

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

HERBERT WILLIAMS, SR. and PATRICIA)	
COUSAR WILLIAMS, individually and on)	
behalf of a class of similarly situated persons,)	
)	Case No. 09-CV-3568
Plaintiffs,)	
v.)	Judge Harry D. Leinenweber
)	
GOVERNMENT EMPLOYEES INSURANCE)	Magistrate Martin C. Ashman
COMPANY, GEICO GENERAL INSURANCE)	
COMPANY, GEICO INDEMNITY COMPANY,)	
AND GEICO CASUALTY COMPANY,)	
)	
Defendants.)	

SETTLEMENT AGREEMENT AND STIPULATION

This Settlement Agreement and Stipulation (the "Agreement") is entered into as of February 2, 2010, between Herbert Williams, Sr. and Patricia Cousar Williams ("Class Representatives"), suing individually and on behalf of the Settlement Classes defined below, and the following entities: Government Employees Insurance Company, GEICO General Insurance Company, GEICO Indemnity Company, and GEICO Casualty Company (collectively "Defendants").

WHEREAS, the Class Representatives brought the above-captioned action in the Circuit Court of Cook County, Illinois, which was later removed to the United States District Court (the "Action").

WHEREAS, the Class Representatives allege that Defendants have not complied with Illinois law regarding automobile insurance discounts on comprehensive coverage for anti-theft devices pursuant to 215 ILCS 5/143.28.

WHEREAS, Defendants deny all allegations of fault, wrongdoing or liability in the Action and do not concede any infirmity in their defenses.

WHEREAS, the Class Representatives have purported to bring the Action as a class action on behalf of all persons they claim are similarly situated.

WHEREAS, this Settlement is made on behalf of the following Settlement Class:

All policyholders under Illinois personal family automobile insurance policies issued by Defendants which policies provided comprehensive coverage and were in effect on or after May 6, 1999 through December 31, 2009 and who did not receive discounts of at least 5% on premiums paid for comprehensive coverage from Defendants for anti-theft devices that came as manufacturers' standard original equipment on the said vehicles.

Excluded from the Settlement Class are: Government Employees Insurance Company, GEICO General Insurance Company, GEICO Indemnity Company, and GEICO Casualty Company and any parent, subsidiary, affiliate, or controlled person of Defendants, as well as the officers and directors of Defendants. Also excluded is any trial judge that may preside over the Action. The Parties have also agreed, subject to Court approval: (a) that the Class Representatives shall be appointed as the representatives of the Settlement Class; and (b) the following attorneys shall be appointed to serve as Counsel to the Settlement Classes: John G. Jacobs and Bryan G. Kolton of The Jacobs Law Firm, Chtd.; Jonah Orlofsky of the Law Offices Of Jonah Orlofsky; David Schachman of David Schachman & Associates, P.C.; and S. Jerome Levy of S. Jerome Levy & Associates, P.C.

WHEREAS, counsel for the Parties have conducted extensive settlement discussions and arm's-length negotiations in an effort to accomplish a full compromise and settlement of the claims asserted in the Action. In the course of such settlement

discussions and negotiations, Defendants have made representations and provided certain information regarding Defendants' business operations and activities relating to motor vehicle policies issued in Illinois and regarding discounts for anti-theft devices under such policies. Based on the investigation, research and analysis conducted to date, and subject to the Confirmatory Discovery provided for in ¶ 5.4 below, and subject to the approval of the Court, the Parties consider it desirable and in their best interests, and in the interests of the Settlement Class to reach an equitable, appropriate resolution of the issues raised in the litigation, on the terms set forth herein, taking into account the risks, uncertainties, delay and expenses involved in the Action, as well as other relevant considerations, including, but not limited to, the time and expenses of defending costly and protracted litigation in the trial court and on appeal, and to fully and finally settle all claims asserted in this Action.

WHEREAS, the Parties agree that, by entering into this Settlement, no party shall be deemed to have admitted in any way any claims, allegations or contentions made by the other nor to have diminished in any way the validity of any claim or contention asserted by that party with respect to the Action. It is further specifically agreed that Defendants' execution of this Agreement is not, and shall not be construed as, an admission by Defendants or deemed to be evidence of the validity of any of the claims made by the Class Representatives on behalf of the members of the Settlement Class or of any liability to the Class Representatives or to any member of the Settlement Class, or that the Action is properly maintainable as a class action.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and subject to approval by the Court as provided herein

pursuant to F.R.Civ.P. 23, it is hereby stipulated and agreed by and between the Class Representatives, acting individually and on behalf of the Settlement Class, and Defendants, that all claims, rights and causes of action, including damages, losses and demands of any nature that have been asserted or that could have been asserted based on the allegations of the Complaint by the Class Representatives and the Settlement Class in the Action against Defendants, as defined herein, shall be settled, released and dismissed with prejudice upon and subject to the following terms and conditions all of which are subject to approval by the Court:

Definitions

1. The following terms shall have the following meanings in this Agreement and the annexed exhibits.

1.1. “Action” shall refer to the case captioned *Williams v. Government Employees Insurance Company*, pending as Case No. 09-CV-3568 in the United States District Court for the Northern District of Illinois.

