

**SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SAN LUIS OBISPO, PASO ROBLES BRANCH**

If you purchased any of these American Equity Investment Life Insurance Company annuities on or before October 14, 2008:

**FPDA-2, FPDA-3, FPDA-7, FPDA-7 (2.25), SUPER-7,
INDEX-17, INDEX-18, INDEX-24, INDEX-28**

please read this notice carefully as it may affect your legal rights.

*The California Superior Court authorized this notice.
It is not a solicitation from a lawyer.*

- A proposed settlement will provide settlement benefits for the purchasers of approximately 9,300 annuities, with a value of \$36 million, to be distributed among the purchasers (or in some cases their designated beneficiaries). You do not have to take any action at this time to be eligible to receive settlement benefits.
- The proposed settlement would resolve a lawsuit over whether American Equity Investment Life Insurance Company allegedly failed to properly disclose the charges for withdrawals from the annuities and allegedly improperly reduced returns on the annuities to recoup the costs of premium bonuses or additional first year interest promised to purchasers and commissions paid to sales agents. American Equity has denied any wrongdoing. The two sides disagree about whether the plaintiffs would ultimately have prevailed in this lawsuit, and if they had, the relief, if any, that would have been paid to the class.
- The lawyers for the purchasers of these annuities, referred to as “class counsel”, will ask the Court for \$11.95 million to be paid separately by American Equity as attorneys’ fees and litigation expenses for investigating the facts, litigating the case up to trial, and negotiating the settlement. The requested fees and expenses, if awarded, will not reduce the settlement benefits to you.
- Your legal rights are affected whether or not you act. Please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS:

Do Nothing and Receive Settlement Benefits	You do not have to do anything at this time to be able to receive settlement benefits
Object	Write to the Court about why you do not like the settlement
Go to a Hearing	Ask to speak in Court about the fairness of the settlement
Consult With Your Own Attorney	You do not have to hire an attorney, but you have the right to do so (at your own expense) if you wish

- These rights and options – and the deadlines to exercise them – are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Settlement benefits will be available only if the Court approves the settlement and that approval becomes final. Please be patient.

**PLEASE READ THIS ENTIRE NOTICE CAREFULLY.
THE PROPOSED SETTLEMENT OF THIS CLASS ACTION
LAWSUIT MAY AFFECT YOUR LEGAL RIGHTS.**

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BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased one of the following annuity products issued by American Equity Investment Life Insurance Company (“American Equity”) while the purchaser was a resident of California, age 65 or older, and on or before October 14, 2008: FPDA-2, FPDA-3, FPDA-7, FPDA-7 (2.25), SUPER-7, INDEX-17, INDEX-18, INDEX-24, and INDEX-28.

The Court has sent you this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve that settlement. If the Court approves the settlement, and approval becomes final, the payments and benefits provided for by the settlement will be distributed. You can follow the progress of the settlement and the Court approval process by periodically contacting the settlement administrator. See, “Getting More Information”, pp. 15-16.

The Court in charge of this case is the Superior Court for the State of California, County of San Luis Obispo, Paso Robles Branch, and the case is known as *Stephens, et al., v. American Equity Investment Life Insurance Company, et al.*, Case No. CV040965.

2. What is this lawsuit about?

The lawsuit claimed, among other things, that American Equity did not fully explain to senior citizen annuity purchasers the charges for taking money out of the annuities and the way in which returns on the annuities are credited. American Equity denies that it did anything wrong.

More specifically, the lawsuit claimed that American Equity failed to adequately disclose to purchasers the surrender penalties, including “Market Value Adjustment” penalties, which can apply on early surrender or withdrawal. The lawsuit also claimed that American Equity failed to adequately disclose that the commissions paid to sales agents and the cost of bonuses and additional first year interest promised to purchasers, are all part of the expenses associated with the annuities and may be borne by the consumer in the form of lower credited rates than would otherwise be possible absent these expenses.

American Equity denies that it did anything wrong and contends that it provided full and complete information with respect to surrender charges and crediting, as required by the Department of Insurance.

