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## **STATE FARM AGREES TO PAY \$250 MILLION TO SETTLE FEDERAL LAWSUIT**

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On Sept. 4, 2018, Plaintiffs and State Farm Mutual Automobile Insurance Company (“State Farm”) announced they have reached a compromise agreement to resolve the *Hale v. State Farm* class action litigation pending in the United States District Court for the Southern District of Illinois. Knoxville attorney Gordon Ball is co-lead counsel for the Plaintiffs in the *Hale* litigation.

The *Hale* litigation arose from the earlier class action lawsuit, *Avery v. State Farm*. *Avery* involved a challenge to the quoting or specification of aftermarket non-Original Equipment Manufacturer vehicle repair parts in the 1980s and 1990s. *Avery* resulted in a jury verdict in 1999, amounting to a \$1 billion judgment against State Farm. That judgment was reversed by the Illinois Supreme Court in August 2005. In *Hale*, the plaintiffs allege that State Farm violated federal law by improperly influencing the Illinois Supreme Court's decision to reverse the *Avery* judgment.

Plaintiffs and State Farm agreed to settle the *Hale* litigation just as a lengthy trial was set to begin for \$250 million because they believed it is in the best interest of all the parties and to avoid protracted litigation and appeals that could continue for several more years. The settlement provides benefits to the over four million current and former State Farm policyholders who were members of the class in *Avery*.

As a part of the settlement, Plaintiffs have agreed to dismiss, upon final approval, their RICO claims and unjust enrichment claims. The Settlement Agreement will include recitals that State Farm denies liability, that it considers the claims to be without merit, that it considers that it is settling under the unjust enrichment claim, and that the Settlement is made simply to bring an end to the entire litigation.

The Court set a December 13, 2018 hearing date to take up final approval of the quarter billion dollar settlement.