

**Exhibit
1**

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO**

DANA SCHWARTZ, on behalf of herself and)
all others similarly situated,)

Plaintiff,)

vs.)

STATE FARM MUTUAL AUTOMOBILE)
INSURANCE COMPANY, STATE FARM)
FIRE AND CASUALTY COMPANY, and)
STATE FARM GENERAL INSURANCE)
COMPANY,)

Defendants.)

No. 1:18-cv-00328-KWR-SCY

SETTLEMENT AGREEMENT

This Settlement Agreement, dated January 30, 2026, is made and entered into by and among Plaintiff Dana Schwartz, individually and on behalf of the Settlement Class, (“Plaintiff” or “Class Representative”) and Defendants State Farm Mutual Automobile Insurance Company, State Farm Fire and Casualty Company, and State Farm General Insurance Company (the three Defendants are defined and referred to herein as “State Farm”) (the parties to this Settlement are collectively defined herein as the “Parties”). The Settlement is intended to fully resolve the above-captioned litigation, including all matters ever raised by, or which could have been raised by, Plaintiff in the Action, subject to the approval of the Court and the terms and conditions set forth in this Settlement.

1. BACKGROUND

1.1 This lawsuit arises from Plaintiff’s allegation that the Underinsured Motorist (“UIM”) component of the Uninsured and Unknown Motorist Coverage (“U Coverage”) she purchased from State Farm in New Mexico was illusory or misleading, especially at minimum limits. Plaintiff explains that under *Schmick v. State Farm Mutual Automobile Insurance Co.*, 1985-NMSC-073, when calculating the amounts owed under the UIM component of U Coverage, insurers in New Mexico offset the amounts a tortfeasor’s insurer pays (the “*Schmick* Offset”).

1.2 Plaintiff has purchased minimum limits U Coverage (\$25,000 per person) since 1999 and claims that a portion of the premiums she paid were illusory. In support of her claim, Plaintiff alleges that in December of 2012 she was involved in an automobile accident with a tortfeasor who carried \$25,000 in liability insurance and the tortfeasor’s insurance company paid her \$25,000. Plaintiff also made a claim under the UIM component of her U Coverage and State Farm applied the *Schmick* Offset to her claim, such that since her U Coverage limits were \$25,000 and she received \$25,000, there would be no payment under the UIM component of U Coverage.

1.3 On February 9, 2018, Plaintiff sued State Farm Mutual Automobile Insurance Company in the Second Judicial District in the State of Mexico, County of Bernalillo. State Farm timely removed the case to this Court. Plaintiffs asserted various claims, including: (1) negligence, (2) violations of New Mexico’s Unfair Trade Practices Act, (3) violations of New Mexico’s Unfair Insurance Practices Act, (4) breach of contract, (5) breach of the implied duty of good faith and fair dealing, (6) declaratory judgment, and (7) injunctive relief. Dkt. 1-2. On August 30, 2018, the Court granted in part and denied in part State Farm’s motion to dismiss. Dkt. 31.

1.4 Other lawsuits were also filed against other insurance carriers. In one of those cases—*Crutcher v. Liberty Mut. Ins. Co.*, No. 1:18-cv- 00412-JCH-LF (D.N.M.)—the trial court certified the following questions to the New Mexico Supreme Court:

Under N.M. Stat. Ann. § 66-5-301, is underinsured motorist coverage on a policy that offers only minimum UM/UIM limits of \$25,000 per person/\$50,000 per accident illusory for an insured who sustains more than \$25,000 in damages caused by a minimally insured tortfeasor because of the offset recognized in *Schmick v. State Farm Mutual Automobile Insurance Company*, and, if so, may insurers charge a premium for that non-accessible underinsured motorist coverage?

Crutcher v. Liberty Mut. Ins. Co., No. 1:18CV00412-JHR-SCY, 2019 WL 12661166, at *4 (D.N.M. Jan. 9, 2019). The New Mexico Supreme Court accepted those questions.

1.5 On April 4, 2019, the Court stayed this case pending the New Mexico Supreme Court review of related certified questions in *Crutcher*. Dkt. 37. The Supreme Court held that “UM/UIM coverage at the minimum level is permitted because the law not only allows, but requires, it to be sold as was done so here. However, such coverage is illusory because it is misleading to the average policyholder. As such, we will now require every insurer to adequately disclose the limitations of minimum limits UM/UIM policies in the form of an exclusion in its insurance policy.” *Crutcher v. Liberty Mut. Ins. Co.*, 2022-NMSC-001, ¶ 33, 501 P.3d 433, 441

1.6 In response to the ruling of the *Crutcher* Court requiring a disclosure with respect to the limitations of the UIM component of U Coverage, the New Mexico Superintendent of Insurance developed a form of notice and endorsement, which State Farm implemented in December of 2021.

1.7 On November 5, 2021, State Farm moved to dismiss the Second Amended Complaint on the grounds that the *Crutcher* opinion should be applied prospectively. Dkt. 67. On February 4, 2022, the Court denied State Farm's motion. Dkt. 78.

1.8 On February 14, 2022, Plaintiff's Counsel moved to appoint themselves as interim class counsel given the pendency of a competing alleged class action, *Palmer v. State Farm*, 1:19-cv-00301-KWR-SCY, (Dkt. 80) ("*Palmer*") and also moved to stay the *Palmer* case. Dkt. 86. Ultimately, the Court ordered the consolidation of the *Schwartz* and *Palmer* cases (Dkt. 101) and appointed Plaintiff's Counsel herein as interim class counsel (Dkt. 109).

1.9 On April 4, 2023, the Court stayed this case again in light of the New Mexico Supreme Court accepting a new certified question in *Smith v. Interinsurance Exch. Of the Auto. Club*, No. S-1-SC-39659 of whether the *Crutcher* decision should be applied prospectively. Dkt. 120. On October 21, 2024, the Supreme Court ruled that *Crutcher* applies retroactively. *Smith v. Interinsurance Exch. of Auto. Club*, 2025-NMSC-004, ¶ 2, 563 P.3d 868, 869.

1.10 On February 25, 2025, the *Palmer* Plaintiffs filed a motion to sever their individual claims from the *Schwartz* action (Dkt. 138), which was granted on February 26, 2025 (Dkt. 139).

1.11 On March 4, 2025, Plaintiff filed the current complaint, called the Consolidated Class Action Complaint. Dkt. 140. Among the claims in the Consolidated Complaint are: (1) negligence / negligent misrepresentation, (2) intentional misrepresentation, (3) violations of New Mexico's Unfair Trade Practices Act, (4) violations of the New Mexico Unfair Insurance Practices

Act, (5) policy reformation, (6) breach of the implied duty of good faith and fair dealing, (7) breach of implied contractual obligations, (8) injunctive relief, (9) declaratory judgment, and (10) punitive damages. Among other allegations, Plaintiff asserted that the choice of U Coverage limits was misleading, the documents relating to that choice were ambiguous, her U Coverage was superfluous and illusory, and that she expected to receive more coverage with her U Coverage than State Farm provided.

1.12 On April 4, 2025, the Court stayed this case to facilitate the Parties' settlement discussions. Dkt. 146. To further settlement discussions, State Farm provided Plaintiff with discovery, including data regarding its collection of U Coverage premiums and the claim payments under the UIM component of U Coverage. This data showed that State Farm paid millions of dollars in claims made under the UIM component of U Coverage at minimum limits. Accordingly, State Farm denies that its UIM component of U Coverage is illusory.

1.13 The Parties participated in a full-day mediation in Albuquerque on June 4, 2025 with mediator Mike Ungar. While no settlement agreement was reached during the mediation, progress was made and the Parties continued their settlement discussions. On August 15, 2025, the Parties convened a second mediation and a settlement in principle was reached after another full day of negotiations.