The lawsuit makes these claims only with respect to the following annuity policies, purchased by California residents when they were age 65 or older, and purchased on or before October 14, 2008: American Equity’s FPDA-2, FPDA-3, FPDA-7, FPDA-7 (2.25), SUPER-7, INDEX-17, INDEX-18, INDEX-24, and INDEX-28 annuities.

3. Why is this a class action?

In a class action, one or more people called the “class representatives”, (in this case, Chalys M. Stephens and John P. Stephens), bring a lawsuit on behalf of a group of other people who have similar claims. If a court determines that treating the case as a class action is appropriate by “certifying” the class, all these other people become part of the “class” as “class members”. One court resolves the issues for all class members. California Superior Court Judge Martin J. Tangeman is in charge of this class action. American Equity denies that certification of the class was appropriate in this case.

4. Why is there a settlement?

Although a first phase of the trial in the lawsuit was completed, many claims in this lawsuit did not go to trial and were never decided by the Court or a jury in favor of either side. Further, the Court’s decision concerning those claims which were tried in Phase I did not become final and is still subject to appeal. Instead, both sides have agreed to a settlement. That way the parties avoid the costs and uncertainties of trial, and the costs, uncertainties, and delays of likely appeals following trial, so that the class can obtain benefits upon final approval of the settlement.

The class representatives and the lawyers for the class think that the settlement is best for all class members. The Court has *preliminarily* determined that the settlement is fair to the class, meaning that it falls within the range of possible final approval so that it is appropriate to send this notice to the class about the settlement. The Court will only finally determine whether the settlement is fair to the class and whether to approve the settlement after the class members have had notice and a fair opportunity to make their views known about the settlement.

WHO IS IN THE SETTLEMENT

To see if you will get money or receive benefits from this settlement, you first have to determine if you are included.

5. How do I know if I am part of the settlement?

Anyone who fits the following description is a “class member” potentially affected by this settlement:

“All persons who were California residents, and age 65 or older, at the time they purchased American Equity deferred annuities on the following forms, and who purchased such an annuity on or before October 14, 2008: FPDA-2, FPDA-3, FPDA-7, FPDA-7 (2.25), SUPER-7, INDEX-17, INDEX-18, INDEX-24, INDEX-28.”

There are two exceptions, however. First, if your American Equity annuity contract was never issued or was terminated during the contract's 30-day free look period, you are not a class member. Second, if you previously validly excluded yourself from the class, you are not a class member. These exceptions are discussed in the next section of the notice.

You are receiving this notice because American Equity has preliminarily determined that the person identified in the mailing address for this notice falls within this definition, was issued an American Equity annuity contract that was not terminated during the contract's 30-day free look period, and has not validly excluded him or herself from the class, and is therefore a class member.

6. Are there exceptions to being included?

You are not part of this settlement if your American Equity annuity contract was never issued or was terminated during the contract's 30-day free look period.

You are not a part of this settlement if you previously submitted a timely and valid request to exclude yourself from the class. On November 21, 2008, a notice was mailed which advised of your right to submit a written request to exclude yourself from the class, and describing the steps to do so. The deadline for requesting exclusion was January 2, 2009. Any person who submitted a timely and valid request for exclusion is not a class member and is not affected by this lawsuit or settlement. Because you have already had an opportunity to exclude yourself from the class, there is no second opportunity to do so at this time.

7. I'm still not sure if I am included?

If you are not sure whether you purchased one of the listed annuities, you can review your personal files. Your annuity application, point-of-sale disclosure materials, annuity contract, and annual statements specify the name of the annuity you purchased. If you are not sure *when* you purchased your annuity, the "Specifications Page" of your annuity lists a "Contract Date" that is the contract issue date.

If you are still not sure whether you are part of this settlement, you can ask for free help. You can contact the settlement administrator by mail, toll-free telephone, e-mail, or via the settlement website. This contact information appears below. See, "Getting More Information", pp. 15-16.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the settlement provide?

American Equity has agreed to provide settlement benefits to be divided among the purchasers (or in some cases their designated beneficiaries) of approximately 9,300 class annuities included in this settlement. The value of these settlement benefits is \$36 million. In addition, although American Equity strongly denies that it did anything wrong,

American Equity has agreed to modify its future practices and procedures, to address certain alleged practices which were challenged in this lawsuit.

