclude yourself, you will not be bound by any settlements with the defendants, nor will you be entitled to share in any recovery that comes from settlements with the defendants. This is the option that allows you to bring your own separate lawsuit (if you choose to do so) against defendants relating to the legal claims against the defendants in this case. The individual case you filed will not be resolved and will continue.
GET MORE INFORMATION	If you would like to obtain more information about the Lawsuit, you can send questions to the lawyers identified in this notice.

- These rights and options – **and the deadlines to exercise them** – are explained in this notice.

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BASIC INFORMATION

1. Why did I get this notice?

You received this notice because according to court records, you or your predecessor in interest may have filed or joined a lawsuit against the State Defendants in the time period from 1991 to 1992, and, as a result, you may be a member of a Class that was certified by the Court.

2. What is this lawsuit about?

The Plaintiffs allege that through the negligence, gross negligence, intentional conduct and/or other actionable conduct by the State Defendants, the owners of Public Investors Life Insurance Company, Inc., Public Investors, Inc., Midwest Life Insurance Company and their affiliates were allowed to divert funds out of those entities, causing the Plaintiffs to lose their investments and sustain other damages. The named defendants other than the State Defendants are alleged to have issued policies of insurance to the State of Louisiana that cover all or part of the losses sustained by the Plaintiffs.

The lawsuit is currently pending before Judge Richard “Chip” Moore of the 19th Judicial District Court for the State of Louisiana and is known as *Donald Absbire, et al., v. State of Louisiana, et al.*, Case No. 377,713 c/w Arthur Lewis, et al. v. State of Louisiana, et al., Case No. 412,265.

A copy of the operative Ninth Amended Petition filed on or about May 30, 2008 (the “Ninth Amended Petition”) is available at www.ssrlp.com. The original Petition dated December 11, 1991 and all amended petitions through the Eighth Amended Petition are also available at that web address.

The Ninth Amended Petition seeks to convert what was previously a consolidated legal action brought by hundreds of class members individually into a class action.

Defendants deny that they are liable for Plaintiffs’ losses and deny that any Class member is entitled to damages or other relief. Defendants also deny that any of their conduct violated any applicable law or regulation. The defendant insurers deny that the policies of insurance they issued provide coverage for the Plaintiffs’ claims. No trial has been held.

On September 14, 2016, then-presiding Judge Donald Johnson issued an order certifying this matter as a class action. The Louisiana First Circuit Court of Appeal in Baton Rouge, Louisiana, affirmed that order on May 16, 2018.

THE COURT HAS NOT DECIDED WHETHER ANY DEFENDANT VIOLATED ANY LAWS. THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF PLAINTIFFS’ CLAIMS AGAINST ANY DEFENDANT, OR THE DEFENSES ASSERTED BY ANY DEFENDANT.

3. What is a class action?

In a class action, one or more persons called “Class Representatives” sue on behalf of other persons with similar claims. In this case, the proposed Class Representatives are Robert Sparks, Jimmie Nelle Lewis, Patricia Dale DeWitt, Narcelle Lacombe, and Silvia Lemoine. All of these Class Representatives filed individual claims in the initial lawsuits. The addresses of the Class Representatives can be obtained by contacting the lawyers identified below.

The Class Representatives and the persons on whose behalf they are pursuing the litigation together constitute the “Class” or “Class Members.” They are also called the “Class Plaintiffs” or “Plaintiffs.” Their attorneys are called “Plaintiffs’ Counsel” or “Class Counsel.”

The companies or entities that have been sued are called “defendants”.

In a class action lawsuit, one court resolves the issues for everyone in the class, except for those class members who exclude themselves (i.e., “opt out”) from the class.

Here, the Court has determined that the Plaintiff Class meets the requirements for class certification. A copy of the Court’s order may be found at www.ssrlp.com.

WHO IS IN THE CLASS

4. Am I part of the Class?

You are in the Class if you are a person or entity who filed a lawsuit against the State Defendants in the time period from 1991 to 1992 and were an original named plaintiff (or are the legal heir, successor, or assignee of such a person or entity) in *Donald W. Abshire, et al., v. State of Louisiana, et al.*, Case No. 377,713 c/w *Arthur A. Lewis, et al. v. The State of Louisiana, et al.*, Case No. 412,265, in the 19th Judicial District Court, East Baton Rouge Parish, Louisiana. The cases were originally filed in the 9th Judicial District Court, Rapides Parish, Louisiana.

Excluded from the Class are any persons or entities whose claims in Civil Action No. 377,713 or No. 412,265 have all been resolved by a final, unappealable judgment. Also excluded are those claims dismissed as a result of the rulings of the United States District Court, Western District of Louisiana, No. 06-1368, *State of Louisiana v. Claudine Abbott, et al.*

If you are not sure whether you are included, you may call or write to the lawyers in this case at the telephone numbers or addresses listed in the answer to Question 6 below. If you wish to exclude yourself from the Class, please refer to Question 5.