1.14 Plaintiff, through Class Counsel, believe that the Settlement confers substantial benefits on the Settlement Class and is in the best interest of the Settlement Class. It is also understood that Plaintiff, through Class Counsel, believes that her claims have substantial merit. Nonetheless, Plaintiff, through Class Counsel, recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against State Farm through motion practice, trial, and potential appeals. They have also considered the uncertain outcome and risks

of further litigation, as well as the difficulties and delays inherent in such litigation. Class Counsel is experienced in insurance litigation and knowledgeable regarding the relevant claims, remedies, and defenses at issue generally in such litigation and specifically in this Action. Class Counsel has determined that the Settlement set forth in this Settlement Agreement is fair, reasonable, and adequate, and in the best interest of the Settlement Class.

1.15 State Farm continues to deny each and all of the claims and contentions alleged against it in the Action. State Farm denies all charges of wrongdoing or liability as alleged, or which could be alleged, in the Action. State Farm has always maintained, and continues to maintain, that it has acted in accordance with all applicable policy forms, agreements and governing law. However, State Farm has concluded that further litigation would be protracted and expensive. State Farm has considered the uncertainty and risks inherent in any litigation, and State Farm has therefore determined that it is desirable and beneficial that the Action be settled in the manner and upon the terms and conditions set forth in this Settlement Agreement.

1.16 Without admitting any liability or wrongdoing, State Farm agrees to the terms of this Agreement, provided that Final Order and Judgment approving the Settlement is entered and all Released Claims against the Released Parties are settled, compromised, and released.

1.17 Just prior to the filing of this Agreement, and with leave of Court, Plaintiff filed an Amended Consolidated Complaint. State Farm will file its Answer to the Amended Consolidated Complaint before this Agreement is presented to the Court for final approval.

1.18 In consideration of the covenants, agreements, and releases set forth herein and for other good and valuable consideration, it is hereby agreed by the Class Representatives, individually and on behalf of the Settlement Class, and State Farm that, subject to the approval of

the Court, the Action be forever resolved, settled, compromised, and dismissed with prejudice on the following terms and conditions:

2. DEFINITIONS

The terms used in this Settlement Agreement, and listed in this section, shall have the following meanings:

2.1 “Action” means *Schwartz v. State Farm Mutual Automobile Insurance Company, et al.*, United States District Court for the District of New Mexico, Case No. 1:19-CV-01264-KWR-SCY.

2.2 “Agreement,” “Settlement Agreement,” or “Settlement” means this Settlement Agreement, Exhibits, and the settlement terms embodied herein.

2.3 “Claim Form” means the means the Court-approved claim form, without material change from Exhibit 3, that a Settlement Class Member must submit to potentially receive a Settlement Class Payment, as set forth in and subject to the provisions of this Agreement. A copy of the Claim Form is attached hereto as Exhibit 3.

2.4 “Claimant” means a Settlement Class Member who makes a Claim for benefits under this Settlement Agreement.

2.5 “Claim Deadline” means the final date by which a Settlement Class Member must submit a Settlement Claim for a Settlement Class Payment. The Claim Deadline shall be ninety (90) days after the Notice Date.

2.6 “Class Counsel” or “Plaintiff’s Counsel” means Paul Dominguez of The Dominguez Law Firm, LLC, Ryan Villa of The Law Office of Ryan J. Villa, and Justin Pizzonia of Pizzonia Law, LLC.

2.7 “Class Period” as referred to herein means time period running from January 1, 2010 to December 31, 2021.

2.8 “Class Representative” means the Plaintiff Dana Schwartz.

2.9 “Complaint” means the First Amended Consolidated Class Action Complaint filed on November 24, 2025 in the United States District Court for the District of New Mexico.

2.10 “Court” means the United States District Court for the District of New Mexico.

2.11 “Effective Date of Settlement” or “Effective Date” means the date upon which the Settlement in the Action shall become effective and final, and occurs on: (1) the day following the expiration of the deadline for appealing the entry by the Court of the Final Order and Judgment, if no such appeal is filed; or (2) if an appeal of the Final Order and Judgment is filed, the date upon which all appellate courts with jurisdiction (including the United States Supreme Court by petition for certiorari) affirm such Final Order and Judgment, or deny any such appeal or petition for certiorari, such that no future appeal is possible.

2.12 “Final Fairness Hearing” means the hearing to be conducted by the Court after the Notice Program is complete, at which time Class Counsel and State Farm’s Counsel will request that the Court grant final approval of the Settlement set forth herein.

2.13 “Final Order and Judgment” means a judgment entered by the Court, as discussed below in Section 14.

2.14 “Litigation” means all claims and causes of action asserted, including those asserted in the Action, or that could have been asserted, against State Farm and the Released Parties, including any and all appellate rights, as well as any other such actions by and on behalf of any other individuals or putative classes of individuals originating, or that may originate, in the jurisdictions of the United States against State Farm or the Released Parties relating to the Action.

2.15 “Neutral” means the designated neutral third party appointed by the Court who has been selected and agreed to by Class Counsel and State Farm, who will be assigned to resolve requests for Neutral Evaluations, subject to the terms of this Agreement.

2.16 “Neutral Evaluation” means a Settlement Class Member’s appeal of the amount of the Settlement Class Payment, if any, with the amount paid to be decided by the Neutral, subject to the terms of this Agreement.

2.17 “Notice” means the emailed or mailed notice, substantially in the form as shown in Exhibits 2.1 (emailed Notice) and 2.2 (mailed Notice), to the Settlement Class Members, notifying them of the Settlement and inviting Settlement Class Members to make a Claim for Settlement Class Payments.

2.18 “Notice Date” means the first date upon which the Notice is mailed or emailed to the Settlement Class Members.

2.19 “Parties” means (i) Plaintiff, Dana Schwartz, on behalf of herself and the Settlement Class; and (ii) the three State Farm Defendants, namely State Farm Mutual Insurance Company, State Farm Fire and Casualty Company, and State Farm General Insurance Company.

2.20 “Plaintiff” means Dana Schwartz.

2.21 “Preliminary Approval Order” means the proposed order preliminarily approving the Settlement and directing e-mailed and mailed Notice to the Settlement Class Members of the pendency of the Action and of the Settlement, to be entered by the Court.

2.22 “Released Claims” or “Release” means any and all past, present, and future claims and causes of action of every nature and description (including Unknown Claims), whether arising under federal, state, statutory, regulatory, common, foreign, or other law, that arise in any way from or relate to the Action or the Litigation against State Farm or any Released Party (other than

claims to enforce the Settlement), and including, but not limited to, any and all claims for fees, costs, penalties, fines, debts, damages, injunctive relief, disgorgement, declaratory relief, equitable relief, attorneys' fees and expenses, pre-judgment interest, the creation of a fund for future damages, statutory damages, punitive damages, special damages, exemplary damages, restitution, and/or the appointment of a receiver, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, accrued or unaccrued, fixed or contingent, direct or derivative, class or individual and any other form of legal or equitable relief that either has been asserted, ever was asserted, or could have been asserted, by Plaintiff or any Settlement Class Member against any of the Released Parties based on, relating to, concerning or arising out of the Action or the allegations, transactions, occurrences, facts, or circumstances alleged in or otherwise described in the Litigation to the full extent of res judicata protection. Released Claims shall not include the right of any Settlement Class Member or any of the Released Parties to enforce the terms of the Settlement contained in this Settlement Agreement and shall not include the claims of persons who have timely excluded themselves from the Settlement Class.