9. What will my individual settlement benefits be?

The full description of the settlement benefits appears in Articles III-V of the “Settlement and Release Agreement” (“settlement agreement”). You can get a copy of the Settlement Agreement from the settlement administrator, upon request, at no cost to you. You may request a copy by mail, toll-free telephone, or e-mail. You may also view and download a copy on the settlement website. See, “Getting More Information”, pp. 15-16. This section of the notice summarizes those settlement benefit provisions.

The settlement benefits available to you depend upon the status of your class annuity (or annuities) as of October 31, 2010, and also upon whether or not you are a member of the “Noe subclass” or the “Panter subclass”. The “Noe subclass” is defined as:

“All persons who were California residents, and age 65 or older, at the time they purchased American Equity deferred annuities on the following forms, and who purchased such an annuity through Robin Noe, Estate Planning & Investments, Inc., EPICO Insurance Agency, Inc. or their agents, on or before October 14, 2008: FPDA-2, FPDA-3, FPDA-7, FPDA-7 (2.25), Super-7, Index-17, Index-18, Index-24, Index-28.”

The “Panter subclass” is defined as:

“All persons who were California residents, and age 65 or older, at the time they purchased American Equity deferred annuities on the following forms, and who purchased such an annuity on or before October 14, 2008: FPDA-2, FPDA-3, FPDA-7, FPDA-7 (2.25), SUPER-7, INDEX-17, INDEX-18, INDEX-24, INDEX-28 and who were also members of the settlement class in the action entitled, *Panter v. Tackett, et al.*, Case Number 01-c1-02109, Jefferson County Circuit Court, Louisville, Kentucky, and did not timely and validly exclude themselves from that settlement class.”

If you are a member of the Panter subclass, you should have received a prior notice in this lawsuit dated August 19, 2009 advising of the Court’s decision to decertify the Panter subclass. Notwithstanding, under the proposed settlement, the Panter subclass would be included.

A. Benefits for Class Members Who Are Not Panter Subclass Members:

Category 1: Past Surrender and Withdrawal Penalties

This category applies to any class member (except Panter subclass members) who incurred surrender penalties upon a full surrender or a penalized partial withdrawal from any class annuity on or before October 31, 2010. For each class annuity in this category, American Equity will pay (or credit) a settlement benefit in the following amounts:

- a. For the FPDA-2, FPDA-3, FPDA-7, FPDA-7 (2.25), SUPER-7 class annuities, the settlement benefit is equal to 105.3% of the amount of all surrender penalties applied upon surrender or withdrawal, as adjusted by the “Market Value Adjustment”;
- b. For the INDEX-17, INDEX-18, INDEX-24, INDEX-28 class annuities, the settlement benefit is equal to 100% of the amount of all surrender penalties applied upon surrender or withdrawal.

If the class annuity remains active and in deferral at the time when settlement benefits are distributed, this settlement benefit will be posted as a credit to the policy. If the class annuity has been surrendered, annuitized, a death benefit claim has been paid, or the annuity has otherwise been terminated, a cash settlement payment is issued for this benefit.

Category 2: Contract Value Credits/Payments

This category applies to every class member (except Panter subclass members). It is in addition to any benefit which might be payable under Category 1, *above*. For each class annuity in this category, American Equity will pay (or credit) a settlement benefit in an amount based on your class annuity’s “Contract Value” as of October 31, 2010, as follows:

- a. For each class annuity that was active, in deferral, and still within the surrender penalty period as of October 31, 2010, the settlement benefit in this category is equal to 7.85% of Contract value on October 31, 2010;
- b. For each class annuity which was active, in deferral, but outside the surrender penalty period as of October 31, 2010, the settlement benefit in this category is equal to 4.85% of Contract value on October 31, 2010;
- c. For all other class annuities (including policies which have been surrendered, terminated by payment of a death benefit claim, annuitized, converted, or otherwise terminated as of October 31, 2010), the settlement benefit in this category is equal to 3.152% of Contract value as of the date of termination or conversion.