EXCLUDING YOURSELF FROM THE CLASS

5. Can I get out of the Class?

Yes, if you exclude yourself from the Class (i.e., “opt out” of the Class) on or before **October 26, 2018**. To exclude yourself, you must send a letter via first class U.S. mail (with tracking service), Federal Express, UPS, facsimile, or email, saying that you want to exclude yourself from the Class in *Abshire, et al., v. State of Louisiana, et al.*, Case No. 377,713 c/w *Lewis, et al. v. State of Louisiana, et al.*, Case No. 412,265. Be sure to include your name, address, telephone number, and your signature. Send the exclusion to:

Public Investors Lawsuit Claims Administrator
C/O Rust Consulting, Inc.—6150
P.O. Box 44
Minneapolis, MN 55440-0044
Facsimile: (877) 465-4879
Email: administrator@publicinvestorslawsuit.com

Your letter requesting exclusion **must** be postmarked, faxed or emailed no later than **October 26, 2018**.

If you exclude yourself from the Class, you will not participate in the proceeds of the class-wide settlements between the Class Plaintiffs and defendants, and you will not be legally bound by those settlements. You may be able to file a lawsuit against (or continue to sue) defendants in the future about the legal issues in this case. If you exclude yourself from the Class so that you can start, or continue, your own lawsuit against defendants, Class Counsel in this case cannot continue to represent you. If you believe you would like to continue to litigate this matter, and not to accept the benefits of the Class settlement, you should talk to your own lawyer soon, because your claims will be subject to a statute of limitations, which means that your claims will expire if you do not take timely action. You need to contact your own lawyer about this issue.

If you do not exclude yourself from the Class, you will keep the right to a share of any recovery that may come from settlement of the lawsuit against defendants. You will not be able to start another lawsuit, continue another lawsuit, or be part of any other lawsuit against the defendants about the legal issues in this case. Any judgment issued in the case, whether

favorable or not, will apply to you and legally bind you.

You will receive one or more additional notices in the future with specific details about the terms of the class-wide settlement agreements with the defendants and will be afforded an opportunity to file any objections you may have with the Court. If the Court grants final approval of any class-wide settlements, you may be required to take further action as the Court deems necessary, such as submitting a proof of claim form, in order to participate in any recovery had by the class.

THE LAWYERS REPRESENTING YOU

6. Do I have a lawyer in this case?

The attorneys and law firms listed below are serving as Co-Lead Class Counsel by appointment of the Court. Co-Lead Class Counsel is experienced in handling similar cases against other companies. Co-Lead Class Counsel are:

John Gregory Odom (La. No. 1109)
Stuart E. Des Roches (La. No. 21902)
ODOM & DES ROCHES, LLP
Suite 2020, Poydras Center
650 Poydras Street
New Orleans, LA 70130
Telephone: (504) 522-0077
Facsimile: (504) 522-0078

David C. Raphael, Jr. (La. No. 22853)
David P. Smith (La. No. 12159)
SMITH, SEGURA & RAPHAEL, LLP
3600 Jackson Street, Suite 111
Alexandria, LA 71303
Telephone: (318) 445-4480
Facsimile: (318) 487-1741

Also representing the class as co-counsel is Dan B. McKay, Jr., 404 Walnut Street, P.O. Box 720, Bunkie, LA 71322, Telephone: (318) 346-2236.

7. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel are working on your behalf. However, if you wish to remain in the class and retain your own lawyer, you may do so at your own expense.

8. How will the lawyers be paid?

If Class Counsel achieves a recovery for the Class in this case, by way of settlement, the Court is normally asked to approve reasonable attorneys' fees, as well as reimbursement of expenses class counsel have advanced on behalf of the class. If granted, such sums would normally be deducted from any settlement proceeds obtained for the Class. However, the two firms that originated this litigation in 1991 and are serving as Co-Lead Counsel have represented to the Court that they do not intend to apply for attorneys' fees for themselves from these settlement proceeds, but will only seek reimbursement for cash advances they have made in hiring experts, paying deposition costs, filing fees, etc. Dan B. McKay, Jr. and other lawyers who have performed work on behalf of the Plaintiffs besides Co-Lead Counsel and their firms, may still apply for attorneys' fees. In any event, Members of the Class will not have to pay out-of-pocket any attorneys' fees or expenses.

IF YOU DO NOTHING

9. What happens if I do nothing at all?

If you do nothing, you will keep the right to a share of any recovery that may come from class-wide settlement of this Lawsuit against the defendants. If the Court indeed approves the settlements which have been reached with defendants, and the final plan of distribution, legal documents will be signed and this case will finally be dismissed. The settlement proceeds will then be distributed to the Class and this case will be over for you and the rest of the Class Members. You will not be able to start another lawsuit, continue another lawsuit, or be part of any other lawsuit against the defendants about the legal issues in this case, including claims brought in the case between Class Plaintiffs and the defendants. Any judgment issued in the case, whether favorable or not, will apply to you and legally bind you.

GETTING MORE INFORMATION

10. How do I get more information?

For more detailed information about this litigation, please refer to the papers on file in this litigation, which may be inspected at the Office of the Clerk of Court, 19th Judicial District Court, 300 North Boulevard, Baton Rouge, LA 20801, during normal business hours. You may also get additional information by calling or writing to Class Counsel as indicated above.

PLEASE DO NOT WRITE OR CALL THE COURT OR THE CLERK'S OFFICE FOR INFORMATION.