2.23 "Released Parties" or "Released Party" means and includes State Farm, all State Farm affiliated entities that underwrote New Mexico insurance policies with U Coverage from January 1, 2010 to December 31, 2021, including State Farm Mutual Automobile Insurance Company and State Farm Fire and Casualty Company, their parents, current or former subsidiaries, affiliates, predecessors, insurers, reinsurers, agents, employees, attorneys, successors, assigns, officers, officials, directors and shareholders, and independent agents of State Farm and their employees, and, any person related to any such entities or individuals who is, was, or could have been named as a defendant in the Litigation.

2.24 “Releasing Parties” means Plaintiff and all Settlement Class Members who do not properly and timely opt-out of the Settlement (as provided in Section 10 herein), and their respective spouses, family members, executors, representatives, administrators, guardians, wards, heirs, attorneys-in-fact, estates, bankruptcy estates, bankruptcy trustees, successors, predecessors, attorneys, agents and assigns, and all those who claim through them or who assert claims (or could assert claims) on their behalf.

2.25 “Settlement Administrator” shall mean Epiq Class Action and Claims Solutions, Inc., subject to Court approval.

2.26 “Settlement Claim” means a claim for a Settlement Class Payment made under the terms of this Settlement Agreement.

2.27 “Settlement Class” means all persons (and their heirs, executors, administrators, successors, and assigns) who, during the Class Period, were insured under New Mexico insurance policies issued by State Farm that included U Coverage. Excluded from that Settlement Class are (a) any claimant(s) who has separately filed suit against State Farm up to the Notice Date, the subject of which suit included the reduction or denial of benefits on the basis of a *Schmick* Offset; (b) any individual who has settled a claim for alleging reduced or denied benefits on the basis of a *Schmick* Offset, and signed a final release prior to the Notice Date; and (c) the Judges presiding over this Action.

2.28 “Settlement Class Member(s)” or “Member(s)” means a person(s) who falls within the definition of the Settlement Class.

2.29 “Settlement Class Payments” or “Settlement Payments” means payments to be made to Settlement Class Members, as described in Section 4 below.

2.30 “Settlement Website” means the website where Settlement Class Members can receive information about the Action and Settlement.

2.31 “State Farm” as used herein means any or all the three State Farm Defendants in this Action, namely State Farm Mutual Automobile Insurance Company, State Farm Fire and Casualty Company, and/or State Farm General Insurance Company.

2.32 “State Farm’s Counsel” means Riley Safer Holmes & Cancila, LLP and Miller Stratvert PA.

2.33 “Valid Claims” means the Settlement Claims for Settlement Class Payments in an amount approved by State Farm or the Settlement Administrator, as described in Section 6 below.

3. CONDITIONS

The Settlement is expressly contingent upon the satisfaction in full of the material terms and conditions set forth below.

3.1 **Condition No. 1: Approval.** The Settlement must be approved by the Court in accordance with the following steps:

3.1.1 **Motion for Preliminary Approval.** After good faith consultation with State Farm’s Counsel, Class Counsel will file with the Court a motion for preliminary approval within a reasonable time after the execution of this Agreement by all Parties. The motion for preliminary approval shall include a proposed Preliminary Approval Order, a Class Notice, Claim Form, a Request for Neutral Evaluation, Long Form of Notice, and a proposed Final Order and Judgment, all substantially the same in form and content as Exhibits 1 through 6, respectively. The Parties shall take reasonable steps to secure expeditious entry by the Court of a Preliminary Approval Order and shall request that the Court schedule a Final Approval Hearing no earlier than 120 days after entry of a Preliminary Approval Order. State Farm may, but is not required to, file a submission in support of the motion for preliminary approval.

3.1.2 **Entry of Preliminary Approval Order.** The Court will be requested to enter a Preliminary Approval Order adopting the terms and conditions set forth in Exhibit 1, which shall, among other things:

- a. Preliminarily approve the Settlement as fair, reasonable and adequate;
- b. Preliminarily certify the Settlement Class for settlement purposes, as defined herein, and designate Plaintiff as the representative of the Settlement Class, and designate Class Counsel as counsel for the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure;
- c. Vacate any further scheduled dates and stay consideration of all other motions and deadlines pending in the Action;
- d. Order the issuance of Class Notice to Settlement Class Members pursuant to this Agreement, and determine that such Class Notice complies with all requirements, including, but not limited to, Rule 23 of the Federal Rules of Civil Procedure and the Due Process Clause of the United Constitution;
- e. Appoint the Settlement Administrator;
- f. Schedule a date and time for a Final Approval Hearing, to be held no sooner than 120 days after the entry of the Preliminary Approval Order, to determine whether the Settlement should be finally approved by the Court;
- g. Require persons within the Settlement Class who wish to exclude themselves to submit an appropriate and timely written request for exclusion by the opt-out deadline in the Preliminary Approval Order, and advise that a failure to do so shall bind those Settlement Class Members to the Settlement;
- h. “Mass” or “class” requests for exclusion filed by third parties on behalf of a “mass” or “class” of Settlement Class members or multiple Settlement Class Members where the opt-outs has not been signed by each and every individual Settlement Class Member will not be allowed.
- i. Require Settlement Class Members who wish to object to the Settlement to submit a timely written objection by an objection deadline in the Preliminary Approval Order, and advise that a failure to do so shall prevent those Settlement Class Members from objecting to the Settlement;
- j. Require any Settlement Class Member who objects to the Settlement and wishes to appear at the Final Approval Hearing to file a notice of intent to appear;

- k. Order that the Claim Form be made available to Settlement Class Members as provided under the Agreement, and set the Claim Deadline;
- l. Preliminarily enjoin all Settlement Class Members, unless and until they have timely and properly excluded themselves from the Settlement, from (i) filing, commencing, prosecuting, maintaining, intervening in, or participating as a plaintiff, claimant, or class member in any other lawsuit or administrative, regulatory, arbitration, or other proceeding in any jurisdiction, individually or as a class action on behalf of any Settlement Class Members who have not timely excluded themselves, based on or arising from the Released Claims; and (ii) attempting to organize an opt-out class of individuals in any lawsuit or administrative, regulatory, arbitration, or other proceeding in any jurisdiction based on or arising from the Released Claims;
- m. Authorize the Parties to take all necessary and appropriate steps to implement the Settlement as set forth in this Agreement; and
- n. Enforce such additional provisions as provided in Exhibit 1 as necessary to implement this Agreement and the Settlement, and to issue related orders to effectuate the preliminary approval of the Settlement Agreement.

3.2 **Final Approval Hearing.** In connection with the motion for preliminary approval, the Parties shall request that the Court schedule and conduct a Final Approval Hearing not less than 120 days after entry of the Preliminary Approval Order, at which time it will consider whether the Settlement is fair, reasonable, and adequate pursuant to Rule 23 of the Federal Rule of Civil Procedure. Plaintiff, after good faith consultation with counsel for State Farm, shall request that, at or after the Final Approval Hearing, the Court: (i) enter a Final Order and Judgment consistent with this Agreement and Exhibit 6, granting final approval of the Settlement and dismissing with prejudice the claims of Plaintiff and the Settlement Class in this Action; (ii) determine the attorneys' fees and expenses that should be awarded to Class Counsel as contemplated in the Agreement; and (iii) determine the service award (if any) that should be awarded to Plaintiff as contemplated in the Agreement.

3.3 **Condition No. 2: Finality of Judgment.** The Court shall enter a Final Order and Judgment consistent with this Agreement and the terms and conditions set forth in Exhibit 6, as described in Section 14, and the Effective Date must occur.

