

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

**IN RE: CHINESE-MANUFACTURED
DRYWALL PRODUCTS LIABILITY
LITIGATION**

**MDL NO. 2047
SECTION: L
JUDGE FALLON
MAG. JUDGE WILKINSON**

SUMMARY NOTICE OF INEX CLASS ACTION SETTLEMENT

**YOU MAY BE ENTITLED TO RECEIVE A SETTLEMENT PAYMENT IF YOU ARE
A MEMBER OF THE CONDITIONAL SETTLEMENT CLASS CONSISTING OF:**

All persons or entities with claims, known and unknown, against the Settling Defendants arising from, or otherwise related in any way to Chinese Drywall sold, marketed, distributed, and/or supplied by Interior/Exterior Building Supply, L.P. (“InEx”).

This Notice is only a summary. A more detailed copy of the Class Notice may be obtained from Class Counsel, Russ Herman, HERMAN, HERMAN, KATZ & COTLAR, LLP, 820 O’Keefe Avenue, New Orleans, Louisiana 70113, telephone number (504) 581-4892.

Capitalized terms in this Notice have the same meaning as those defined in the InEx Settlement Agreement. The Settlement Agreement is posted on the District Court’s Chinese Drywall MDL website at http://www.laed.uscourts.gov/Drywall/_____.pdf, the CPSC website, the Department of Health websites for Alabama, Louisiana, Mississippi and Texas, and _____.

Description of the Settlement and Claims

The Settlement is intended to resolve claims brought against InEx for the sale, marketing, distribution and/or supply of Chinese Drywall that was used in the construction of properties in the United States. Plaintiffs have filed complaints against InEx to recover the costs of remediating their properties damaged by Chinese Drywall and other damages. InEx denies any wrongdoing whatsoever.

The Court has conditionally certified the class for settlement purposes only. The Court has not determined the merits of any claims or defenses of the parties. The InEx Settlement will become effective only upon final approval by the Court.

If approved, a Settlement Fund of \$8,000,000, minus payments made in prior Chinese Drywall settlements with InEx and minus the costs of Notice advanced by the Insurers, will be created from insurance proceeds from the Insurers. InEx will assign its rights to \$72 million of excess liability insurance to Class members with claims arising from Affected Property located in states other than Louisiana. Louisiana claimants will have the right to pursue in a direct action InEx’s excess insurance to the extent of the Available Policy Limits. The Settlement Fund will be

allocated to pay for the costs of remediating Affected Properties and other damages. The Settling Defendants are not permitted to receive any of the Settlement funds.

The Plaintiffs' Steering Committee, common benefit attorneys and private counsel for Class members are seeking in the aggregate an award of attorneys' fees of no more than 32% of the Settlement Fund, plus reimbursement of reasonable expenses including the costs of Notice.

Requests for Exclusion

Class members may request exclusion from the Conditional Settlement Class. If you request exclusion, you will be excluded from sharing in the benefits of this Settlement. The procedure for requesting exclusion is set forth in detail in the Class Notice. Requests for exclusion must be post-marked on or before _____, 2011.

Settlement Hearing

A formal hearing will be held in Courtroom __ of the United States Courthouse, 500 Poydras Street, New Orleans, Louisiana 70130, at _____ .m., on _____, 2011, to determine whether: the Settlement is fair, reasonable and adequate and should be approved finally; the Class should be finally certified; and the Litigation dismissed with prejudice as to the Settling Defendants.

At the Fairness Hearing, Class members may object to the Settlement, provided that the procedure for objection set forth in the Class Notice is followed. On or before _____, 2011, you must provide notice in writing of your intent to object to the Settlement.

Any Class member who does not timely object to the Settlement shall be deemed to have waived all objections.

Effect of Final Court Approval

If the settlement is approved, the Litigation will be dismissed with prejudice as to InEx, Arch Insurance Company and Liberty Mutual Fire Insurance Company, and the other Settling Defendants. Unless you exclude yourself from the Settlement, upon Court approval of the Settlement, you will be bound by the Settlement including the judgment of dismissal.

Dated: New Orleans, Louisiana
_____, 2011

/s/ ELDON E. FALLON

Judge, United States District Court
for the Eastern District of Louisiana