IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

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DISTRICT COURT
OKLAHOMA COUNTY, OKLAHOMA
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RICK WARREN, COURT CLERK
Case Number CJ-2025-2626

BILLY & LACY HURSH, *Plaintiffs,* v. **STATE FARM FIRE & CASUALTY COMPANY; MARK D. WELTY; and MARK D. WELTY INSURANCE AGENCY, INC.,** *Defendants.*	Case No. CJ-2025-2626 *Honorable Amy Palumbo*

PLAINTIFFS' RESPONSE TO DEFENDANT STATE FARM'S MOTION TO STRIKE PLAINTIFFS' ORIGINAL AND CORRECTED NOTICES OF SUPPLEMENTAL AUTHORITY ON STATE FARM'S EXECUTIVES' KNOWLEDGE OF BAD FAITH TACTICS AND OUTCOME-BASED CLAIM HANDLING

Plaintiffs Billy and Lacy Hursh respond in opposition to State Farm's Motion to Strike (the "Motion"), filed October 19, 2026, and ask the Court to deny it in full.[1]

INTRODUCTION

State Farm asks the Court to strike a notice that does exactly what the Court's September 28, 2026 ruling permits: it places two documents the Court de-designated before the Court, in the public record, beside positions State Farm has taken in this case. Mot. Ex. A. The Motion should be denied for three reasons.

First, a motion to strike is the wrong vehicle. Oklahoma's Pleading Code permits a court to strike only from a *pleading*, and a notice is not a pleading. State Farm identifies no Oklahoma

[1] Pursuant to the parties agreement of which this Court is aware, Plaintiffs agree to hold a ruling on this issue and all others until December 3, 2026.

rule governing notices of supplemental authority and relies instead on federal local rules and a federal agency regulation that do not apply in this Court.

Second, the Notice does contain supplemental authority tied to the record. The Court's September 28, 2026 Court Minute post-dates the briefing and hearing on State Farm's Motion to Quash, and it changed what may be said in the public record about State Farm's executives, and in response to allegations State Farm itself has made regarding executive knowledge. The Notice identifies the positions to which the de-designated documents are relevant and the Oklahoma authority that governs them.

Third, the Notice rests on this Court's ruling that these documents are not confidential. Its complaint that Plaintiffs "publicly refil[ed] previously sealed materials" is a collateral attack on the Court's order.

BACKGROUND

On September 1, 2026, the Court heard State Farm's Motion for a Protective Order and to Quash Plaintiffs' Deposition Notice of CEO Jon Farney. State Farm argued its CEO had no knowledge of the claim-handling practices at issue. The Court denied that motion. Mot. at 3 (quoting 9/1/2026 Docket Order). State Farm has made the same kind of argument for other executives, asserting, for example, that "Ms. Ress has no unique knowledge of the facts and circumstances surrounding Plaintiffs' insurance claims." Notice at 2 (quoting 10/24/2025 SF MTQ Ress Notice at 9).

At that time, the documents Plaintiffs relied on were designated "Confidential" and could be discussed only under seal or in redacted form. Mot. at 1.

On September 28, 2026, after a hearing, the Court de-designated eleven documents, including "Exhibits 10, 11, 12, 15, 17, and 19" to Plaintiffs' Motion to De-Designate and "Exhibit

16 to Plaintiffs' Supplemental Authority Regarding Plaintiffs' Motion to De-Designate." Mot. Ex. A (Court Minute). Counsel for State Farm signed the Court Minute. *Id.*

The same day, and again on September 30, 2026 (to correct exhibit stickers only), Plaintiffs filed the Notice. It attaches two of the de-designated documents:

Notice Exhibit	Prior Exhibit	Document	De-Designated By
Exhibit 1	Ex. 17 to Motion to De-Designate (Aug. 4, 2026)	P&C Claims Fire Claim Quality, June 2021 (HUR00031476)	Court Minute (Sept. 28, 2026)
Exhibit 2	Ex. 16 to Notice of Supp. Authority (Sept. 23, 2026)	Executive Summary – Op Model – 9.10.20 (HUR00156099–103)	Court Minute (Sept. 28, 2026)

The Notice states that Exhibits 1 and 2 "were both included in the Court's September 28, 2026 Court Minute on de-designation and are no longer confidential." Notice at 2. It explains the documents bear on State Farm's arguments about its executives' knowledge, at past hearings and at the executive depositions then scheduled, including Mr. Farney's court-ordered deposition which was set for October 19, 2026. *Id.* at 1–2.