4. SETTLEMENT CLASS PAYMENTS

4.1 Settlement Class Members may submit a Settlement Claim for Settlement Class Payments based on a portion of the U Coverage premiums the Settlement Class Member paid during the Class Period. State Farm will make a payment to those Settlement Class Members who make a Valid Claim, and who purchased U Coverage in connection with State Farm insurance policy, and paid U Coverage premiums between January 1, 2010 and December 31, 2021. The Settlement Claim Payment will be calculated by State Farm based upon 21 percent of the total U Coverage premium paid by the Settlement Class Member during the Class Period if the Settlement Class Member had U Coverage at minimum limits, or 13 percent of the total U Coverage premium paid by the Settlement Class Member during the Class Period if the Settlement Class Member had U Coverage at non-minimum limits; provided, however, that the aggregate of all Settlement Class Payments are subject to a \$20,925,000 aggregate cap for all Settlement Class Members. If the value of aggregate, Valid Claims exceed \$20,925,000, Settlement Class Members who submit Valid Claims shall be subject to a pro rata reduction to keep the aggregate Settlement Class Payments within the agreed cap.

4.2 All Settlement Class Members who submit a Valid Claim, as approved through the Notice Program described in Section 5 below, shall be eligible to receive Settlement Class Payments. To the extent feasible and/or reasonable, Settlement Payment checks shall be issued in the names of all the policyholders on the policy, as reflected in Defendant's records to avoid duplicate payments. In general, one Settlement Class Payment will be made to each household submitting a Settlement Claim.

5. NOTICE PROGRAM

5.1 Notice of the pendency of the Lawsuit and of the Settlement (the “Notice Program”) shall be made as provided in this Section.

5.2 Sending the Notice.

5.2.1 Within 60 days after the entry of the Preliminary Approval Order, the Class Notice, in the form substantially similar to that attached hereto as Exhibit 2.1, shall be emailed to each Settlement Class Member’s last known email address. If State Farm does not have a valid email address, notice shall be sent by first class mail postcard to those Settlement Class Members’ last known mailing address, in the form appended hereto as Exhibit 2.2. The last known address shall be determined from information reasonably available in State Farm’s files, which will be run through the United States Postal Service’s national change of address database prior to mailing by the Settlement Administrator.

5.2.2 A copy of the Claim Form, substantially in the form attached hereto as Exhibit 3, will be available on the Settlement Website identified in the Class Notice. A Claim Form can also be requested to be received in the mail from the Settlement Administrator.

5.2.3 Any Class Notices that are returned with a listed forwarding email or mailing address shall then promptly be sent or mailed a Notice to the listed forwarding address. If an email notice is returned as undeliverable, the Settlement Administrator shall mail a Class Notice to the Settlement Class Member’s last known mailing address. State Farm and the Settlement Administrator shall have no duty to perform any additional search for, or otherwise attempt to verify, email or mailing addresses of Settlement Class Members, including as to returned, undelivered Class Notices. The Claims Deadline shall not be adjusted due to re-mailing of a Class Notice to a forwarding address or mailing of a Class Notice to Settlement Class Members whose emails were returned as undeliverable.

5.3 Unless otherwise ordered by the Court, or agreed by the Parties, the Class Notice will be sent solely to Settlement Class Members and not to any attorney or counsel who may represent them with regard to a U Coverage claim or who have represented the Settlement Class Members with regard to any previous claim.

5.4 Toll Free Hotline and Website

5.3.1 The Settlement Administrator will establish a toll-free telephone number with a live operator, to address frequently asked questions and give further information regarding the Settlement, a copy of the Settlement Claim Form, as well as all information included on the Settlement Website. The Settlement Website shall contain information about this Agreement, including printable copies of the Agreement, the Notice, and the Claim Form, which Settlement Website shall be maintained by the Settlement Administrator. This Settlement Website shall also contain a list of Frequently Asked Questions to give further information regarding this Agreement. The Settlement Website shall also contain other important documents relating to the Action, such as the operative Complaint and Answer and papers filed by the Parties pertaining to the Settlement. The toll-free number and Settlement Website referred to herein will be established and operational by a date no later than the date the Class Notice is initially mailed and will remain operational until 60 days after the Settlement Administrator has made final of Settlement Class Payments to Settlement Class Members.

5.5 Costs Of Notice

5.5.1 State Farm shall pay all notice and administration costs in accordance with the terms of the Court's Preliminary Approval Order and without regard to whether the Court grants final approval of the Agreement. Costs of administration (including emailing Class Notice, printing and mailing the postcard Class Notice, providing the Settlement Website, establishing a toll-free telephone number, printing and distributing Settlement Class Payments to Settlement Class Members and all postage relating to the foregoing) will be paid by State Farm and neither the named Plaintiff, Settlement Class Members, nor Class Counsel shall bear any responsibility for such costs. Under no circumstances shall State Farm be required under this Agreement to incur or pay any fees or expenses that they are not explicitly obligated to incur or pay hereunder.

6. ADMINISTRATION OF CLAIMS

6.1 Class Notice and Claims Deadline

6.1.1 Settlement Class Members must submit a Claim Form for Settlement Class Payments by the Claim Deadline, meaning all Settlement Class Members shall have ninety (90) days after the Notice Date to submit a Claim Form for Settlement Class Payments. All deadlines for Class Notice shall be determined based on postmark of communication or, for email Notice, the date the email is sent.

6.2 Payment of Class Settlement Claims

6.2.1 All Valid Claims will be processed by the Settlement Administrator based on State Farm's data. All Valid Claims shall be paid within one hundred and fifty (150) days after the Claim Deadline, sixty (60) days after all Settlement Claim appeals have been resolved (if Valid Claims exceed more than \$20,925,000), or the Effective Date, whichever is later.

6.2.2 To be a Valid Claim, eligible Settlement Class Members must complete all required documentation requested by the Settlement Administrator.

6.3 General Settlement Payment Provisions

6.3.1 The Settlement Administrator shall offer various options to receive a Settlement Class Payment. If a check is requested, cashing a settlement check is a condition precedent to any Settlement Class Member's right to receive a Settlement Class Payment. All settlement checks shall be void one hundred and twenty (120) days after issuance and shall bear the language: "This check must be cashed within 120 days, after which time it is void." If a check becomes void, the Settlement Class Member shall have until one hundred and eighty (180) days after the Effective Date to request re-issuance. If no request for re-issuance is made within this period, the Settlement Class Member will have failed to meet a condition precedent to recovery of Settlement benefits, and the Settlement Class Member's right to receive monetary relief shall be extinguished. However, the Settlement Administrator will follow the escheat procedures of New Mexico or any other applicable jurisdiction to finally transfer the assets of any uncashed checks. The same provisions shall apply to any re-issued check. For any checks that are issued or re-issued for any reason more than one hundred and eighty (180) days from the Effective Date, requests for re-issuance need not be honored after such checks become void.

6.3.2 If a check is returned with a forwarding address, the Settlement Administrator will mail the check to that address. If no forwarding address exists, the check shall become void. State Farm reserves the right, at its sole discretion, to have the Settlement Administrator reissue any check that is deemed void as provided in this Paragraph, and the reissuance of any such check is not a waiver of this Paragraph, nor does it require State Farm to authorize the reissuance of any other checks to other Settlement Class Members.

6.3.3 All Settlement Class Members who fail to timely submit a Valid Claim for Settlement Class Benefits shall be forever barred from receiving any payments or benefits pursuant to the Settlement set forth within, but will in all other respects be subject to and bound by the provisions of the Settlement Agreement, the releases contained herein, and the Final Judgment.

