

U. S. DISTRICT COURT - EASTERN DISTRICT OF NORTH CAROLINA

IF you operate a peanut farm in North Carolina and received payment for a peanut crop loss under the 2002 Multiple Peril Crop Insurance Policy, a class action lawsuit may affect your legal rights.

A COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION FROM AN ATTORNEY.

PLAINTIFFS, NORTH CAROLINA PEANUT FARMERS, IN 2002 SUED DEFENDANTS ROSS DAVIDSON, ADMINISTRATOR FOR RISK MANAGEMENT AGENCY, ANN M. VENEMAN, SECRETARY OF THE U.S. DEPARTMENT OF AGRICULTURE, THE FEDERAL CROP INSURANCE CORPORATION ("FCIC"), AND OTHERS ALLEGING A BREACH OF CONTRACT, THREE CLAIMS FOR DENIAL OF DUE PROCESS AND TWO CLAIMS FOR VIOLATION OF VARIOUS STATUTES REQUIRING NOTICE OF POLICY CHANGES.

- THE COURT RULED IN FAVOR OF PLAINTIFF PEANUT FARMERS ON THE BREACH OF CONTRACT CLAIM AND FURTHER CERTIFIED THE LAWSUIT AS A CLASS ACTION ON BEHALF OF ALL PEANUT FARMERS WHOSE FARMS ARE LOCATED IN THE EASTERN DISTRICT OF NORTH CAROLINA, WHO HAD INSURANCE COVERAGE ON PEANUTS UNDER THE 2002 PEANUT MULTIPLE PERIL CROP POLICIES, WHO HAD LOSSES FOR THE 2002 CROP YEAR, WHO SETTLED THOSE LOSSES FOR \$0.1775 PER POUND, AND WHO HAD BEEN ASSIGNED FARM POUNDAGE QUOTAS FOR THE 2001 CROP YEAR.

- NO MONEY IS AVAILABLE AT THIS TIME SINCE THIS CASE IS SUBJECT TO FURTHER PROCEEDINGS AND POSSIBLE APPEALS. FINAL DETERMINATION OF ALL ISSUES, INCLUDING POSSIBLE PAYMENT, WILL BE AT A LATER DATE. HOWEVER, YOUR LEGAL RIGHTS ARE AFFECTED BY THE JUDGMENT, AND YOU HAVE A CHOICE TO MAKE NOW AND NO LATER THAN **90 DAYS FROM THE DATE OF THIS LETTER. YOU MUST ACT ON OR BEFORE JANUARY 25, 2005.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
YOU MAY DO NOTHING	<p>THE RESULT IS YOU STAY IN THIS LAWSUIT. AWAIT THE OUTCOME. GIVE UP CERTAIN RIGHTS TO PROCEED ON YOUR OWN AND BE BOUND BY THE FINAL RESULTS IN THIS CASE.</p> <p>BY DOING NOTHING, YOU KEEP THE POSSIBILITY OF GETTING MONEY OR BENEFITS THAT MAY COME FROM A FINAL JUDGMENT OR SETTLEMENT BY THE PARTIES AND APPROVED BY THE COURT. BUT, YOU GIVE UP ANY RIGHTS TO SUE THE RISK MANAGEMENT AGENCY, AND OTHER DEFENDANTS NAMED IN THIS SUIT SEPARATELY ABOUT THE SAME LEGAL CLAIMS IN THIS LAWSUIT.</p>

ASK TO BE EXCLUDED	<p>GET OUT OF THIS LAWSUIT. GET NO BENEFITS FROM IT. KEEP RIGHTS.</p> <p>IF YOU ASK TO BE EXCLUDED AND MONEY OR BENEFITS ARE LATER AWARDED, YOU WILL NOT SHARE IN THOSE. BUT, YOU KEEP ANY RIGHTS TO SUE THE GOVERNMENT. HOWEVER, YOU ARE ADVISED THAT IF YOU CHOOSE NOT TO PARTICIPATE, YOUR RIGHT TO SUE THE GOVERNMENT MAY BE BARRED BY THE STATUTE OF LIMITATIONS OR OTHER TIME BAR-DEFENSES.</p>
---------------------------	---