ARGUMENT

I. A Motion to Strike Is Not a Proper Vehicle to Remove a Notice from the Record.

Oklahoma's Pleading Code authorizes a motion to strike in one circumstance: "the court may order stricken from any pleading any insufficient defense." 12 O.S. § 2012(D). Unlike its federal counterpart, the Oklahoma provision does not reach "redundant, immaterial, impertinent, or scandalous matter." *Compare id.*, *with* Fed. R. Civ. P. 12(f). The Code also limits what counts as a pleading: a petition, an answer, a reply to a counterclaim, an answer to a cross-claim, and third-party pleadings, and "[n]o other pleading shall be allowed." 12 O.S. § 2007(A). A notice of supplemental authority is not a pleading, and it asserts no defense. State Farm does not cite § 2012 at all. It relies on the Court's inherent authority, Mot. at 2 (citing *Chambers v. NASCO, Inc.*, 501 U.S. 32, 44–45 (1991)), but *Chambers* cautions that "[b]ecause of their very potency, inherent

powers must be exercised with restraint and discretion." 501 U.S. at 44. Nothing about a two-exhibit notice of a ruling this Court made calls for that power.

State Farm concedes it can find no Oklahoma rule that the Notice violates. It faults Plaintiffs for citing no authority "permitting their Notice," then turns to the Local Rules of the Western District of Oklahoma, a U.S. International Trade Commission regulation (19 C.F.R. § 210.40), and the Local Rules of the Middle District of Pennsylvania. Mot. at 2 & n.2. None governs practice in the District Court of Oklahoma County. A party cannot strike a filing for failing to meet requirements that do not apply in this Court.

State Farm's fallback, that the Notice is an unauthorized brief under Rule 37(B), Mot. at 6, fares no better. Rule 37(B) of the Official Court Rules of the Seventh and Twenty-Sixth Judicial Districts sets page limits for "motions, applications and responses thereto, including briefs," limits reply briefs to five pages, and provides that "[n]o further briefs shall be filed without prior permission of the assigned judge." The rule governs the briefing sequence on a motion. The Notice is not a further brief on any motion: it asks for no ruling and seeks no relief. It informs the Court that documents previously discussed only under seal are now public, and identifies the positions in the record to which they relate. If the Court concludes any part of the Notice exceeds what a notice should contain, the remedy is to give that part the weight it deserves, not to strike the Court's own de-designated exhibits from the record.

The Motion itself is the better example of unauthorized merits briefing. In its Motion, State Farm argues the meaning of "outcome-based claim handling," attaches deposition testimony, and asks the Court to accept its interpretation of the documents. Mot. at 4–8 & Ex. B. Those are fact disputes for the jury. They are not grounds to strike a notice.

II. The Notice Contains Supplemental Authority Tied to the Record.

State Farm argues the Notice identifies no authority "issued after" the relevant briefing. Mot. at 3. It does. The Court's September 28, 2026 Court Minute is that authority. It issued after the September 1, 2026 hearing on the Motion to Quash and after the parties' briefing on the Motion to De-Designate, and it changed the record. Before it, Plaintiffs could discuss Exhibits 1 and 2 only under seal and in redacted public filings. Mot. at 1. After it, the Court and the public may see them in full.

State Farm's own Motion confirms the point. It complains that the Notice's discussion of Exhibit 2 repeats Plaintiffs' September 23, 2026 filing "except for previously redacted text that is now completely visible on the public docket in light of the Court's de-designation of Exhibit 2." Mot. at 3–4. That difference is the purpose of the Notice. It puts before the Court, unredacted, what the Court's ruling made public.

The Notice also identifies the positions to which the documents relate. State Farm has repeatedly told this Court that its executives lack knowledge of the claim-handling practices at issue, including at the September 1, 2026 hearing on Mr. Farney's deposition and in its motion to quash the deposition of Kathy Ress. Notice at 1–2. Exhibit 2 identifies Ms. Ress as one of the "Exec leads" on State Farm's operations-model work with Accenture. *Id.* at 2 (citing HUR00156099). Exhibit 1 reports her area's results under the heading "Fire Weather: Ress." *Id.*, Ex. 1 at HUR00031476. These positions are not moot. Executive depositions, including Mr. Farney's court-ordered deposition, were proceeding when Plaintiffs filed the Notice, and State Farm resists executive depositions on the same ground. *Id.* at 2.

