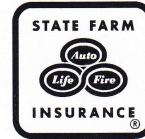


State Farm Mutual Automobile Insurance Company



June 20, 2005

State Farm Insurance Companies
P.O. Box 21658
Bakersfield, CA 93390-9811
Toll Free (888) 582-3020

Michael Laham
Elana Laham
26841 La Alameda # 636
Mission Viejo, CA 92691

RE: Insured: Michael Laham and Elana Laham
Claim No.: 75-A954-439
Date of Loss: March 27, 2005

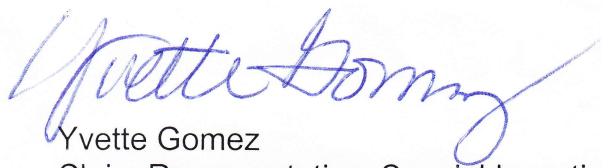
Dear Mr. Laham:

We received your facsimile dated June 13, 2005. In response to your questions, I offer the following answers:

1. Yes, you and Elana can record the investigation interview with your own tape. Your statements can be conducted over the telephone or in person, whichever is more convenient for you.
2. Transcribed copies of yours and Elana's statements will be available approximately ten days after your statements have been taken due the fact that State Farm uses an outside service.
3. The interviews can be conducted in the afternoon or early evening, no later than 6:00 p.m. Each interview will take approximately forty five minutes to an hour.
4. In regards to your wife Elana, yes, it is required that we obtain her statement too since she was a passenger and also a witness in this loss. Elana can contact me directly to arrange her statement appointment.
5. I've enclosed a copy of the section of the State Farm Car Policy 9805A, which explains Reporting A Claim-Insured's Duties for your review. By taking your and Elana's verbal in-person or telephone recorded statements, we are able to obtain a free flow of information regarding your claim since the answer to one question usually leads to another.

I hope I was able to answer all your questions and provide you with the information you requested. Please contact me should you have any questions.

Sincerely,



Yvette Gomez

Claim Representative, Special Investigative Unit
(949) 553-5759

State Farm Mutual Automobile Insurance Company

WHEN AND WHERE COVERAGE APPLIES

When Coverage Applies

The coverages **you** chose apply to accidents and **losses** that take place during the policy period.

The policy period is shown under "Policy Period" on the declarations page and is for successive periods of six months each for which **you** pay the renewal premium. Payments must be made on or before the end of the current policy period. The policy period begins and ends at 12:01 A.M. Standard Time at the address shown on the declarations page.

Where Coverage Applies

The coverages **you** chose apply:

1. in the United States of America, its territories and possessions or Canada; or
2. while the insured vehicle is being shipped between their ports.

The liability, medical payments, uninsured motor vehicle and physical damage coverages also apply in Mexico within 50 miles of the United States border. A physical damage coverage **loss** in Mexico is determined on the basis of cost at the nearest United States point.

Death, dismemberment and loss of sight, total disability and loss of earnings coverages apply anywhere in the world.

FINANCED VEHICLES

If a creditor is shown in the declarations, we may pay any comprehensive or collision **loss** to:

1. **you** and, if unpaid, the repairer; or
2. **you** and such creditor, as its interest may appear, when we find it is not practical to repair **your car**; or
3. the creditor, as to its interest, if **your car** has been repossessed.

When we pay the creditor for **loss** for which **you** are not covered, we are entitled to the creditor's right of recovery against **you** to the extent of our payment. Our right of recovery shall not impair the creditor's right to recover the full amount of its claim.

The coverage for the creditor's interest only is valid until we terminate it. We will not terminate such coverage because of:

1. any act or negligence of the owner or borrower; or
2. a change in the ownership or interest unknown to us, unless the creditor knew of it and failed to tell us within 10 days; or
3. an error in the description of the vehicle.

The date of termination of the creditor's interest will be at least 20 days after the date we mail or electronically transmit the termination notice.

REPORTING A CLAIM — INSURED'S DUTIES

1. Notice to Us of an Accident or Loss

The **insured** must give us or one of our agents written notice of the accident or **loss** as soon as reasonably possible. The notice must give us:

- a. **your** name; and
- b. the names and addresses of all **persons** involved; and
- c. the hour, date, place and facts of the accident or **loss**; and
- d. the names and addresses of witnesses.

2. Notice to Us of Claim or Suit

If a claim or suit is made against an **insured**, that **insured** must at once send us every demand, notice or claim made and every summons or legal process received. That **insured** also shall answer questions under oath when asked by anyone we name, as often as we reasonably ask, and sign copies of the answers.

3. Other Duties Under the Physical Damage Coverages

When there is a **loss**, **you** or the owner of the property also shall:

- K*
- a. make a prompt report to the police when the *loss* is the result of theft or larceny.
 - b. protect the damaged vehicle. We will pay any reasonable expense incurred to do so.
 - c. show us the damage, when we ask.
 - d. provide all records, receipts and invoices, or certified copies of them. We may make copies.
 - e. answer questions under oath when asked by anyone we name, as often as we reasonably ask, and sign copies of the answers.

4. Other Duties Under Medical Payments, Uninsured Motor Vehicle, Death, Dismemberment and Loss of Sight, Total Disability and Loss of Earnings Coverages

Any *person* who suffers a *bodily injury* which results in a medical payments coverage claim must notify us of the claim in writing as soon as reasonably possible after the *person's* first examination or treatment resulting from the *bodily injury*. Another *person* may give us the required notice on behalf of the injured *person*.

The *person* making claim also shall:

- a. under the medical payments, uninsured motor vehicle, death, dismemberment and loss of sight, total disability and loss of earnings coverages:
 - (1) give us all the details about the death, injury, treatment and other information we need to determine the amount payable.
 - (2) be examined by physicians chosen and paid by us as often as we reasonably may require. A copy of the report will be sent to the *person* upon written request. The *person*, or his or her legal representative if the *person* is dead or unable to act, shall authorize us to obtain all medical reports and records.

- (3) answer questions under oath when asked by anyone we name, as often as we reasonably ask, and sign copies of the answers.
- b. under the uninsured motor vehicle coverage:
 - (1) report a "hit-and-run" accident to the police within 24 hours and to us within 30 days.
 - (2) let us see the insured *car* the *person* occupied in the accident.
 - (3) send us at once a copy of all suit papers if the *person* sues the party liable for the accident for damages.
- c. under the death, dismemberment and loss of sight, total disability and loss of earnings coverages, give us proof of claim on forms we furnish.
- d. under uninsured motor vehicle property damage coverage report the accident to us within 30 days.

5. Insured's Duty to Cooperate With Us

- a. The *insured* shall cooperate with us and, when asked, assist us in:
 - (1) making settlements;
 - (2) securing and giving evidence;
 - (3) attending, and getting witnesses to attend, hearings and trials.
- b. The *insured* shall not, except at his or her own cost, voluntarily:
 - (1) make any payment or assume any obligation to others; or
 - (2) incur any expense, other than for first aid to others.