1.2. A “Class Member” means a person who was or is:

1.2.1. a policyholder under an Illinois personal family automobile insurance policy issued by one of the Defendants that was in effect at any time between May 6, 1999 and December 31, 2009;

1.2.2. where such policy included comprehensive coverage at any time during the period May 6, 1999 and December 31, 2009;

1.2.3. where such policy provided such comprehensive coverage for insured vehicles equipped as manufacturer’s standard equipment with anti-theft mechanisms or devices approved by the Illinois Department of Insurance as eligible for an anti-theft device discount; and

1.2.4. who did not receive a discount of at least five per cent (5%) on premiums paid for comprehensive coverage on account of such anti-theft mechanism or device.

1.3. A “qualifying anti-theft device” is an anti-theft mechanism or device approved by the Illinois Department of Insurance as eligible for an anti-theft device discount pursuant to 215 ILCS 5/143.28.

1.4. The “Class Period” means the period May 6, 1999 through December 31, 2009.

1.5. Excluded from the Settlement Class are: a) Government Employees Insurance Company, GEICO General Insurance Company, GEICO Indemnity Company, and GEICO Casualty Company and any parent, subsidiary, affiliate, or controlled person of Defendants, as well as the officers and directors of Defendants; and b) any trial judge who may preside over the Action.

1.6. Additionally, certain claims of Settlement Class Members are excluded from payment under this Settlement as follows:

1.6.1. any actual claim asserted against one of the Defendants for a comprehensive coverage discount for a “qualifying anti-theft device” that has been released, settled, or otherwise discharged prior to the date of this Agreement; and

1.6.2. any claim for a comprehensive coverage discount for a “qualifying anti-theft device” where at least a 5% discount was in fact provided to a Settlement Class member.

1.7. The "Opt-Out/Objection Deadline" means the date by which all elections to opt out or objections must be postmarked or received by Defendants, or Class Counsel, or the Court pursuant to the terms of this Agreement. This date shall be agreed upon by the Parties and is subject to the approval of the Court. This date shall be thirty

(30) days after the Class Notice is mailed to the Settlement Class Members as set forth in ¶¶ 5.1-5.3 hereto.

1.8. The “Complaint” means the Class Action Complaint in the Action, including as it may be amended.

1.9. The “Court” shall mean Judge Harry D. Leinenweber of the United States District Court for the Northern District of Illinois or his successor.

1.10. Any order of the Court contemplated by or entered pursuant to this Agreement shall be deemed to have become “Final”: (a) thirty (30) days after the entry of Final Judgment, if no appeal is taken during such thirty-day period; or (b) if any appeal is filed pertaining to such Final Judgment, the date upon which all appeals, including petitions for review, rehearing, or certiorari, and any proceedings resulting therefrom, have been finally disposed of, or the date of the expiration of the time to initiate such petitions or proceedings, whichever is later. It is expressly agreed by Class Counsel and by Defendants that none of the Parties intends that this section or any other part of this Agreement establishes or acknowledges that anyone is entitled to or has any right to appeal with regard to such orders which may be entered in connection with or concerning this Agreement.

1.11. The “Final Judgment” means the Final Judgment and Order Approving Settlement.

1.12. “Defendants” means the following entities: Government Employees Insurance Company, GEICO General Insurance Company, GEICO Indemnity Company, and GEICO Casualty Company. This definition also includes these entities’ current and former officers, directors, employees, agents and representatives.

1.13. The “Class Notice” means the Notice of Proposed Settlement, without material alteration from the form of Exhibit B hereto and Exhibit C hereto.

1.14. The “Order of Preliminary Approval” means an order without material alteration from the form of Exhibit A hereto.

1.15. “Notice” shall mean: (a) the mailing of the Class Notice by first class mail, postage prepaid, to the last known address of each Class Member based upon the Defendants’ business records, updated as provided herein; and (b) notification via website in accordance with Exhibit C hereto.

1.16. “Notification List” shall mean a list of all Class Members who were mailed Notice by first class mail, postage prepaid.

1.17. “Parties” shall mean Herbert Williams, Sr. and Patricia Cousar Williams, the Settlement Class, and the Defendants.

1.18. “Released Claims” means the claims specified in ¶ 31 of this Agreement.

1.19. “Settlement” means the settlement of this Action as set forth in this Agreement and its attachments.

1.20. “Settlement Effective Date” shall mean the date the Final Judgment shall have become Final as provided in ¶ 1.10.

1.21. “Settlement Payment” shall mean the amount to which a Class Member is entitled to as determined under this Settlement Agreement.

1.22. The “Final Approval Hearing” means the hearing to be held by the Court to consider the final approval of the Settlement pursuant to F.R.Civ.P. Rule 23.

1.23. "Class Counsel" shall mean and refer to John G. Jacobs and Bryan G. Kolton of The Jacobs Law Firm, Chtd.; Jonah Orlofsky of the Law Offices Of Jonah Orlofsky; David Schachman of David Schachman & Associates, P.C.; and S. Jerome Levy of S. Jerome Levy & Associates, P.C.