6.4 Right to Appeal

- 6.4.1 A Settlement Class Member who received a Settlement Class Payment and believes that the amount received is incorrect may request a Neutral Evaluation by completing and submitting the form attached as Exhibit 4, and providing any supporting documentation, within 30 days of the date payment was mailed or otherwise transmitted. Likewise, any individual who received a letter from the Settlement Administrator informing them that they are not eligible for a Settlement Class Payment may also request a Neutral Evaluation on appeal using the same process within 30 days of the date of the letter.
- 6.4.2 In order to dispute a Claim Settlement Payment or denial of a claim and invoke the neutral resolution process, a Settlement Class Member must return any uncashed Settlement Check to the Settlement Administrator. If the Settlement Check is not timely returned, or if the Settlement Check is negotiated prior to final and binding neutral resolution by the Neutral Evaluator, then the dispute resolution process will be automatically terminated and the Settlement Class Member will not be entitled to any further Claim Settlement Payment or other payment.
- 6.4.3 The Settlement Administrator shall promptly provide State Farm's Counsel and Class Counsel with notice of any requests for Neutral Evaluation received from claimants. State Farm may reevaluate the Settlement Claim and/or supply any additional supporting documentation or information to the Settlement Administrator within sixty (60) days. The Settlement Administrator shall then promptly provide all materials received from the claimant, Class Counsel and State Farm to the Neutral Evaluator, unless State Farm has agreed to pay the Settlement Claim in the manner disputed by the claimant, in which event the Settlement Administrator shall promptly issue a new Settlement Claim Payment to the claimant for the agreed Settlement Claim Payment.
- 6.4.4 The Neutral Evaluator shall issue a decision based solely on the written submissions without independent research or evidence, and subject to the express terms and conditions of this Agreement, and shall do so, to the extent possible, within thirty (30) days of receiving materials from the Settlement Administrator. If applicable, the Settlement Administrator shall promptly issue a Settlement Claim Payment Check to the claimant for a Claim Settlement Payment in accordance with the Neutral Evaluator's decision. The Neutral Evaluator shall have exclusive jurisdiction to resolve any dispute as to final determination of a Claim Settlement Payment, and the decision of the Neutral Evaluator shall be final and binding on the Parties and claimants and is not subject to appeal or review by the Court. The Neutral Evaluator shall not have authority to award a claimant any amount in excess of the Claim Settlement Payment, determined as described in Section 4, or authority to award any

other damages, costs, attorneys' fees, or other relief. The Neutral Evaluator shall also be bound by the provisions of Section 18 concerning confidential information.

6.5 Claim Status Reports

6.5.1 The Settlement Administrator shall provide periodic reports to State Farm, State Farm's counsel, and Class Counsel indicating the number of Settlement Claims received.

7. STIPULATED CLASS ACTION SETTLEMENT CERTIFICATION

7.1 State Farm does not consent to certification of any class herein for any purpose other than effectuating this Settlement and disputes that any litigation class should or could be certified for any other purpose. Solely for the purposes of effectuating the Settlement, the Class Representatives, Class Counsel, and State Farm agree and stipulate to certification of the Settlement Class as defined in this Agreement. Class Representative, Class Counsel, and State Farm further agree and stipulate that, subject to Court approval, Class Counsel shall act as counsel for the Settlement Class. If the Court does not approve this Settlement, either preliminarily or finally, or the Settlement Agreement terminates as provided in Section 15 below, and the Parties do not otherwise reach an amended agreement (i) this Agreement shall be automatically of no force or effect; (ii) any Preliminary Approval Order and all of its provisions shall be vacated; (iii) no term or draft of this Agreement, or any aspect of the Parties' settlement discussions, negotiations, documentation, or confirmatory discovery (including without limitation any declarations and briefs filed in support of the motions for preliminary and/or final approval) shall have any effect or be admissible into evidence for any purposes in this Litigation or any other proceeding.

7.2 The Class Representatives, Class Counsel, and State Farm agree that the Settlement should be approved by the Court, and that the Court should determine that the Settlement is fair, reasonable, adequate and made in good faith.

8. COVENANTS, REPRESENTATIONS AND WARRANTIES

8.1 **Covenants Not to Sue.** Plaintiff and Settlement Class Members covenant and agree:

8.1.1 not to file, commence, prosecute, maintain, intervene in, or participate in (as parties, class members or otherwise) any action in any jurisdiction based on or relating to any of the Released Claims, or the facts and circumstances relating thereto, against any of the Released Parties;

8.1.2 not to organize or solicit the participation of Settlement Class Members in a separate class for purposes of pursuing any action (including by seeking to amend a pending complaint to include class allegations, or seeking class certification in a pending action in any jurisdiction) based on or relating to any of the Released Claims, or the facts and circumstances relating thereto, against any of the Released Parties; and

8.1.3 that the foregoing covenants and this Agreement shall be a complete defense to any of the Released Claims asserted against any of the Released Parties.

8.2 Plaintiff represents and warrants that she is the sole and exclusive owner of her Released Claims and that she has not assigned or otherwise transferred any interest in any Released Claims against any Released Parties, and further covenants that she will not assign or otherwise transfer any interest in her Released Claims.

8.3 Plaintiff represents and warrants that, after entry of Final Order and Judgment, she will have no surviving claim or cause of action against any of the Released Parties with respect to any of the Released Claims.

8.4 Plaintiff and Class Counsel represent and warrant that there are no outstanding liens or claims against the Action, and acknowledge that Plaintiff and Class Counsel will be solely responsible for satisfying any liens or claims asserted against the Action that Plaintiff and Class Counsel may have allegedly approved or incurred.

9. RELEASES

9.1 **Released Claims.** Upon the Effective Date, Releasing Parties, including Plaintiff and each Settlement Class Member, shall, by operation of the Final Order and Judgment, be deemed to have fully, conclusively, irrevocably, forever, and finally released, relinquished, and discharged State Farm and all other Released Parties from all Released Claims and agree not to institute, maintain, or assert any Released Claims against the Released Parties.

9.2 **Unknown Claims.** Plaintiff, for herself and on behalf of Settlement Class Members, explicitly acknowledges that unknown claims within the scope of Released Claims could possibly exist and that any present losses may have been underestimated in amount or severity. Plaintiff or any Settlement Class Member may hereafter discover facts other than or different from those that he/she knows or believes to be true with respect to the subject matter of the Released Claims, or the law applicable to such claims may change. Nonetheless, Plaintiff and each Settlement Class Member expressly agree that he/she/they shall have irrevocably waived and fully, finally and forever settled and released any known or unknown, suspected or unsuspected, asserted or unasserted, liquidated or unliquidated, contingent or non-contingent, claims with respect to all Released Claims, including unknown claims. Further, Plaintiff and Settlement Class Members agree and acknowledge that they are bound by this Agreement, including by the Releases, and that all of their claims in the Action ever asserted against the Released Parties shall be dismissed with prejudice and released, without regard to subsequent discovery of different or additional facts or subsequent changes in the law, and regardless of whether unknown losses or claims exist or whether present losses may have been underestimated in amount or severity, and even if they never received actual notice of the Settlement or received a Claim Settlement Payment. The Parties acknowledge that the foregoing Releases were bargained for and are a material element of the Agreement.

9.3 **Effective Date.** Released Claims do not include claims arising after the Effective Date.

9.4 **Excluded Claims.** This Agreement and the releases herein do not affect the rights of potential Settlement Class Members who timely and properly submit a request for exclusion from the Settlement in accordance with this Agreement.

9.5 **Continuing Jurisdiction.** The administration and consummation of the Settlement as embodied in this Agreement shall be under the authority of the Court. The Court shall retain continuing jurisdiction to protect, enforce, preserve, and implement the Agreement, including, but not limited to, enforcement of the releases contained in the Agreement, and to enter such further orders as may be necessary or appropriate in administering and implementing the terms and provisions of the Agreement and Final Order and Judgment.

10. OPT-OUT PROCEDURES

10.1 Under the procedure set forth in the Notice, potential Settlement Class Members have the right and ability to exclude themselves from the Settlement Class as set forth in the proposed Preliminary Approval Order. In order to validly be excluded from the Settlement, the potential Settlement Class Member must send a letter that says he or she wants to be excluded from the Settlement in *Schwartz. v. State Farm Mutual Automobile Insurance Company. et al.*, United States District Court of the District of New Mexico Case No. 1:19-CV-00301-KWR-SCY, to the Settlement Administrator at the address identified in the Notice and include his or her name, address, telephone number, email address (if any), and personal physical signature by the date set by the Court and as outlined in the Notice, to be set for forty-five (45) days after the Notice Date. Class Counsel shall provide this information to the Court before the final approval hearing. If the opt-out is untimely or otherwise fails to comply with any of the provisions for a valid opt-out, the Court may not consider it to be a valid opt-out.