If the class annuity remains active and in deferral at the time when settlement benefits are distributed, this settlement benefit will be posted as a credit to the policy. If the class annuity has been surrendered, annuitized, a death benefit claim has been paid, or the annuity has otherwise been terminated, a cash settlement payment is issued for this benefit.

Category 3: Class Members Age 90 and Over

This category applies to each class annuity which is active, in deferral, still within the surrender penalty period, and where the purchaser is 90 years of age or older as of October 31, 2010. For each class annuity in this category, American Equity will waive all surrender penalties, including “Market Value Adjustment” penalties, incurred after October 31, 2010. This waiver will commence at the time of distribution of settlement benefits, and any interim surrender penalties applied will be refunded.

B. Benefits for Noe Subclass Members Only

In addition to any benefits above, for each Noe subclass member, American Equity will pay (or credit) a settlement benefit in the amount of \$612.69. If the class annuity remains active and in deferral at the time when settlement benefits are distributed, this settlement benefit will be posted as a credit to the policy. If the class annuity has been surrendered, annuitized, a death benefit claim has been paid, or the annuity has otherwise been terminated, a cash settlement payment is issued for this benefit.

C. Benefits for Panter Subclass Members Only

Panter Subclass members are not eligible for any of the settlement benefits described above. Instead, for each Panter subclass member, American Equity will pay (or credit) a settlement benefit in the amount of \$364.64. If the class annuity remains active and in deferral at the time when settlement benefits are distributed, this settlement benefit will be posted as a credit to the policy. If the class annuity has been surrendered, annuitized, a death benefit claim has been paid, or the annuity has otherwise been terminated, a cash settlement payment is issued for this benefit.

D. Additional Injunctive Relief

In addition to the above described benefits, American Equity and Defendants, Robin G. Noe, Estate Planning & Investment, Inc., and EPICO Insurance Agency, Inc., have agreed to an “injunction” (a court order) changing certain practices and procedures, as follows:

1. Although American Equity contends it already provides comprehensive information regarding surrender penalties, nevertheless the Company has agreed to revise its surrender charge disclosures in a manner that plaintiffs feel is required by *California Insurance Code* sections 10127.10 and 10127.13. Further, such disclosures will include information regarding any Market Value Adjustment and Market Value Adjustment Factor.
2. In calculating any future full surrender or partial withdrawal from any American Equity annuity issued to a California resident (including Panter subclass annuities), American Equity will no longer apply any Market Value Adjustment which decreases the net payment to the policyholder (or decreases policy values), but will continue to apply any Market Value Adjustment which increases the net payment to the policyholder (or increases policy values).
3. American Equity will ensure complaints are properly documented and addressed, and reform its already-existing procedures for preventing marketing of its annuities through pre-textual interviews, such as estate planning seminars, sales of living trusts, trust reviews/updates, or other estate planning services that do not strictly comply with the California Insurance Code.
4. Robin G. Noe, Estate Planning & Investment, Inc., and EPICO Insurance Agency, Inc. will reform their practices and procedures to ensure that they no longer market or sell annuities or other insurance products through pre-textual interviews, such as estate planning seminars, sales of living trusts, trust reviews/updates, or other estate planning services.

Important Notes About Individual Settlement Benefits:

1. No settlement benefits of any nature will be available unless and until the settlement receives Court approval and that approval becomes final. Please be patient during the settlement approval process.
2. Any settlement benefits are paid without interest.
3. Any tax liabilities or consequences resulting from the payment of benefits to you under this proposed settlement are solely your responsibility. You may wish to consult with your tax advisor in that regard.
4. The full description of the settlement benefits appears in Articles III-V of the settlement agreement. To the extent that this notice conflicts with or contradicts any provision of the settlement agreement, the settlement agreement governs for all purposes.

HOW YOU GET A SETTLEMENT BENEFIT

10. How can I get a settlement benefit?

Generally, you do not have to do anything to qualify to receive settlement benefits if the settlement is approved by the Court and becomes final. You do not need to submit any claim form or request for settlement benefits. You do not need to file anything with the Court. You do not need to appear at any hearing. If you are a legal representative of a class member or any person receiving a settlement benefit, however, and you need to request that a settlement benefit be reissued in a different name, you may be required to provide sufficient proof of your authority to act on behalf of the class member. You may also be asked to supply taxpayer withholding identification information, solely for tax reporting purposes.

