



From: Joe Deegan [mailto:joe.deegan.bu0e@statefarm.com]
Sent: Thursday, August 07, 2008 2:08 PM
To: Leslie Seidman; George Batavick; Robert Herz; Tom Linsmeier; Larry Smith
Subject: Proposed changes to require disclosure of potential cost of litigation

Dear Board Members,

I recently was made aware of a proposal that sits before the board regarding a possible new requirement that a publicly owned company be required to estimate and disclose publicly their best estimate of the potential costs of a lawsuit including legal fees and possible payouts. I am not an attorney, nor am I a CEO, I am merely an investor in many companies and an observer.

I think that this is one of the worst ideas I have ever heard of for many reasons. First, and most obviously, how can any organization accurately estimate what a jury may do or how long an action may take? Look how long the asbestos litigation has been dragging on. How accurate an estimate could have been made 25 plus years ago?

You may notice from my email address that I work for State Farm, (just a lowly agent). While we are not a publicly traded company, we are often the target of lawsuits. State Farm was involved in a suit some time ago, where the jury came back with a judgment that no one could have predicted. \$1.2 billion dollars if my memory serves me correctly. The judgment was later overturned, but that is not the point. The point is the jury made a decision that was off the charts and if we were publicly traded we would have been caught with our pants down, and I am sure that an enterprising attorney could then latch on to "another" issue to drive more litigation.

Second, if a company is forced to expose what they think they are willing or expecting to spend for a case, does that not aid the attorneys bringing the suit and unfairly expose the public (stockholders) to legalized extortion more so than they are today? How is that a benefit to the average person. The exposing of Milberg Weiss and their brand of legal justice should make it obvious that there is already plenty of access to litigate against a company at present. The last thing that the legal profession needs is more opportunity.

I buy and sell stocks. I understand there is a risk there. Anyone who does not understand that needs to take remedial course in investments, not to have the companies that they might invest in dumbed down and straddled with more red-tape that benefits no one except lawyers. The money spent on these ridiculous regulations would be better spent on R&D and dividends. Let the buyer beware, within reason. This is unreasonable. I urge you all to decide against this anti-consumer notion.

Respectfully,

Joseph J. Deegan