Submission of Agreement for Preliminary Approval and Order

2. The Parties agree to submit an agreed Order permitting the amendment of the Complaint for purposes of settlement to add the following defendants: GEICO General Insurance Company, GEICO Indemnity Company, and GEICO Casualty Company.

3. Counsel for the Parties shall submit this Agreement, and shall request an Order of Preliminary Approval substantially in the form of Exhibit A. The Order of Preliminary Approval shall include terms as follows:

3.1. Preliminarily approving the Settlement of this Action;

3.2. Providing that Government Employee Insurance Company ("GEICO") will be authorized to administer the mailings of the Class Notice to the Class Members under this Settlement utilizing the services of Merkle Inc., and to administer the claims handling under this Settlement, including issuing and mailing the Settlement Payments to Class Members;

3.3. Enjoining potential Class Members from proceeding with any pending proceedings, and enjoining the initiation of any new litigation by potential Class Members in any court where such proceedings or litigation asserts any claim or seeks any recovery of damages or other relief related to Defendants' statutory compliance with 215 ILCS 5/143.28 (the "Stay Order");

3.4. Providing that any Class Member who does not file a timely and complete election to opt out of this Settlement by the Opt-Out/Objection Deadline shall be bound by the Stay Order and any and all other Orders that may be entered in the Action;

3.5. Providing that any Class Member who files a timely and complete election to opt out of this Settlement by the Opt-Out/Objection Deadline may proceed with his or her own individual action;

3.6. Providing that the Stay Order shall expire five (5) days after the Opt-Out/Objection Deadline;

3.7. Certifying the Settlement Class for settlement purposes only pursuant to F.R.Civ.P. 23;

3.8. Approving and directing the mailing of the Class Notice substantially in the form of Exhibit B to all Class Members in the manner provided herein, and the posting of the website notice substantially in the form of Exhibit C hereto beginning on the date of the mailing of the Class Notice and continuing until thirty (30) days after the mailing of the Settlement Payments as provided in paragraph 9;

3.9. Determining, pursuant to F.R.Civ.P. 23 that such Notice as provided under this Settlement Agreement will provide the best notice practicable under the circumstances and constitutes due and sufficient notice to all persons entitled thereto;

3.10. Scheduling a Final Approval Hearing to be held: (a) to determine finally the reasonableness, adequacy and fairness of the Settlement for purposes of F.R.Civ.P. 23; (b) to determine whether Final Judgment should be entered; and (c) to

determine whether the application of Class Representatives and Class Counsel for an award of fees and expenses and incentive awards should be granted;

3.11. Providing that members of the Settlement Class may exclude themselves or opt out of such Settlement Class and the Action in the manner and with the consequences described herein, providing that all such exclusions or elections to opt out must be received by the Court or Defendants no later than the Opt-Out/Objection Deadline;

3.12. Providing that any Class Member who objects to the approval of this Settlement may appear at the Final Approval Hearing and show cause why the proposed Settlement should not be approved as fair, reasonable and adequate and why a judgment should not be entered thereon. Any such objections or any petition to intervene in the Action must be submitted in writing, must be served on Class Counsel and the attorneys for Defendants, and filed with the Court no later than the Opt-Out/Objection Deadline;

3.13. Providing that no person shall be entitled to contest the approval of the terms and conditions of this Settlement or the judgment to be entered thereon except by filing and serving written objections in accordance with the provisions herein. Any member of the Settlement Class who fails to object in the manner prescribed shall be deemed to have waived, and shall be foreclosed forever from raising objections or asserting any claims arising out of, related to, or based in whole or in part on any of the facts or matters alleged, or which could have been alleged, or which otherwise were at issue in the Action; and

3.14. Authorizing the use and disclosure by Defendants and Class Counsel of such information as is contemplated and necessary to effectuate the terms and conditions of this Settlement, and including an agreement by the parties to protect the confidentiality of the names and addresses of persons insured by Defendants and other confidential or proprietary information pursuant to the terms of this Agreement.

Final Approval Hearing

4. On the date set by the Court for the Final Approval Hearing, the Parties shall jointly request the Court to review any petitions to intervene or objections to the Settlement that have been timely filed and to conduct such other proceedings as the Court may deem appropriate under the circumstances. At the Final Approval Hearing, the Parties shall jointly request the Court to enter Final Judgment in substantially the form of Exhibit D hereto:

- 4.1. Determining that the mailing of the Class Notice as provided herein without material alteration from the form of Exhibits B to the Class Members, in the manner provided herein, and the website posting in accordance with Exhibit C, is the best method of notice practicable under the circumstances, constitutes due and sufficient notice to all persons entitled thereto, and satisfies the requirements of F.R.Civ.P. 23 and due process;
- 4.2. Approving the Settlement; finding that its terms are fair, reasonable and adequate to the Settlement Classes, for purposes of F.R.Civ.P. 23; and directing the consummation of the Settlement in accordance with the terms and conditions of this Agreement;