11. When will I receive my settlement benefits?

The Court will hold a fairness hearing on May 9, 2011, to decide whether to approve the settlement. The earliest possible date on which settlement benefits will be available is May 23, 2011, (fourteen days after the fairness hearing). If there are objections to the settlement, or if settlement approval is challenged on appeal by an objector, the dates for distribution of settlement benefits can be substantially delayed. If you wish to do so, you can follow the progress of the settlement and the Court approval process by periodically contacting the settlement administrator. See, "Getting More Information", pp. 15-16.

12. What have I given up by being a class member in the case?

If the settlement becomes final, you will give up the right to start a lawsuit, to continue with an ongoing lawsuit, or to be part of any other lawsuit against American Equity, Robin G. Noe, Estate Planning & Investment, Inc., EPICO Insurance Agency, Inc., and certain other parties, relating to the facts alleged or the claims asserted in this case.

The exact description of what you will give up and what you will not give up under the settlement is known as the “release” and is part of the written settlement agreement. You can get a copy of the settlement agreement from the settlement administrator, upon request, at no cost to you. You may request a copy by mail, toll-free telephone, or e-mail. You may also view and download a copy on the settlement website. See, “Getting More Information”, pp. 15-16. Please consult Article X of the settlement agreement for the full text of the release.

Regardless of the outcome of settlement approval, being a class member means that the Court’s orders, and any outcome in this lawsuit, apply to you and legally bind you.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in the case?

The Court has granted the applications of the law firms of:

Gianelli & Morris
626 Wilshire Boulevard, Suite 800
Los Angeles, CA 90017
Telephone: (213) 489-1600
Facsimile: (213) 489-1611

Ernst and Mattison
1020 Palm Street
San Luis Obispo, CA 93401
Telephone: (805) 541-0300
Facsimile: (805) 541-5168

to represent you and the other class members. These lawyers are called class counsel. You will not be charged for these lawyers’ services. If you want to hire your own lawyer, however, you have the right to do so at your own expense.

The parties and their attorneys cannot give tax advice to the class members, including concerning whether any of the settlement benefits are subject to taxation. Class counsel will, however, upon request, assist by explaining any aspect of this litigation or settlement to a class member’s tax professional or attorney, so that fully informed tax decisions can be made on the class member’s behalf.

14. How will the lawyers be paid?

The settlement provides separately for payment of attorneys’ fees and litigation expenses by American Equity. No class member will be required to pay any attorneys’ fees and litigation expenses to class counsel.

At the fairness hearing, class counsel will ask the Court to approve payment by American Equity of up to \$11 million in attorneys’ fees and \$950,000 in out-of-pocket litigation

expenses for their work during the more than six years this lawsuit has been ongoing, and to approve class counsel's agreement for dividing these fees among themselves. The fees awarded would pay these lawyers for investigating the facts and law, fully litigating the lawsuit through the completion of the first phase of trial, and negotiating the settlement. The amount of fees and expenses to be awarded is determined by the Court, and the Court may award less than these amounts.

Class counsel will also ask the Court to approve payment by American Equity of \$25,000 for each class representative for their services on behalf of the class. Again, the amount to be awarded is determined by the Court, and the Court may award less than this amount.

American Equity has agreed not to oppose payment up to these amounts for class counsel and the class representatives, and has agreed to pay these amounts if awarded by the Court. American Equity will also pay all reasonable costs of administering the settlement.

The amount of attorneys' fees, litigation expenses, administration costs, and compensation for the class representatives that may be awarded and paid by American Equity does not in any way impact or reduce the amount of the settlement benefits for the class or any class member. The amounts awarded will be class counsel's and class representatives' sole compensation for their services. The class will not be required under any circumstances to pay any additional amounts. Please consult Article VI of the settlement agreement for further information.