What This Notice Contains

Basic Information..... Page 4

1. **WHY DID I GET THIS NOTICE?**
2. **WHAT IS THIS LAWSUIT ABOUT?**
3. **WHAT IS A CLASS ACTION AND WHO IS INVOLVED?**
4. **WHY IS THIS LAWSUIT A CLASS ACTION?**

The Claims In the Lawsuit..... Page 5

5. **WHAT DOES THE LAWSUIT COMPLAIN ABOUT?**
6. **HOW DOES THE GOVERNMENT ANSWER?**
7. **HAS THE COURT DECIDED WHO IS RIGHT?**
8. **WHAT ARE THE PLAINTIFFS ASKING FOR?**
9. **IS THERE ANY MONEY AVAILABLE NOW?**

Who Is In the Class..... Page 6

10. **AM I PART OF THIS CLASS?**
11. **WHICH PEANUT FARMERS ARE INCLUDED?**

Your Rights and Options..... Page 6

12. **WHAT HAPPENS IF I DO NOTHING AT ALL?**
13. **WHY WOULD I ASK TO BE EXCLUDED?**
14. **HOW CAN I ASK THE COURT TO EXCLUDE ME FROM THE CLASS?**

The Lawyers Representing You..... Page 7

15. **DO I HAVE A LAWYER IN THIS CASE?**
16. **SHOULD I GET MY OWN LAWYER?**
17. **HOW WILL THE LAWYERS BE PAID?**
18. **DO I HAVE TO COME TO COURT?**

BASIC INFORMATION

1. Why Did I Get This Notice?

Government records show that you operate a farm or farms in the Eastern District of North Carolina, and that you were paid for a peanut crop loss under the 2002 Multiple Peril Crop Insurance Policy. This notice explains that the Court has allowed, or "certified," a class action lawsuit that may affect you. You have legal rights and options that you must exercise on or before a certain date fixed by the Court. The Honorable Malcolm J. Howard, United States District Court Judge for the Eastern District of North Carolina is overseeing this class action. The lawsuit is known as Barnhill, et al v. Davidson, et al, Civil Action No. 4:02-CV-159-H(4).

2. What Is This Lawsuit About?






This lawsuit is about the amount of money owed to peanut farmers under the 2002 Multiple Peril Crop Insurance Policy for covered peanut crop losses.


3. What Is A Class Action And Who Is Involved?

In a class action lawsuit, one or more people called "Class Representatives" (in this case, Marvin Taylor Barnhill, Jerry Hamill, John Branham, Clark Jenkins, Tom Clements, David Grant, Tim Phelps and Tommy Flythe) sued also on behalf of other unnamed people who are known to have similar claims. The people together are a "Class" or "Class Members." The persons who sued - all the Class Members like them - are called "Plaintiffs." The government agencies and officials sued (in this case Ross Davidson, Administrator for Risk Management Agency; Risk Management Agency; United States of America; Ann M. Veneman, Secretary of Agriculture for the United States of America; and U. S. Department of Agriculture and the Federal Crop Insurance Corporation) are called "Defendants." One court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class.

4. Why Is This Lawsuit A Class Action?

The Court decided that this lawsuit COULD be a class action and move towards Final Judgment and a conclusion because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal courts. Specifically, the Court found that:

-  There are more than 752 peanut farmers in the Eastern District of North Carolina who suffered losses in 2002 due to a breach of contract in the Multiple Peril Crop Insurance policy;
-  There are legal questions and facts that are common to each of them;
-  Marvin Taylor Barnhill's, Jerry Hamill's, John Branham's, Clark Jenkins', Tom Clements', David Grant's, Tim Phelps' and Tommy Flythe's claims are typical of the claims of the rest of the Class;
-  Marvin Taylor Barnhill, Jerry Hamill, John Branham, Clark Jenkins, Tom Clements, David Grant, Tim Phelps and Tommy Flythe, and the lawyers representing the Class will fairly and adequately represent the Class' interests;
-  The common legal questions and facts are more important than questions that affect only individuals; and

 This class action will be more efficient than having many individual lawsuits.