- 4.3. Approving the elections to opt out that have been filed timely and completely by the Opt-Out/Objection Deadline;
- 4.4. Providing that each member of the Settlement Class (except those who have filed timely and completed elections to opt out by the Opt-Out/Objection Deadline) shall be bound by this Settlement; releasing and discharging Defendants, and their current and former officers and directors, or any assignee, successor, predecessor, direct or indirect subsidiary, direct or indirect parent company, divisions, affiliates, attorneys, employees and agents, from all Released Claims; covenanting not to sue any of the Defendants over the Released Claims; barring and permanently enjoining the Class Representatives and the Class Members from asserting any of the Released Claims against Defendants, and their current and former officers and directors, or any assignee, successor, predecessor, direct or indirect subsidiary, direct or indirect parent company, divisions, affiliates, attorneys, employees and agents, in any court or forum whatsoever; dismissing all claims in the Action against Defendants, on the merits and with prejudice; and entering Final Judgment thereon with a finding that there is no just reason to delay enforcement or appeal;
- 4.5. Awarding attorneys' fees and expenses as provided *infra*;
- 4.6. Reserving jurisdiction over all matters relating to the administration, implementation, effectuation and enforcement of this Agreement;

- 4.7. Awarding the Class Representatives an incentive award not to exceed the sum of Two Thousand Five Hundred Dollars (\$2,500.00), which award Defendants have agreed that they will not oppose, and which is payable at the time counsel fees are payable under ¶ 17 herein. Payment of this amount shall not affect the Class Representatives' right to receive a Settlement Payment pursuant to the procedures set forth in this Agreement. Further, this payment will not be a credit towards any Settlement Payment due and payable to the Class Representatives pursuant to this Agreement; and
- 4.8. Awarding such other and further relief consistent with the terms and provisions of this Agreement, as the Parties hereto may agree.

Class Notification

5. After due consideration of all relevant facts and available information, Class Counsel and counsel for Defendants have agreed that the most practical means of providing notice to the Settlement Class Members will be by first class mail, postage prepaid as provided herein, supplemented by Website notification as provided herein.

5.1. Identification of the Class Members to whom Notice will be mailed will be based on the information reflected in the business records of Defendants as follows:

- 5.1.1. Illinois motor vehicle insurance policies issued by one of the Defendants during the Class Period; and
- 5.1.2. Where such policy included comprehensive coverage on one or more insured vehicles at any time during the Class Period that were as manufacturer's standard equipment with anti-theft

mechanisms or devices approved by the Illinois Department of Insurance as eligible for an anti-theft device discount; and

5.1.3. Where the Class Member did not receive a discount of at least 5% on account of such anti-theft mechanism or device.

5.2. The Class Notice will be mailed to the Class Members identified as described in ¶ 5.1, using the last known address for those individuals available from Defendants' records, provided, however, that Defendants will update the addresses of those Class Members who are not current policyholders via the www.accurint.com database as well as the address update services available through Merkle Inc., prior to mailing.

5.3. Defendants shall have no duty or obligation to perform any additional search for addresses for returned, undelivered notices, except that in the event such notice(s) are returned with a listed forwarding address, Merkle Inc., on behalf of Defendants, will resend such notices to that listed forwarding address.

5.4. Promptly upon execution of this Settlement Agreement, Defendants shall provide to Class Counsel such reasonable confirmatory discovery as they shall request including, but not limited to, (a) the databases used by Defendants in the ordinary course of their business with respect to anti-theft devices provided as manufacturers' original standard equipment; (b) the specific steps taken by Defendants to identify current addresses of class members (including inspection of a group randomly selected by Class Counsel for verification); (c) the specific calculations made by Defendants to determine the amounts owed to the class (including inspection of a group randomly selected by Class Counsel for verification); (d) the steps taken by Defendants to identify potential class members in terms of not having been given an anti-theft discount when one was due (including inspection of a group randomly selected by Class

Counsel for verification); and (e) such other items as shall be deemed reasonably necessary to confirm that the Settlement and its notice provisions have been or are being complied with and that the Class is receiving the benefits intended by this settlement. In the event that the confirmatory discovery shows that Defendants are failing to identify Settlement Class Members or their current addresses sufficiently or are miscalculating the Settlement Payments due Settlement Class Members, Class Counsel shall immediately so notify counsel for Defendants, and the Parties shall take such steps as are necessary to cure on a systemic basis any problems identified so as to accomplish the purposes of this settlement.

6. Within sixty (60) days following entry of the Order of Preliminary Approval, Defendants through Merkle Inc., will send to each Class Member the Class Notice, without material alteration from the form of Exhibit B, by first class mail, postage pre-paid, addressed to his or her last known address, as determined and updated pursuant to ¶¶ 5.1 through 5.3. Within twenty (20) days following entry of the Order of Preliminary Approval, Defendants will cause the Website Notice per Exhibit C hereto to be posted, which notice shall remain up and active until thirty (30) days after the mailing of the Settlement Payments as provided in paragraph 9.

7. Defendants shall bear all expenses incurred in connection with the identification of all members of the Class. Costs of administration (including, but not limited to, printing and mailing the Class Notice, providing website notice, printing and distributing Settlement Payments to Class Members and all postage relating to the foregoing) will be paid by Defendants from their own funds.