OBJECTING TO THE SETTLEMENT

15. How do I tell the Court that I don't like the settlement?

If you are a class member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The parties have a right to respond to your objections. The Court will consider your views. To object, you must send a letter saying that you object to the settlement in the Stephens Class Action. Your letter must include the following information:

1. The case name and title, "Stephens, et al., v. American Equity Investment Life Insurance Company, et al., San Luis Obispo Superior Court Case No. CV040965";
2. Your name, address, and telephone number;
3. Why you object (the factual and legal reasons for your objection);
4. Whether you have ever objected to a class action settlement in any other lawsuit;
5. The terms of any agreement you have made with any other person or party concerning sharing any amounts, including any attorneys' fees, which you may recover as a result of your objection.

If you are represented by an attorney concerning your objection, your letter must also include the following information:

6. Your attorney's name, address, and telephone number;
7. Whether your attorney has ever objected to a class action settlement in any other lawsuit;
8. The payment terms of your fee agreement with your attorney;
9. The terms of any fee-sharing or referral fee agreement you and/or your attorney has made with any other person or party, including any other lawyer or law firm, related to your objection.

If you or your attorney has ever objected to another class action settlement, you must provide the following additional information:

10. The case name, case number, case title, and name of the court, for all other class actions in which you have objected to a proposed settlement;
11. The case name, case number, case title, and name of the court, for all other class actions in which your attorney has objected to a proposed settlement;
12. The general nature and outcome of each such objection.

If you want to present evidence at the fairness hearing, your letter must also identify any witness or witnesses you plan to present and you must enclose true and correct copies of any records or documents you plan to present.

Mail one copy of your objection to the Court, and three copies of your objection to the settlement administrator, at the addresses below. **TO BE CONSIDERED, YOUR OBJECTION MUST BE POSTMARKED NO LATER THAN APRIL 19, 2011.**

Court	Settlement Administrator
Clerk of the Court San Luis Obispo Superior Court 1035 Palm Street, Room 385 San Luis Obispo, CA 93408	Stephens Class Action Gilardi & Co. LLC Post Office Box 8060 San Rafael, CA 94912-8060

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing, called a "fairness hearing", to decide whether to approve the settlement. You may attend and speak at this hearing, but you are not required to do so.

16. When and where will the Court decide whether to approve the settlement?

The Court will hold a fairness hearing at 10:00 a.m. on May 9, 2011, in Department P2 of the Superior Court of California for the County of San Luis Obispo, Paso Robles Branch Courthouse. The Court is located at 901 Park Street, Paso Robles, California.

Sometimes, a Court will change the scheduled date for a fairness hearing to a later date. If this occurs, the changed hearing date will be posted on the settlement website. You can

also contact the settlement administrator by toll-free telephone or e-mail to confirm the fairness hearing date if you plan to attend. If you have submitted a request to speak at the hearing, you will be sent written notice of any changed hearing date.

At this fairness hearing, the Court will consider whether the settlement is fair, reasonable, and adequate for the class. If there are objections, the Court will consider them at this hearing. The Court will listen to people who have asked to speak at the hearing. The Court will also decide how much to pay to class counsel and whether to approve class counsel's agreement for the division of any fees awarded among themselves. After the hearing, the Court will decide whether to finally approve the settlement. We do not know how long these decisions will take.

17. Do I have to come to the fairness hearing?

No. Class counsel and counsel for the defendants will answer any questions the Court may have. But, you are welcome to come to the hearing if you wish, at your own expense. If you submit an objection to the settlement, you do not have to come to the fairness hearing to talk about it. As long as you submitted your objection on time and in the manner described in this notice, the Court will consider your objection at the fairness hearing. You may also pay your own lawyer to attend the fairness hearing, but it is not necessary to do so.

18. May I speak at the hearing?

You may ask the Court for permission to speak at the fairness hearing, or to present evidence at the fairness hearing, by following the instructions in this section. You are not required, however, to attend or speak at the fairness hearing.

If you have submitted an objection on time and in the manner described in this notice, you may ask the Court for permission to speak in support of that objection. You must first submit a timely written objection in the manner described in this notice. You will not be permitted to speak in support of an objection to the settlement if you have not first submitted a written objection. You may also ask the Court for permission to speak at the fairness hearing in support of the settlement, although it is not necessary to do so.