10.2 “Mass” or “class” requests for exclusion filed by third parties on behalf of a “mass” or “class” of Settlement Class members or multiple Settlement Class members where the opt-outs has not been signed by each and every individual Settlement Class member will not be allowed.

11. OBJECTION PROCEDURES

11.1 The Notice will inform the Settlement Class Members that they may send in a written objection in this Action. To be valid, an objection must state: (a) the objector’s full name, address, telephone number, and e-mail address (if any); (b) information identifying the objector as a Settlement Class Member; (c) a written statement of all grounds for the objection, accompanied by any legal support the objector cares to submit; (d) the identity of all lawyers (if any) representing the objector; (e) the identity of all of the objector’s lawyers (if any) who will appear at the Final Fairness Hearing; (f) a list of all persons who will be called to testify at the Final Fairness Hearing in support of the objection; (g) a statement confirming whether the objector intends to personally appear and/or testify at the Final Fairness Hearing; and (h) the objector’s signature or the signature of the objector’s duly authorized lawyer or other duly authorized representative (along with documentation setting forth such representation).

11.2 In addition to the foregoing, objections should also provide the following information: (a) a list, by case name, court, and docket number, of all other cases in which the objector (directly or through a lawyer) has filed an objection to any proposed class action settlement within the last three (3) years; (b) a list, by case name, court, and docket number, of all other cases in which the objector’s lawyer (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last three (3) years; and (c) a list, by case number, court, and docket number, of all other cases in which the objector has been a named plaintiff in any class action or served as a lead plaintiff or class representative.

11.3 The long form notice substantially in the form of Exhibit 5 hereto will be available on the Settlement Website and will further inform Settlement Class Members that to be considered timely, any valid objection in the appropriate form must be **filed** with the Clerk of the United States District Court for the District of New Mexico, no later than the date set by the Court and outlined in the Notice, to be set at forty- five (45) days after Notice. The Notice and Settlement Website containing the long-form notice will inform Settlement Class Members that they must **mail** a copy of their objection to the following three different places postmarked no later than the date set by the Court and outlined in the Notice:

COURT	CLASS COUNSEL	STATE FARM'S COUNSEL
US District Court District of New Mexico Pete V. Domenici U.S. Courthouse 333 Lomas Blvd NW Suite 270 Albuquerque, NM 87102	Paul Dominguez DOMINGUEZ LAW FIRM, LLC 2025 Rio Grande Blvd, NW Albuquerque, NM 87104	James Gaughan RILEY SAFER HOLMES & CANCELILA, LLP 1 S. Dearborn Street Suite 2200 Chicago, IL 60603

11.4 The Parties agree that Plaintiff will take the lead in drafting responses to any objections to the Settlement, including any appeals filed by the objectors. However, both Parties retain their rights to make any argument(s) in response to any objector.

12. ATTORNEYS' FEES AND EXPENSES AND PAYMENTS TO THE CLASS REPRESENTATIVES

12.1 The Parties did not discuss the payment of attorneys' fees, costs, expenses, and/or Incentive Award to Plaintiffs until after the substantive terms of the settlement had been agreed upon.

12.2 The Parties agree that, subject to Court approval, Attorneys' Fees, costs, and expenses, will be paid by State Farm in an amount approved by the Court, but not to exceed

\$4,250,000. Plaintiff's Counsel shall provide State Farm Counsel with a completed Form W-9 within five (5) days of the entry of the Final Order and Judgment.

12.3 Except as expressly provided in this Agreement, State Farm is not liable or responsible for any other expenses, costs, damages, or fees incurred by any other person, including, but not limited to, Plaintiff, any Settlement Class Member, any person who objects to the Settlement or excludes themselves from the Settlement Class, or any of their attorneys, experts, advisors, investigators, agents, or representatives. Any award of attorneys' fees and expenses by the Court, as provided in this Section 12, will be in complete satisfaction of any and all claims for attorneys' fees and expenses that Plaintiff, Settlement Class Members, Class Counsel, or any other person or their counsel has or may have against State Farm arising out of or in connection with this Action, the Released Claims, or this Settlement.

12.4 Plaintiff, the Settlement Class, and Class Counsel hereby waive, discharge, and release State Farm from any and all other claims for attorneys' fees, by lien, statute, or otherwise, for legal services in connection with this Action. State Farm shall not be responsible for and shall have no liability whatsoever with respect to the allocation, distribution, or apportionment of any award of attorneys' fees and expenses among Class Counsel or any other person who may assert a claim thereto. Once payment is made pursuant to Section 12.3 above, State Farm will not be subject to any claims for additional payments to Class Counsel or any attorney who is or was a member of, partner of, or otherwise associated with any of the firms representing Plaintiff, the Settlement Class, or any Settlement Class Member. Class Counsel shall defend, hold harmless, and indemnify State Farm and State Farm's Counsel from and against any claims, damages, liability, causes of action, liens, and expenses, including reasonable attorneys' fees and expenses, resulting from any action or proceeding involving the payment or apportionment of the award of

attorneys' fees and expenses in this Action, to or among Plaintiff, Class Counsel, or any attorney or firm that alleges to have provided services to Plaintiff or any Settlement Class Member.

12.5 Subject to Court approval, State Farm shall pay Plaintiff a service or incentive award of \$25,000. Plaintiff shall provide State Farm Counsel with a completed Form W-9 within five (5) days of the entry of the Final Order and Judgment.

12.6 Payment of these Court-approved Attorney' fees and service/incentive awards shall be due from State Farm thirty (30) days after the Effective Date.

13. PRELIMINARY APPROVAL OF SETTLEMENT

13.1 As soon as practicable after the execution of the Settlement Agreement, or other date ordered by the Court, Class Counsel shall submit this Settlement Agreement to the Court and file a Motion for Preliminary Approval of the Settlement with the Court requesting entry of the Preliminary Approval Order attached to Plaintiff's Motion for Preliminary Approval, or an order substantially similar to such form, requesting, *inter alia*:

13.2 Preliminary approval of the Settlement Agreement as set forth herein;

13.3 Approval of the Notice, which includes a notice to be emailed or mailed to the Settlement Class; and

13.4 Other terms as expressed in Exhibit 1.

14. FINAL ORDER AND JUDGMENT

14.1 If the Preliminary Approval Order is entered by the Court, Class Counsel will move the Court for Final Approval, within the time frames contemplated by the Preliminary Approval Order, and an entry of a Final Order and Judgment.