8. Under no circumstances shall Defendants be required under this Agreement to incur or pay any fees or expenses, which they are not explicitly obligated to incur or pay hereunder.

Settlement Payments

9. Within 60 days after the Final Judgment in this matter has become “Final” as defined in paragraph 1.10, Defendants shall pay a Settlement Payment equal to five percent (5%) of the premium paid for such comprehensive coverage for those insured vehicles during the period between May 6, 1999 through December 31, 2009 to each Class Member whose personal family automobile insurance policy provided comprehensive coverage for insured vehicles equipped as manufacturer’s standard equipment with anti-theft mechanisms or devices approved by the Illinois Department of Insurance as eligible for an anti-theft device discount, as reflected in the vehicle information database(s) utilized by Defendants in the ordinary course of their automobile insurance policy underwriting rating,

9.1. If the Class Member is a current Illinois automobile insurance policyholder of one of the Defendants, the Settlement Payment shall be paid in the form of a credit to the Class Member’s current policy account with Defendants.

9.2. If the Class Member is not a current Illinois automobile insurance policyholder of one of the Defendants, the Settlement Payment shall be paid by check, made payable to the named insured(s) on the policy at issue, mailed to the address of such Class Member as determined under paragraphs 5.2 and 5.3 of this Agreement

(except for any Class Members whose Class Notice(s) was returned as undeliverable and for whom no further forwarding address was determined).

10. A Class Member who:

10.1. believes that he or she is entitled to an anti-theft discount with regard to a qualifying anti-theft device for any portion of the Class Period for which Defendants determine that no Settlement Payment is to be made or for which Defendants were unable to mail a Settlement Payment because their Class Notice(s) was returned as undeliverable and for whom no further forwarding address was determined; or

10.2. believes that he or she is entitled to an anti-theft discount with regard to a qualifying anti-theft device for any portion of the Class Period in addition to the Settlement Payment determined by Defendants

shall be entitled to submit a signed Claim Letter by United States Mail, postmarked within thirty (30) days after the mailing of the Settlement Payments as provided in paragraph 9 to a Post Office Box to be established by Merkle Inc., on behalf of Defendants. Such claims may not be made via facsimile transmission. Defendants shall forward copies of all Claim Letters received to Class Counsel within twenty (20) days of receipt.

10.3. Such Claim Letters must be signed by the Class Member asserting such entitlement to an anti-theft discount with regard to a

qualifying anti-theft device for any portion of the Class Period and must include such documentation which would permit verification that an insured vehicle under a motor vehicle policy which is the subject of this settlement was in fact installed with a qualifying anti-theft device for any portion of the Class Period.

10.4. Each Class Member who returns such a Claim Letter shall be deemed to have submitted to the jurisdiction of the Court with respect to their claim, as well as the Final Judgment.

10.5. Any disagreement as to entitlement to an anti-theft discount with regard to a qualifying anti-theft device for any portion of the time during the Class Period for which such a Claim Letter was submitted shall be determined by the Special Master as provided in paragraph 15.

11. A Class Member shall not be entitled to a Settlement Payment to the extent that:

11.1. an actual claim has previously been asserted against one of the Defendants for a comprehensive coverage discount for a “qualifying anti-theft device” that has been released, settled, or otherwise discharged prior to the date of this Agreement; or

11.2. a comprehensive coverage discount for a “qualifying anti-theft device” was in fact provided by the Defendants to a Class Member; or

11.3. the Class Member did not pay a premium for comprehensive coverage for an insured vehicle.

12. The eligibility of a Settlement Class Member for payment shall be subject to the applicable law and the terms and conditions of the Defendants' Illinois automobile insurance policy or policies issued and in force and effect for the policy period(s) in question, consistent with the terms of this Settlement Agreement.

13. No attorneys' fees, interest, costs or any additional sums of any kind shall be paid to any Class Member, other than those attorneys' fees and costs paid to Class Counsel as provided herein.

Claim Dispute Resolution

14. No Settlement Payments shall be issued to any Class Member until this Settlement becomes final.

15. The following procedure will be utilized to resolve any disputes between any Class Member and Defendants as to the Settlement Payment that is determined to be payable to that Class Member:

15.1. If needed, a Special Master will be designated by the Court in this case. His/her charges shall be paid by Defendants.

15.2. In the event Class Counsel and/or the claimant's counsel and counsel for Defendants cannot agree to the correct disposition of any claim, that dispute shall be submitted to the Special Master for binding and non-appealable resolution. The Parties and the claimant shall use such procedures for resolution as the Special Master shall specify.

Bankrupt Class Members

16. When a Class Member has been declared bankrupt, or is the subject of an open and ongoing bankruptcy proceeding, and a payment is due to the Class Member, upon receipt of proper notification and documentation, the Settlement Payment will be made to such Class Member in accordance with applicable U.S. Bankruptcy Code laws.

Attorneys' Fees and Costs

17. Defendants agree not to oppose a request by Class Counsel for an award of Class Counsel's reasonable costs and expenses of this litigation in an amount not greater than Four Hundred Thousand Dollars (\$400,000.00) for attorneys' fees and costs incurred by Class Counsel, which Defendants agree are reasonable.