More information about why the Court is allowing this lawsuit to be a class action is in the Court's Order Certifying the Class, which is available on the Internet at: www.boyce-isleylaw.com.

THE CLAIMS IN THE LAWSUIT

5. What Does The Lawsuit Complain About?

In the lawsuit, Plaintiffs say the Government breached its contract with the peanut farmers. They claim that peanut farmers received a lesser payment than what was originally agreed upon in the Multiple Peril Crop Loss Insurance Policy. Plaintiff peanut farmers also say that this case should be certified as a Class Action suit to protect all peanut farmers and allow all similarly situated farmers to be covered in one lawsuit, if all others choose to do so. You can read the Plaintiffs' Class Action Complaint at:

www.boyce-isleylaw.com/cases.jsp.

6. How Does The Government Answer?

The Government asked the Court to dismiss the case alleging the Plaintiffs did not have "standing to sue the government," that they "failed to exhaust their administrative remedies," that there was "no breach of the contract as a matter of law," and "no constitutional rights of Plaintiffs were violated." The Government also alleged the case did not qualify to be certified as a class action. the Government's Answer to the Complaint is also at the website cited above.

7. Has The Court Decided Who Is Right?

The Trial Court has decided that the Government did breach its contract with the Plaintiff peanut farmers on the Multiple Peril Crop Insurance policy in 2002. The Trial Court also determined that under the facts and law this case qualifies for class action certification.

8. What Are The Plaintiffs Asking For?

The Plaintiffs asked the Court to declare the Government breached its contracts with the peanut farmers conduct unlawful and enter Judgment that Plaintiffs be paid the difference for their 2002 crop losses between the agreed contract of \$.31 per pound and the lesser amount of \$.1775 per pound that was paid.

9. Is There Any Money Available Now?

No money or benefits are available now because the Trial Court's judgment has not become final and the Plaintiffs and Defendants have not agreed upon a settlement of the case. If and when the Judgment becomes final, and you have elected to remain as a Class Member, you will be notified about how to ask for a share. If the parties reach a settlement, and you have elected to remain as a Class Member, you will have an opportunity to be heard on the propriety of the settlement, fees and costs and any other related matters.

WHO IS IN THE CLASS

You need to decide whether you are affected by this lawsuit.

10. Am I Part Of This Class?

U. S. District Court Judge Malcolm J. Howard ruled all peanut farmers whose farms are located in the Eastern District of North Carolina, (i.e., Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Edgecombe, Franklin, Gates, Granville, Greene, Halifax, Harnett, Hertford, Hyde, Johnston, Jones, Lenoir, Martin, Nash, New Hanover, Northampton, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Robeson, Sampson, Tyrrell, Vance, Wake, Warren, Washington, Wayne, and Wilson and that portion of Durham County encompassing the Federal Correctional Institution, Butner, North Carolina) who had insurance coverage on peanuts under the 2002 Peanut Multiple Peril Crop Policies, who had losses for the 2002 crop year, who received payment of their losses at the rate of \$0.1775 per pound, and who had been assigned farm poundage quotas for the 2001 crop year are Class Members. Judge Howard also specified that those named Plaintiffs who do not have peanut farms in the geographical area of the Eastern District of North Carolina are not Class Members. See question 12 below.

11. Which Peanut Farms Are Included?

If you are still not sure whether you are included, you can get free help at www.boyce-isleylaw.com or by calling or writing to the lawyers in this case, at the phone number or address listed in question 15. You may also consult your own attorney at your own expense.

YOUR RIGHTS AND OPTIONS

YOU HAVE TO DECIDE WHETHER TO STAY IN THE CLASS OR ASK TO BE EXCLUDED, AND YOU HAVE TO DECIDE THIS NOW.