14.2 Prior to the Final Approval Hearing, Class Counsel will file a motion seeking the Court's final approval of the Settlement and entry of Final Order and Judgment, consistent with this Agreement and Exhibit 6, and without material change, which provides for:

- 14.2.1 Approving the Settlement as described in this Agreement and directing the Parties and their counsel to comply with and consummate the terms of this Agreement;
- 14.2.2 Confirming certification of the Settlement Class for settlement purposes only;
- 14.2.3 Finding that Class Counsel and Plaintiff have adequately represented and protected the interests of the Settlement Class;
- 14.2.4 Finding that the terms of this Agreement are fair, reasonable, and adequate and in the best interests of the Settlement Class;
- 14.2.5 Providing that each Settlement Class Member shall be bound by the provisions of this Agreement and the Final Order and Judgment, including the Releases set forth in Section 9;
- 14.2.6 Finding that the Class Notice, the establishment of an automated toll-free interactive voice response phone system, and the Settlement Website were reasonable, the best notice practicable under the circumstances, and satisfy the requirements of Rule 23 of the Federal Rules of Civil Procedure and due process under the United States Constitution, and the requirements of any other applicable rules or law;
- 14.2.7 Finding that CAFA notice requirements have been met;
- 14.2.8 Dismissing all claims in the Action by Plaintiff and Settlement Class Members against State Farm on the merits and with prejudice, and entering Final Order and Judgment thereon;
- 14.2.9 In order to protect the continuing jurisdiction of the Court and to effectuate this Agreement and the Final Order and Judgment, permanently enjoining Settlement Class Members and anyone acting or purporting to act on their behalf, from filing, commencing, prosecuting, intervening in, maintaining, or participating in (as parties, class members, or otherwise) any new or existing action or proceeding before any court or tribunal regarding any Released Claims against any Released Parties, and from organizing any Settlement Class Members into a separate class for purposes of pursuing as a purported class action any lawsuit regarding any Released Claims against any Released Parties, and providing that any person in violation of the injunction may be subject to sanctions, including payment of reasonable attorneys' fees incurred in seeking enforcement of the injunction;
- 14.2.10 Approving payment of attorneys' fees and expenses to Class Counsel in amounts not exceeding the maximum amount identified in Section 12 of this Agreement;

- 14.2.11 Approving payment of a service award to Plaintiff in an amount not exceeding the maximum amount identified in Section 12 of this Agreement;
- 14.2.12 Appointing a Neutral Evaluator, as agreed by the Parties, to resolve appeals from Settlement Claim Payment determinations;
- 14.2.13 Reserving continuing jurisdiction of the Court over all matters relating to the administration, consummation, enforcement, construction and interpretation of the Settlement, this Agreement, and the Final Order and Judgment;
- 14.2.14 Holding that there is no just reason for delay and that the Final Order and Judgment shall be final and appealable, irrespective of the Court's continuing jurisdiction over administration of the Settlement; and
- 14.2.15 Such additional provisions as provided in Exhibit 6, as necessary to implement this Agreement and the Settlement.

14.3 **Effect of Final Judgment.** Upon entry of Final Order and Judgment:

- 14.3.1 the Agreement shall be the exclusive remedy for all Settlement Class Members for the Released Claims, except those who have properly submitted a request for exclusion (opted out) in accordance with Section 10; and
- 14.3.2 except as set forth in this Agreement, the Released Parties shall not be subject to liability or expense for any of the Released Claims to any Settlement Class Member(s).

14.4 Except for persons who timely and properly send a request for exclusion in accordance with Section 10, all Settlement Class Members will be deemed, upon entry of the Final Order and Judgment, to have received full and final redress and relief for the Release in Section 9, including but not limited to any refund, reimbursement, restitution, or damages for the conduct covered by the Release, and will be bound by the terms of this Settlement regardless of whether they receive Claim Settlement Payments or any other relief.

14.5 State Farm will not oppose final approval of the Proposed Settlement consistent with the proposed Final Order and Judgment attached as Exhibit 6, and may, in its sole discretion, file a memorandum in support of final approval of the Proposed Settlement.

14.6 If final approval of the Settlement is not granted, or this Agreement is terminated or rendered void, the certification of the Settlement Class shall be automatically vacated and shall not constitute evidence or a binding determination that the requirements for certification of a class for trial purposes in this or any other action can be or have been satisfied. In that event, State Farm reserves and shall have all rights to challenge certification of a class action for trial purposes in the Action or in any other action, on all available grounds as if no Settlement Class had been certified.

14.7 Within ten (10) days of the Effective Date, Plaintiff and members of the Settlement Class shall dismiss with prejudice all Released Claims asserted in any actions or proceedings (other than this Action) that have been brought by or involve any Settlement Class Member in any jurisdiction.

15. TERMINATION

15.1 If any of the following events occurs, any Party shall have the right, exercisable in their absolute discretion, in good faith, to terminate this Agreement and the Settlement by delivering written notice of such election to Class Counsel/State Farm's Counsel within twenty (20) days of receiving notice that the event has occurred:

- 15.1.1 The Court, or any appellate court, rejects, denies approval, disapproves, or modifies the Agreement in a manner that the terminating party, in its sole judgment and discretion, in good faith, believes to be material;
- 15.1.2 The Court, or any appellate court, does not completely and unconditionally enter or affirm any portion of the Agreement in a manner that the terminating party, in its sole judgment and discretion, in good faith, believes to be material;
- 15.1.3 Any regulatory agency objects to or challenges any of the terms of the Agreement in a way that State Farm, in its sole judgment and discretion, in good faith, believes to be materially adverse to State Farm's interests;
- 15.1.4 Plaintiff opts out of the Settlement Class or objects to the Settlement or this Agreement;

- 15.1.5 The total of all awards of attorneys' fees, costs and expenses in this Action (inclusive of fees, costs and expenses incurred by Class Counsel and any other person on behalf of the Settlement Class or any other person) exceeds the maximum amount set forth in Section 12;
- 15.1.6 Any person is allowed to intervene in this Action to assert claims against State Farm; or
- 15.1.7 A financial obligation is imposed upon State Farm in addition to or greater than those expressly set forth in this Agreement.

15.2 For the avoidance of doubt, Plaintiff may not terminate this Agreement in the event that the Court finally approves the Settlement but denies the request for a service award or reduces the amount of the attorney's fees or service award below the amounts sought by Plaintiff.

15.3 If an option to terminate this Agreement and the Settlement arises, no Party is required to exercise the option to terminate.

15.4 If the Agreement fails for any reason, or if this Agreement is terminated by a Party pursuant to Section 14.1:

- 15.4.1 This Agreement and the Proposed Settlement shall have no further force or effect, and all proceedings that have occurred with regard to this Agreement and the Proposed Settlement shall be without prejudice to the rights and contentions of the Parties and any Settlement Class Members;
- 15.4.2 This Agreement and all negotiations, statements and proceedings relating to them shall be without prejudice to the rights of the Parties, each of whom shall be restored to their respective positions existing immediately before the execution of this Agreement;
- 15.4.3 This Agreement, and the fact of this Agreement having been made, shall not be admissible or entered into evidence for any purpose whatsoever and shall not be subject to discovery;
- 15.4.4 Any judgment or order entered in the Action relating to this Agreement or the Settlement, including, without limitation, any order certifying the Settlement Class, shall be automatically vacated *nunc pro tunc*, without the requirement of any motion or further order of the Court, and will be without any force or effect;
- 15.4.5 The Parties shall not thereafter argue or raise a claim or defense, including, but not limited to, waiver, estoppel, or any other similar or

related theories, based on the Agreement (including without limitation the provisions regarding class certification) and related pleadings and orders, or the fact of this Agreement having been made, or that any settlement negotiations preclude State Farm from opposing class certification or the claims in the Action or any other proceeding.

15.5 Section 15.4 shall survive the termination of this Agreement.

16. NO ADMISSION OF WRONGDOING OR LACK OF MERIT

16.1 The terms of this Settlement (whether the Settlement becomes final or not), the negotiations leading up to this Settlement, the fact of the Settlement, and the proceedings taken pursuant to the Settlement, shall not: (a) be construed as an admission of liability or an admission of any claim or defense on the part of any Party, in any respect; (b) be construed as an admission by State Farm regarding the appropriateness of certification of any class other than the Settlement Class (defined above), solely for settlement purposes; (c) form the basis for any claim of estoppel by any third-party against any of the Released Parties; or (d) be admissible in any action, suit, proceeding, or investigation as evidence, or as an admission of any wrongdoing or liability whatsoever by any Party, or as evidence of the truth of any of the claims or allegations contained in the Complaint.