18. Any Court-awarded attorneys' fees and costs to Class Counsel will be paid by wire transfer to Class Counsel, within five (5) business days after the Final Judgment becomes Final as defined in ¶ 1.10. Such fees shall be wired in accordance with a letter of direction provided by Class Counsel no less than three business days prior to the date Defendants are to make such payment. However, Defendants shall not be obligated to pay such fees and costs if the Final Judgment approving the Settlement does not become Final.

Payment of Settlement Amounts

19. Defendants shall make the Settlement Payments determined to be due under the terms of this Agreement as provided in paragraph 9 not less than sixty (60) days after the entry of an order of Final Approval, but shall not be required to make such Settlement Payments unless and until the Final Judgment has become Final as defined in ¶ 1.10. If the Settlement does not become Final, this Agreement shall be null and void.

20. Any Settlement Payment check sent to a Class Member at the address listed as determined in paragraphs 5.2 and 5.3 that remains uncashed more than one hundred eighty (180) days after the date such check was issued shall be deemed “stale,” and the Settlement Payments pertaining to such “stale” checks shall revert to Defendants.

Termination of the Agreement

21. Defendants shall have the option to nullify this Agreement in the event more than 5% of the Class Members exclude themselves from the Settlement Class. Defendants represent that there are approximately 96,844 Illinois personal family automobile insurance policies issued by Defendants which policies provided comprehensive coverage and were in effect on or after May 6, 1999 through December 31, 2009 that did not receive discounts of at least 5% on comprehensive coverage from Defendants for anti-theft devices that came as manufacturers’ standard original equipment on the said vehicles.

22. Any party to the Settlement shall have the right to nullify and to void the Settlement, and the Settlement thereafter shall have no further force and effect with respect to any party in the Action, upon entry of an order by any court that invalidates or disapproves the Settlement, in whole or in part, or which alters any material term of this Settlement. Any party proposing to nullify the Settlement based upon the preceding sentence must do so by delivering notice of intent to nullify the settlement no later than five business days after entry of any such order.

23. Additionally, in the event that the Court does not give final approval of the Settlement, or if such approval is not sustained on any appeal, the Settlement shall become null and void.

24. In the event the Settlement is nullified, the Settlement shall not be offered in evidence or used in this or any other action for any purpose including, but not limited to, the existence, certification or maintenance of any purported class.

25. In such event, this Settlement and all negotiations, proceedings, documents prepared and statements made in connection with this Settlement shall be without prejudice to any party and shall not be admissible into evidence, and shall not be deemed or construed to be an admission or confession by any party of any fact, matter or proposition of law, and shall not be used in any manner for any purpose, and all Parties to this Action shall stand in the same position as if this Settlement had not been negotiated, made or filed with the Court.

26. If this Settlement shall fail for any reason or if this Agreement shall be terminated:

26.1. This Agreement shall not have further force and effect and all proceedings having taken place with regard to this Agreement or the proposed Settlement shall be without prejudice to the rights and contentions of the Parties or of any potential Class Members in this Action or in any other litigation;

26.2. The Parties agree that they will promptly file a joint motion with the Court to vacate all orders entered pursuant to the terms of this Agreement; and

26.3. The Parties shall be returned to their respective status as it existed immediately prior to the execution of this Agreement.

Confidentiality

27. The private, personal or financial policyholder information which may be compiled by Defendants pursuant to this Agreement and the data processing and other

record keeping procedures and materials to be utilized by Defendants in identifying the members of the class and effectuating Defendants' other obligations hereunder (the "Information") are represented by Defendants to constitute highly confidential and proprietary business information. The confidentiality of the Information shall be protected by entry by the Court of a mutually agreeable protective order.

28. It is agreed that no person, other than individuals employed by Defendants or to whom Defendants have expressly permitted access, shall be allowed access to any Information except:

28.1. Class Counsel and clerical personnel employed by such counsel;

28.2. Such other persons as the Court may order after hearing on notice to all counsel of record; and

28.3. Such other persons as the parties may agree upon in writing.

29. At no time, except pursuant to Court order after hearing upon notice to all counsel of record, shall any Information be made known or available to any person, other than individuals described above and the individuals employed by Defendants or to whom Defendants have expressly permitted access, unless he or she first signs a statement attesting to the fact that: (a) he or she has read and understands the protective order to be entered by the Court; (b) that he or she agrees to be bound and to comply with the terms of the protective order; and (c) that he or she understands that disclosure of Information to unauthorized persons may constitute contempt of court. Copies of all such signed statements shall be retained by Class Counsel and delivered to Defendants upon request.

30. It is further agreed that, after performance of all terms of this Agreement is complete, any and all Information provided by Defendants to Class Counsel or anyone else, and all copies thereof, shall be promptly returned to Defendants.

