

Public Adjusters of Colorado, LLC

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“Adjusters for the Policyholder”

March 7, 2008

Via: Express Mail (Signature Receipt Required)

Mr. Edward B. Rust, Jr.
Chairman and CEO
State Farm Insurance Companies
1 State Farm Place
Bloomington, IL 60710-0001

Re: Insured: Andrew and Elizabeth Gholson
Policy Number: 06-GH-6826-2
Claim Number: 06-K172-312
Date of Loss: February 2, 2007
Loss Location: 34036 Grouse Lane, Evergreen, CO 80439

Dear Mr. Rust:

Public Adjuster of Colorado, LLC (PAC) previously sent you detailed correspondence concerning claim 06-K133-368 in December of 2005. In that claim presentation we called your attention to serious allegations of claim handling misconduct orchestrated by personnel affiliated with the State Farm Colorado Claim Team operations. In particular, allegations were directed to the actions of Claim Team Leader, Mr. Rick Whitworth and his immediate subordinates, Large Loss Adjusters Mr. Tim Thomsen and Mr. Tom Egger. Shortly after you received our information, the entire claim matter was quickly and efficiently settled with the estate of your Insured. We would like to believe that your guidance was instrumental in effecting the swift resolution.

Once again we find ourselves sending you another claim presentation (06-K172-312) raising serious allegations of claim handling misconduct orchestrated by the very same State Farm Colorado Claim Team personnel. The issues involved in this matter are more troubling; please carefully review the conduct matters detailed in **Section 2** of this document entitled: **Serious Asbestos Claim Handling Errors By State Farm**. We believe the carefully orchestrated and deceptive actions of Mr. Thomsen and State Farm PSP contractor American Restoration were both reckless and negligent. The outrageous conduct involved has placed the Insured family at serious health risk. We trust the claim misconduct described is not the manner that State Farm as a company wants handle Insured customers faced with serious covered loss situations. We are confident that you as the Chairman and CEO of State Farm Insurance Companies will intercede in a sensible manner once again.

The overall claim handle practices involved in this matter are deplorable. Many claim handling issues raised are believed to be contrary to the coverage policy and in direct violation of Colorado Insurance Regulations. Mr. Whitworth and Mr. Thomsen have the misguided belief that governmental laws and regulations somehow do not apply to State Farm in its common course of business. Mr. Thomsen's cavalier conduct appears to be totally embraced and promoted by his immediate supervisor. Mr. Thomsen and Mr. Whitworth are so enmeshed and intertwined in their beliefs; they view the plight of Insureds faced with large loss situations through twisted lenses of disdain and ambition. This observation is not based solely on this claim situation, but considers similar patterns of egregious conduct in both past and other current claim matters. If the facts surrounding this claim are not sufficient to compel you and other senior State Farm management that there is a real problem, PAC will be happy to layout other claim conduct matters involving the same individuals, that meet the same level of quantifiable outrageous conduct. We believe State Farm has a clear duty to examine our serious allegations of fraudulent claims handling behavior and take swift action to remedy what is viewed as outrageous conduct.

At present, the Insured family has been wrongfully removed from proper ALE benefits. This issue needs to be addressed as a first course of action. Please refer to **Sections 5 and 9** for specific details relating to this concern.

Your prompt attention to remedy the ALE situation and all other claim mishandling issues is appreciated. I am personally available to discuss sensible claim resolutions with you or any responsible designated State Farm management figure. I can always be reached at 303 941-3776 to discuss all claim matters. The Gholson's attorney, Mr. Glen Goldman also welcomes responsible claim dialog. Attorney Goldman can be reached at 303 803-6660.

Respectfully,

William McLoughlin
Public Adjusters of Colorado, LLC
Sole Member/Manager/ Eng.

Cc: Mr. Andrew Gholson – State Farm Insured
Attorney Glen Goldman - Simms & Boster