The Notice also cites the Oklahoma authority that governs the conduct the documents describe. *Id.* at 3–4 (citing *Newport v. USAA*, 2000 OK 59, ¶ 15, 11 P.3d 190; *Christian v. American Home Assurance Co.*, 1977 OK 141, ¶ 12, 577 P.2d 899; *Milroy v. Allstate Insurance*

Co., 2007 OK CIV APP 6, ¶ 18, 151 P.3d 922; *Beers v. Hillory*, 2010 OK CIV APP 99, ¶ 30, 241 P.3d 285; 36 O.S. §§ 1250.5, 1250.7). That the cited cases predate the Notice does not make it improper. They supply the legal frame for evidence that became public only on September 28, 2026.

State Farm's disagreement with Plaintiffs' reading of the documents is not a reason to strike them. State Farm offers its witnesses' account of "outcome-based claim handling." Mot. at 7 & Ex. B. Plaintiffs rely on the documents' own words. Exhibit 2 pairs "outcome-based claim handling" with "Expense / Efficiency Aspirations" of "$218M - $300M." Notice at 3 (quoting HUR00156103). Exhibit 1 lists a decline in the ratio of total to partial roof replacements, and a 13% year-over-year decrease in wind/hail estimate payment bands over $10,000, among "quality indicators trending positively." *Id.* at 4–5; *id.*, Ex. 1 at HUR00031476. The documents speak for themselves, and their meaning is for the jury. A disputed inference is not a false statement, and State Farm's invocation of Rule 3.3 identifies none. Mot. at 6–8.

III. The Notice Rests on Judge Palumbo's Ruling That These Documents Are Not Confidential.

The Court de-designated both exhibits on September 28, 2026. Mot. Ex. A. State Farm's counsel signed the Court Minute, and the Minute does not stay its effect. *Id.* From that date, neither exhibit carried a "Confidential" designation. The Protective Order does not restrict use of information "in the public domain." Protective Order ¶ 7. Filing a de-designated document on the public docket complies with the Court's order; it does not violate it.

State Farm accepted the ruling as to these documents. It moved to reconsider the de-designation of a different exhibit, HUR00061156–76, but it has not sought reconsideration of Exhibit 1 or Exhibit 2. Its argument that Plaintiffs abused the process by "publicly refiling

previously sealed materials," Mot. at 8, asks the Court to treat as improper the very result the Court ordered. That is a collateral attack on the Court Minute, not a ground to strike.

State Farm's reliance on the "Confidential Produced Pursuant to Protective Order" stamp on Exhibit 2, Mot. at 5 n.4, fails for the same reason. A production stamp records how State Farm designated a document when it produced it. It does not survive the Court's order removing that designation.

State Farm also argues the de-designation did not "convert the two exhibits to supplemental authority" because the Court had already considered them. Mot. at 4. The Court considered them in deciding whether they were confidential. The Notice presents them for a different purpose: to correct the record on State Farm's executive-knowledge arguments, which were briefed and argued while the documents could not be discussed publicly.

IV. There Is No Basis for Sanctions or Fees.

State Farm's request for fees rests on the same premise as its Motion: that filing de-designated documents is an abuse of process. It is not. Fee sanctions under a court's inherent authority are reserved for a party that "has acted in bad faith, vexatiously, wantonly, or for oppressive reasons." *Chambers*, 501 U.S. at 45–46 (citation omitted); *see Hicks v. Cent. Okla. United Methodist Ret. Facility, Inc.*, 2017 OK CIV APP 23, ¶ 22, 423 P.3d 684, 696 (inherent authority to sanction "abusive litigation practices"). Plaintiffs filed public documents, as the Court's ruling permitted, quoted their contents, and cited governing Oklahoma law. State Farm's disagreement with Plaintiffs' characterization of its documents does not approach bad faith. The request should be denied.

CONCLUSION

The Notice placed before the Court two documents the Court ruled are not confidential, identified the positions in the record to which they relate, and cited the Oklahoma law that governs

them. A motion to strike does not reach such a filing, and State Farm identifies no Oklahoma rule the Notice violates. Plaintiffs respectfully request the Court deny State Farm's Motion to Strike and its request for fees and sanctions.

Respectfully submitted,

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CERTIFICATE OF SERVICE

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