12. What Happens If I Do Nothing At All?

You do not have to do anything now if you want to keep the possibility of getting money or benefits from this lawsuit. By doing nothing, you are staying in the Class. If you stay in and the Plaintiffs obtain money or benefits, either as a result of a Final Judgment or settlement, you will be notified about how to apply for a share. Keep in mind that if you do nothing now, regardless of whether the Plaintiffs ultimately recover a final judgment or not, you will not be able to sue individually, or continue to sue any of the Defendants as part of any other lawsuit about the same legal claims that are the subject of this lawsuit. As a Class Member, you will be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action.

13. Why Would I Ask To Be Excluded?

If you already have brought your own breach of contract lawsuit against the Government Defendants and want to continue with it, you need to ask to be excluded from the Class. If you exclude yourself from the Class, which also means to remove yourself from the Class and is sometimes called “opting-out” of the Class, you will not be entitled to any money or benefits from this lawsuit even if the Plaintiffs obtain them as a result of a final judgment or from any court-approved settlement between the Government and the Plaintiffs. However, if you exclude yourself you will not be legally bound by the Court’s judgments in this class action.

If you start your own lawsuit against the Government Defendants after you exclude yourself, you will have to hire and pay your own lawyer for that lawsuit, and you will have to prove your individual claims. If you do exclude yourself so you can start or continue your own lawsuit against the Government Defendants, you should talk to your own lawyer at once, because your claims may be subject to a statute of limitations or some other time-bar defenses.

14. How Do I Ask The Court To Exclude Me From The Class?

To ask to be excluded, you must send an "Exclusion Request" in the form of a letter sent by mail, stating that you want to be excluded from *Barnhill, et al v. Davidson, et al.* You must state that you understand that by "opting out" and being excluded, any claims you have may be barred by an applicable statute of limitations or other time-bar defenses. Be sure to include your name and address, and sign the letter. You must mail your Exclusion Request postmarked by **January 25, 2005**, to:

Barnhill, et al v. Davidson, et al, EXCLUSIONS
P.O. Box 1990
Raleigh, N. C. 27602-1990.

You may also get an [Exclusion Request](#) form at the Internet website:

www.boyce-isleylaw.com

THE LAWYERS REPRESENTING YOU

15. Do I Have A Lawyer In This Case?

The Court has ruled the law firm of Boyce & Isley, PLLC of Raleigh, North Carolina is qualified to represent all Class Members. The law firm is called "Class Counsel." They are experienced in handling similar cases against the Government agencies and representatives. More information about this law firm, its practices, and its lawyers' experience is available at:

www.boyce-isleylaw.com

16. Should I Get My Own Lawyer?

You do not need to hire your own lawyer because Class Counsel has been and will be working on your behalf. But, if you want your own lawyer, you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to represent you at your expense.

17. How Will The Lawyers Be Paid?

If Class Counsel's efforts result in a recovery of money or real benefits for the Class, they will petition the Court to enter an Order for their reasonable fees and expenses not exceeding 33%, which is the contingent fee percentage agreed to by the original Plaintiffs when Boyce & Isley agreed to assist the peanut farmers. You will not be personally liable for any fees and expenses. If the Court grants Class Counsel's Petition, all fees and expenses will in the discretion of the Court be either deducted from any money obtained by Class Counsel for the Class Members or paid separately by the Government.

18. Do I Have To Come To Court?

You do not need to attend court unless you want to. Class Counsel will present the case for the Plaintiffs and the Class Representative will represent the interests of all fellow Class Members. You or your personal attorney is welcome to come at your own expense.

19. How Much Longer Will The Case Last?

We do not know how long this will take. If you remain a Class Member and if a Final Judgment or court-approved settlement produces money or benefits, you will be notified about how to participate.

Visit the website, www.boyce-isleylaw.com/cases.jsp, where you will find the **Court Order allowing summary judgment** on the breach of contract claim, the **Complaint** that the Plaintiffs submitted, the **Defendant's Answer to the Complaint**, as well as an **Exclusion Request Form**. You may also speak to a Class Counsel attorney by calling 1-919-833-7373 or by writing to: *Barnhill v. Davidson* Class Action, Post Office Box 1990, Raleigh, NC 27602-1990.

DATE: October 25, 2004