17. CAFA NOTICE REQUIREMENTS

17.1 State Farm shall serve notice of the proposed settlement, in accordance with the requirements of 28 U.S.C. § 1715(b). The Parties agree that for purposes of such notice it is not feasible to provide the names of all Settlement Class Members pursuant to 28 U.S.C. § 1715(b)(7)(A) and, therefore, that the procedure set forth in 28 U.S.C. § 1715(b)(7)(B) will be utilized.

18. CONFIDENTIALITY AND MEDIA INQUIRIES

18.1 The following constitutes highly confidential and proprietary business information of State Farm (the “Confidential Information”): (a) the names, addresses, Policy numbers, and data

concerning a Settlement Class Member or potential Settlement Class Member, compiled by State Farm or the Administrator in administering the Settlement; (b) documents and electronic data related to claims for each Settlement Class Member, utilized by State Farm or the Administrator in identifying potential Settlement Class Members and administering the Settlement; and (c) documents and data produced by State Farm in the Action and identified as confidential pursuant to protective order(s) entered in the Action. Confidential Information shall not be publicly disclosed by Class Counsel or other attorneys for Plaintiff in this Action to any persons other than those identified in protective order(s) entered in the Action or in this Agreement, and shall not be used other than in this Action in connection with the Settlement. It is not a violation of this Agreement for either of the Parties to provide the Court with information concerning Plaintiff's or any objector's individual claims, or to provide the Court with anonymous aggregate claims data values solely for purposes of seeking preliminary or final approval of the Agreement or attorneys' fees or expenses or service award.

18.2 No persons other than State Farm's Counsel, Class Counsel, the Settlement Administrator, the Neutral, and their respective employees and contractors shall be allowed access to any Confidential Information. Any Person to whom Confidential Information is disclosed or who has access to Confidential Information shall maintain it as confidential and shall not publicly disclose or release it to any Person not authorized by State Farm, this Agreement, the agreed protective order, or the Court, provided that nothing in this Agreement shall be construed to restrict or limit State Farm's use or disclosure of its own Confidential Information.

18.3 Within thirty (60) days of the completion of all Settlement Payments pursuant to Section 6.2.1 above, Class Counsel shall destroy or return to State Farm's Counsel all Confidential Information in their possession, custody, or control, and shall deliver a letter to counsel for State

Farm confirming their undertaking and compliance with this Section. Further, the Parties agree that Confidential Information shall not be used by Class Counsel, or anyone employed with, retained by, or otherwise associated with Class Counsel, in any other litigation, current or future, unless independently obtained through discovery in such other litigation.

18.4 The Parties agree that their Settlement Term Sheet is and shall remain confidential. The Parties further agree that they shall not affirmatively publish any release or statement to the media (or on the internet) concerning the Settlement of the Litigation prior to the Effective Date; provided, however, that after the Effective Date, any information published or released must be truthful and adhere strictly to information that appears as part of the public record related to the approval of the Settlement. If any print or electronic media outlet contacts any of the Parties or counsel for the Parties seeking information or a statement regarding the Settlement or the Litigation, in the absence of a response agreed by the Parties, no information will be provided, except to the extent such information appears as part of the public record. The Parties further agree and intend that any discussions and negotiations related to, and any conduct performed by either Plaintiff or State Farm in furtherance of this Settlement Agreement shall be expressly prohibited from disclosure in any other case unless that information appears as part of the public record, and the Parties shall use all reasonable efforts to ensure that such information is not disclosed.

19. MISCELLANEOUS PROVISIONS

19.1 All of the Exhibits to this Settlement Agreement are integral parts of the Settlement, and are accordingly attached hereto and hereby incorporated by reference and made a part of this Settlement Agreement.

19.2 The Parties to the Settlement intend and agree that the Settlement is a final and complete resolution of all disputes related to the Litigation by the Class Representative and the Settlement Class Members.

19.3 The Parties agree that the benefits provided herein, and the other terms of the Settlement were negotiated at arm's length in good faith by the Parties to the Settlement with the assistance of an experienced and independent mediator and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

19.4 This Settlement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all Parties or their successors-in-interest.

19.5 The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

19.6 The Parties hereby irrevocably submit to the continuing and exclusive jurisdiction of the Court for any suit, action, proceeding, or dispute arising out of or relating to this Settlement, as embodied in the Settlement or its applicability, and agree that they will not oppose the designation of such suit, action, proceeding, or dispute as a related case to the Action.

19.7 This Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument, provided that counsel for the Parties to the Settlement shall exchange among themselves original signed counterparts. Electronically transmitted signatures are valid signatures as of the date thereof.

19.8 The construction, interpretation, operation, effect, and validity of the Settlement, and all documents necessary to effectuate it, shall be governed by the laws of the State of New Mexico, without regard to conflicts of laws, except to the extent that federal law requires that federal law govern. The Parties understand and agree that any disputes arising out of the Settlement shall be governed and construed by and in accordance with the laws of the State of New Mexico, regarding reference or regard to choice-of-law principles.

19.9 The Settlement shall not be construed more strictly against any of the Parties to the Settlement more than any others merely by virtue of the fact that the Settlement Agreement, or any part of it, may have been prepared by counsel for certain of the Parties, it being recognized that the Settlement is the result of arm's length negotiation between the Parties to the Settlement, and all Parties to the Settlement have contributed substantially and materially to the preparation of the Settlement Agreement and the terms thereof.

19.10 Any and all counsel and Parties to the Settlement who execute the Settlement and any of the Exhibits hereto, or any related Settlement documents, represent that they have reviewed and understand those documents and have the full authority to execute the Settlement, and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Settlement to effectuate its terms.

19.11 The Parties and their Counsel agree to recommend approval of the Settlement by the Court and to undertake their best efforts and cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and the Settlement and to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement and the entry of the Final Judgment.

19.12 The undersigned counsel for State Farm represent that they are fully authorized to execute and enter into the terms and conditions of the Settlement Agreement on behalf of State Farm.

IN WITNESS WHEREOF, the Parties have, through their respective counsel, executed this Settlement as of the date first above written.

PLAINTIFF:

Dated: January 30, 2026

By:


Dana Schwartz

CLASS COUNSEL: Approved as to form and content by counsel for Plaintiff and the

Settlement Class:

Date: January 30, 2026

By: /s/  _____

DOMINGUEZ LAW FIRM

Paul M. Dominguez, Esq.
2025 Rio Grande Blvd. NW
Albuquerque, NM 87104
Telephone: (505) 850-5854
paul@dominguez.law

PIZZONIA LAW LLC

Justin P. Pizzonia, Esq.
5720 Osuna Road NE
Albuquerque, NM 87109
Tel: (505) 999-1080
justin@PizzoniaLaw.com

THE LAW OFFICE OF RYAN J. VILLA

Ryan J. Villa, Esq.
5501 Eagle Rock Ave. NE, Suite C2
Albuquerque, NM 87113
Tel: (505) 639-5709
ryan@rjvlawfirm.com

Attorneys for Plaintiff

STATE FARM: Approved as to form and content by counsel for State Farm:

Date: January 30, 2026

By: /s/ James P. Gaughan

MILLER STRATVERT P.A.

Todd A. Schwarz
Post Office Box 25687
Albuquerque, NM 87125-0687
Telephone: (505) 842-1950
tschwarz@mstlaw.com

**RILEY SAFER HOLMES
& CANCILA LLP**

Joseph A. Cancila, Jr. (*associated counsel*)
James P. Gaughan (*associated counsel*)
1 South Dearborn Street, Suite 2200
Chicago, IL 60603
Telephone: (312) 471-8700
jcancila@rshc-law.com
jgaughan@rshc-law.com

*Attorneys for Defendants State Farm Mutual
Automobile Insurance Company, State
Farm Fire and Casualty Company, and
State Farm General Insurance Company*