Release of Claims

31. In consideration of the payments described above, the Class Representatives agree and the Settlement Classes and each Class Member agrees, to the following release:

Release: Each Class Member, and his or her heirs, trustees, personal representatives, beneficiaries, and assigns hereby agrees to release the Defendants, individually and collectively, from any and all liability related in any manner whatsoever to discounts on comprehensive coverage for anti-theft devices pursuant to 215 ILCS 5/143.28 or otherwise under Illinois motor vehicle policies issued by the Defendants during the Class Period and all claims as set forth in the Complaint filed in this Action. The Class Representatives promise, covenant and agree, and each Class Member and the Settlement Classes shall be deemed to have promised, covenanted and agreed, that, upon the effective date of settlement, the Class Representatives and the Class Members shall, by operation of the Final Order and Judgment, hereby release and forever discharge Defendants, individually and collectively, from liability related in any manner whatsoever to discounts on comprehensive coverage for anti-theft devices pursuant to 215 ILCS 5/143.28 or otherwise under Illinois motor vehicle policies issued by the Defendants during the Class Period, including but not limited to any tort claims, contract claims, statutory or common law bad faith claims, claims for punitive or exemplary damages, equitable relief, costs and/or attorneys' fees related to discounts on comprehensive coverage for anti-theft devices (except those Class Members who have filed a proper and timely request for exclusion from the Class that was approved by the Court).

32. Upon the Settlement Effective Date, for the consideration provided for herein and by operation of the Final Order and Judgment, the Class Representatives shall have, and each Class Member and the Settlement Classes shall be deemed to have, covenanted and agreed that he, she or it shall not, at any time, institute, cause to be instituted, assist in instituting or permit to be instituted on his, her or its behalf any

proceeding in any state or federal court, in or before any administrative agency, or any other proceeding or otherwise allege or assert any of the claims released against the Defendants, individually or collectively with respect to the Released Claims.

33. In consideration of the payments described above, Class Representatives agree, and the Settlement Class and each Class Member shall be deemed to have agreed, to dismiss with prejudice the litigation entitled *Williams v. Government Employees Insurance Company*, pending as Case No. 09-CV-3568 in the United States District Court for the Northern District of Illinois.

Miscellaneous Provisions

34. Within twenty (20) days after the execution of this Agreement and before the preliminary approval motion presentation, the parties shall submit a joint motion seeking an order permitting the amendment of the Complaint to add as Defendants, for settlement purposes, GEICO General Insurance Company, GEICO Indemnity Company, and GEICO Casualty Company.

35. Beginning on or about December 24, 2009 for all policies issued as new business by Defendants, and beginning on or about February 1, 2010, upon the renewal of existing policies issued by Defendants, Defendants hereby agree and represent that for insureds under Illinois personal family automobile insurance policies which provide comprehensive coverage, Defendants shall provide, without requiring additional application by the policyholder(s), at least a five percent (5%) discount for insured vehicles that are equipped as manufacturer's standard equipment with anti-theft mechanisms or devices approved by the Illinois Department of Insurance as eligible for an anti-theft device discount as reflected in the vehicle information database(s) utilized

by Defendants in the ordinary course of their automobile insurance policy processing, which database(s) they shall use their best efforts to maintain on a current basis. Additionally, such policyholders shall be permitted to apply to Defendants for at least a five percent (5%) discount under motor vehicle policies providing comprehensive coverage with regard to other anti-theft mechanisms or devices approved by the Illinois Department of Insurance as eligible for an anti-theft device discount.

36. In the event that either the Release provided for herein or the termination provisions contained in this Agreement shall for any reason be held in whole or in part to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement if Defendants, individually or collectively, elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement. In order to be effective, Defendants must deliver notice of such election to Class Counsel within five business days of such holding of invalidity. If such an election is not delivered to Class Counsel within such five business days, Defendants' right – individually and/or collectively – to make such an election shall have expired and be void.

36.1. If no such election under ¶ 36 is made, then the Agreement shall be null and void.

37. If this Agreement is terminated for any reason prior to issuance by the Court of an Order approving the Settlement, or if the Settlement contemplated by this Agreement is not concluded substantially as described in this Agreement with an Order of the Court approving the Settlement that becomes Final after all appeals, then the

Agreement and all other acts taken to effect a Settlement shall be void and of no effect and shall not be admissible by or against any Party to this Agreement.

38. The Parties to this Agreement shall use their best efforts to obtain approval of this Agreement by the Court.

39. Neither this Agreement, approved or not approved, nor any exhibit, document or instrument delivered hereunder, nor any statement, transaction or proceeding in connection with the negotiation, execution or implementation of the Settlement is intended to be or shall be construed as or deemed to be evidence of an admission or concession by Defendants of any liability or wrongdoing or the truth of any allegation in the Complaint, and none of them shall be admissible in evidence for any such purpose in this or any other proceeding, including, but not limited to, proceedings concerning the existence, certification or maintenance of any purported class, except that the Settlement and any Orders entered in connection therewith may be offered and received in connection with proceedings as may be necessary to consummate or enforce the Agreement, or in any proceeding in which issues are presented which pertain to Defendants' compliance with the Settlement or with any Orders which may have been entered at any time in connection with this Settlement.

