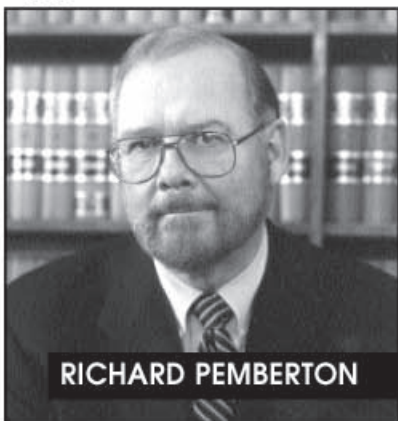


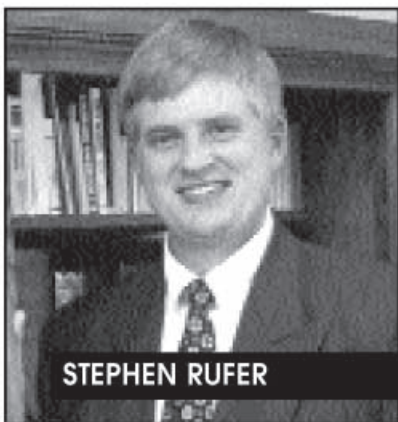


PRUDENTIAL INSURANCE COMPANY SETTLES

Pemberton and Rufer selected as appeals reviewers in large settlement



RICHARD PEMBERTON



STEPHEN RUFER

Mediation and arbitration are common methods of settling legal disputes outside of the courtroom in today's legal system. They are part of a growing trend known as alternative dispute resolution, or ADR. A number of the partners at Pemberton, Sorlie, Rufer and Kershner are trained and have a great deal of experience in conducting ADR proceedings.

Richard Pemberton and Stephen Rufer, however, have

recently been involved in a different style of mediation and dispute resolution. This style, a remediation program, is being implemented in a class-action settlement involving the Prudential Insurance Company.

A multi-state task force of insurance regulators investigated the sales practices of Prudential Insurance Company. As a result of this action, Prudential agreed to set up a remediation program to help consumers in 1996. In January 1999, the U.S. Supreme Court let stand a class-action settlement implementing this remediation plan. According to the Wall Street Journal, Prudential sent letters to 650,000 claimants nationwide in January 1999. The claimants were awarded various types of remediation awards.

This past May, Richard Pemberton and Stephen Rufer were both selected to serve as appeals reviewers to deal with policy holders who have chosen to appeal from the relief awarded them by Prudential. Pemberton and Rufer attended a three-day training session in Newark, New

Jersey, and are now both serving on the national appeals panel.

In a typical case, a mediation is first conducted to see if the parties can reach agreement. If they cannot, an arbitration is conducted about a month later. During the arbitration, Pemberton and Rufer hear the arguments of both Prudential and the policy holder then make a decision.

Issues involved in the claims vary. Often they involve situations where policy holders traded in old life insurance policies for newer ones believing they would receive greater benefits at no additional cost. Sometimes that proved not to be true. In other cases there was

confusion as to whether or not the policy holder clearly understood that he or she was buying an insurance policy. Many mistook the policy as an investment.

Resolving these claims involves some high-tech mechanics. The national coordinators communicate with reviewers such as Pemberton and Rufer via fax, CD-rom, and the internet. Some of the cases are very complex involving policy holders who have owned a number of Prudential policies. Generally, the claims involve policies purchased prior to 1995. Pemberton and Rufer are each hearing about 25 cases a month, and the process is likely to continue through the end of the year.

COMMUNITY INVOLVEMENT

Staff involved with area organizations

The staff at PSR&K maintain active memberships in many area organizations. Our firm is comprised of conscientious individuals who help maintain this community which is so important to our lives and the lives of our families. The following is a list of some of our staff and the organization(s) they are involved with: Oscar J. Sorlie, Board of Law Examiners; Kent D. Mattson, Sertoma member; Corenia Kollasch Walz, Fergus Falls United Way Board President and

Northwest Minnesota Legal Services Board member; Stephen F. Rufer, Otter-Risers Kiwanis member (past president) and Leading Law, Agriculture and Personal Injury; Karel Reich, active with Grace United Methodist Church; Marilyn Olson, Underwood City Council member; Jennifer O. Smestad, Moccasin Valley Inc. Board of Directors Secretary, AAUW member (President Elect for upcoming term), CPT, Minnesota Air Reserve National Guard.