If you wish to speak at the fairness hearing, you must send a letter requesting to appear at the fairness hearing in the Stephens Class Action. Your letter must include the following:

1. The case name and title, "Stephens, et al., v. American Equity Investment Life Insurance Company, et al., San Luis Obispo Superior Court Case No. CV040965";
2. Your name, address, and telephone number;
3. Your attorney's name, address, and telephone number (if applicable);

If you want to present evidence at the fairness hearing, your letter must also identify any witness or witnesses you plan to present and you must enclose true and correct copies of any records or documents you plan to present.

Mail one copy of your letter (and enclosures, if applicable) to the Court, and three copies to the settlement administrator, at the addresses below. **TO BE CONSIDERED, A REQUEST FOR PERMISSION TO SPEAK AND/OR PRESENT EVIDENCE AT THE FAIRNESS HEARING MUST BE POSTMARKED NO LATER THAN APRIL 19, 2011.**

Court	Settlement Administrator
Clerk of the Court San Luis Obispo Superior Court 1035 Palm Street, Room 385 San Luis Obispo, CA 93408	Stephens Class Action Gilardi & Co. LLC Post Office Box 8060 San Rafael, CA 94912-8060

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing, you will be eligible to receive any settlement benefits to which you are entitled. If the settlement is approved and becomes final, you will receive those settlement benefits. You will not be able to start a lawsuit, continue a lawsuit, or be part of any other lawsuit against American Equity, Robin G. Noe, Estate Planning & Investment, Inc., EPICO Insurance Agency, Inc., and certain other parties, relating to the facts alleged or the claims asserted in this case. The full text of the “release”, describing the claims you will give up if the settlement becomes final, appears in Article X of the settlement agreement.

If the settlement is not approved, the settlement will become null and void, you will receive no settlement benefits, and the lawsuit will proceed.

Regardless of the outcome of settlement approval, being a class member means that the Court’s orders, and any outcome in this lawsuit, apply to you and legally bind you.

GETTING MORE INFORMATION

20. Are there more details about the settlement?

This notice summarizes key provisions of the proposed settlement. As noted above, complete information can be found in the settlement agreement. You can get a copy of the settlement agreement from the settlement administrator, upon request, without any cost to you. You may request a copy by toll free telephone, e-mail, or regular mail. You may also view and download the settlement agreement on the settlement website.

Here is the settlement administrator’s contact information for requesting a copy of or viewing and downloading the settlement agreement:

SETTLEMENT ADMINISTRATOR CONTACT INFORMATION

By Mail	Stephens Class Action Gilardi & Co. LLC P.O. Box 8060 San Rafael, CA 94912-8060
By Toll-Free Telephone	1-866-780-1742
By E-Mail	stephensclassact@classactmail.com
Website	www.Gilardi.com/AmericanEquity

21. How do I get more information?

You can write, toll-free telephone, or e-mail the settlement administrator about any questions you may have, using the contact information above. The settlement administrator can answer many questions and can provide certain key documents from the Court's file in this lawsuit, upon request, at no cost to you, including the settlement agreement and the Court's order preliminarily approving the settlement. The settlement administrator's hours of operation are 8:00 a.m. to 5:00 p.m., Monday through Friday, Pacific Standard Time. After hours, you can leave a message and you will receive a prompt response.

The settlement administrator will also maintain the settlement website, [www.Gilardi.com/American Equity](http://www.Gilardi.com/AmericanEquity), which will provide information about the lawsuit, settlement, and settlement approval process, and will make certain key documents from the Court's file in this lawsuit available for viewing and downloading.

If the settlement administrator cannot answer your inquiry to your satisfaction, it will be forwarded to class counsel, who will personally respond to these inquiries in the order they are received, at no cost to you.

You can also view the contents of the entire public file for the lawsuit, and obtain copies (at your own expense) of documents in that file, at the Superior Court of California, County of San Luis Obispo, Paso Robles Branch, located at 901 Park Street, Paso Robles, California, 8:30 a.m. to 4:30 p.m., Monday through Friday, except holidays.

Dated: March 15, 2011

Honorable Martin J. Tangeman

JUDGE OF THE SUPERIOR COURT