40. It is understood that no consideration or amount or sum paid, credited, offered, or expended by Defendants in its or their performance of this Agreement constitutes a penalty, fine, punitive damages or other form of assessment for any alleged claim or offense.

41. All proceedings with respect to the Settlement described by this Agreement and the determination of controversies relating thereto, including disputed

questions of law or fact with respect to the validity of claims, shall be subject to the continuing jurisdiction of the Court.

42. Within ninety (90) days after the date that all Settlement Payments pursuant to this Agreement have been mailed and credited, Defendants shall file with the Court a verified statement of its accounting by its officers or employees with respect to payment of such Settlement Payments.

43. All matters not specifically covered by the provisions of this Agreement shall be resolved by agreement of Class Counsel and counsel for Defendants, or if they cannot agree, by the Court, subject to the provisions of ¶¶ 21-26 and 36-37 of this Agreement.

44. The service of papers and notices under this Agreement shall be made upon the Class Representatives and the Class Members by mailing or delivery such papers to:

John G. Jacobs
THE JACOBS LAW FIRM, CHTD.
122 S. Michigan Ave., Suite 1850
Chicago, Illinois 60603

and upon Defendants by mailing or delivering such papers to:

Peter J. Valeta, Esq.
MECKLER BULGER TILSON MARICK & PEARSON LLP
123 N. Wacker Dr., Ste. 1800
Chicago, Illinois 60606

45. This Agreement represents an integrated document negotiated and agreed to between the Parties and shall not be amended, modified or supplemented, nor shall any of its provisions be deemed to be waived, unless by written agreement signed by the respective attorneys for the Parties. This document has been drafted jointly and is not to be construed against any Party.

46. This Agreement represents the entire and sole agreement negotiated and agreed to between the Parties to this Agreement. Only the express terms of this written Agreement shall control, and any and all previous or other agreements, communications, discussions, or other statements of any kind regarding the terms of this Settlement not expressly contained herein have been and are entirely superseded by the written terms of this Agreement, and shall be without force or effect.

47. Each and every term of this Agreement shall be binding upon and inure to the benefit of the Class Representatives, the Members of the Settlement Class, and any and all of their successors, assigns, and personal representatives, and shall bind and inure to the benefit of Defendants, which are intended to be the beneficiaries of this Agreement.

48. Class Counsel and counsel for Defendants each represent that they are authorized by their respective clients to execute this Agreement, to bind to all terms of this Agreement every person, partnership, corporation or entity included within the definitions of the Class Representative and Defendants, to take all steps contemplated by this Agreement, and to effect this Agreement on the terms and conditions stated herein, and further that they will take all steps on their respective clients' behalf contemplated by this Agreement.

49. The Parties warrant and represent that no promise or inducement has been offered or made for the Release except as herein set forth, that the Release is executed without reliance on any statements or any representations not contained herein, and the Release reflects the entire agreement among the Parties with respect to the terms of the Release. The warranties and representations made herein shall survive the execution and

delivering of the Release and shall be binding upon the respective heirs, representatives, successors and assigns of each of the Parties.

50. The Class Representatives and Defendants, individually and collectively, expressly agree that the terms of this Agreement and all provisions hereof, including all representations, promises, agreements, covenants, and warranties, are contractual and not a mere recital and shall survive the execution of this Agreement and entry of the Final Order and Judgment and shall continue in full force and effect thereunder. This Agreement shall be binding upon and inure to the benefit of the Parties and their representatives, heirs, successors, and assigns.

51. The Parties acknowledge, agree and specifically warrant to each other that they have fully read this Agreement and the Release contained herein, have received independent legal advice with respect to the advisability of entering into this Agreement and the Release concerning the legal effect of this Agreement and the Release, and fully understand this Agreement, the Release and its effect.

52. Tax obligations which may arise by virtue of the Settlement Payments made pursuant to this Agreement, if any, are solely the responsibility of the individual(s) or entities who receive such Settlement Payments, and are not the responsibility of Defendants. The Parties to this Agreement do not in any way express any belief or opinion regarding the existence of such tax obligations and do not undertake to provide any advice to the Class Representatives or any Class Member regarding tax obligations which may arise by virtue of the Settlement Payments made pursuant to this Agreement, if any.

53. The Parties may agree, subject to approval of the Court where required, to reasonable extensions of time to carry out the provisions of this Agreement.

54. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Photocopies of fully executed copies of this Agreement may be treated as originals.

55. Illinois law shall govern this Agreement and any documents prepared or executed pursuant to this Agreement.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

**Herbert Williams, Sr. and Patricia Cousar Williams,
Individually and on behalf of all others similarly situated:**

By: s/John G. Jacobs

John G. Jacobs
S. Jerome Levy
Jonah Orlofsky
David Schachman
Bryan G. Kolton

Attorneys for Herbert Williams, Sr. and Patricia Cousar Williams
Individually and on behalf of all others similarly situated

Date: February 2, 2010

**Government Employees Insurance Company, GEICO General Insurance
Company, GEICO Indemnity Company, and GEICO Casualty Company**

By: s/Peter J. Valeta

Peter J. Valeta
Attorney for Defendants

Date: February 2, 2010