

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**

**THIS DOCUMENT RELATES TO:
ALL CASES AND**

*Silva, et al. v. Interior Exterior Building
Supply, LP, et al.*
Case No. 09-08030 (E.D. La.)

Silva, et al. v. Arch Insurance Company, et al.
Case No. 09-08034 (E.D. La.)

Payton, et al. v. Knauf Gips, KG, et al.
Case No. 09-07628 (E.D. La.)

*Wiltz, et al. v. Beijing New Building Materials
Public Limited Co., et al.*
Case No. 2:10-cv-00361 (E.D. La.)

Gross, et al. v. Knauf Gips, KG, et al.
Case No. 2:09-cv-6690 (E.D. La.)

Rogers, et al. v. Knauf Gips, KG, et al.
Case No. 2:10-cv-00362 (E.D. La.)

Amato, et al. v. Liberty Mutual Ins. Co.
Case No. 2:10-cv-00932 (E.D. La.)

*Kenneth Abel, et al. v. Taishan Gypsum Co.,
Ltd., f/k/a Shandong Taihe Dongxin Co., Ltd.,
et al.*
Case No. 2:11-080 (E.D. La.)

*Daniel Abreu, et al. v. Gebrueder Knauf
Verwaltungsgesellschaft, KG, et al.*
Case No. 2:11-252 (E.D. La.)

**ORDER PRELIMINARILY APPROVING INEX SETTLEMENT AGREEMENT,
CONDITIONALLY CERTIFYING INEX SETTLEMENT CLASS, ISSUING CLASS
NOTICE AND SCHEDULING A SETTLEMENT FAIRNESS HEARING**

Upon consideration of the Joint Motion of proposed Settlement Class Counsel, the Plaintiffs' Steering Committee ("PSC"), Counsel for Interior/Exterior Building Supply, L.P. ("InEx"), and Counsel for InEx's insurers, Arch Insurance Company and Liberty Mutual Fire Insurance Company ("Insurers"), for Preliminary Approval of the InEx Settlement and Conditional Certification of an InEx Settlement Class brought pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(3) and 23(e), it is hereby,

ORDERED, ADJUDGED AND DECREED that:

1. Capitalized terms used in this Order shall have the same meaning as those defined in the Settlement Agreement Regarding Claims Against Interior-Exterior in MDL 2047 dated April 25, 2011 (the "InEx Settlement"), attached as Exhibit A to the Memorandum of Law in support of the Joint Motion for Preliminary Approval of the Settlement Agreement (the "Joint Memo. of Law").

2. The InEx Settlement, including all exhibits attached thereto, is preliminarily approved by the Court as fair, reasonable and adequate, as negotiated and entered into at arm's length, in good faith, and free of collusion and as being within the range of possible judicial approval at a prospective Fairness Hearing.

3. The following nationwide class is conditionally certified:

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 InEx.

4. The Class shall consist of two (2) subclasses:

(1) All members of the Class with claims arising from, or otherwise related to Affected Properties that are

located in Louisiana (the “Louisiana Subclass”);
and

- (2) All members of the Class with claims arising from, or otherwise related to Affected Properties that are located in any state other than Louisiana (the “Non-Louisiana Subclass”).

5. The following representatives are appointed for the Louisiana Subclass: Dean and Dawn Amato, Byron and Debra Byrne, Donald and Marcelyn Puig, and Edward and Susan Beckendorf.

6. The following representatives are appointed for the Non-Louisiana Subclass: Danny and Celeste O’Keefe.

7. Russ Herman and Arnold Levin are appointed as Settlement Class Counsel, and the Plaintiffs’ Steering Committee (“PSC”) are appointed as Of-Counsel.

8. Gerald E. Meunier is appointed as Counsel for the Louisiana Subclass, and James Robert Reeves is appointed as Counsel for the Non-Louisiana Subclass.

9. The opt-out procedure set forth in Section 7 of the InEx Settlement is approved.

10. The procedure for lodging objections to the Settlement as set forth in Section 8 of the InEx Settlement is approved.

11. The class notice attached as Exhibit C to the Joint Memo. of Law is approved.

12. The summary class notice attached as Exhibit D to the Joint Memo. of Law is approved.

13. The protocol for dissemination and publication of notice to class members concerning the settlement as set forth in Section 6 of the InEx Settlement is approved.

14. On or before, _____, 2011, Settlement Class Counsel shall cause the class

notice attached as Exhibit C to the Joint Memo. of Law to be sent via first-class mail, postage prepaid to:

- a. the last known address of all persons and entities who have named InEx as a Defendant in the Litigation and in the Omni Complaints, and their counsel, if any;
- b. the last known address of all persons and entities who have named InEx as a Defendant in the “Related Actions,” and their counsel, if any, as set forth in Exhibit 1.25 to the InEx Settlement;
- c. the last known address of all persons and entities who are parties to a Pending Settlement with InEx, as defined in the InEx Settlement, and their counsel, if any, as set forth in Exhibit 1.21 to the InEx Settlement; and
- d. the last known address of all additional persons and entities identified in InEx’s invoices as having received drywall from InEx during 2006 and/or 2007, and their counsel, if any.

Where an attorney represents more than one Plaintiff or claimant with claims against InEx, it shall be sufficient to provide that attorney with a single copy of the notice.

15. On or before _____, 2011, Settlement Class Counsel shall cause the summary class notice attached as Exhibit D to the Joint Memo. of Law to be published through the following media: (i) to be published once in the following print media: (a) newspapers: Baton Rouge Advocate – Daily, Birmingham News, Data News Weekly, Houston Chronicle, La Subasta Houston, Mississippi Link, Mobile Press-Register, Mobile Press-Register – Sunday, New Orleans Times-Picayune – Daily, Rolling Out Alabama, Semana (Houston), and USA Today (Monday-Thursday); and (b) newspaper supplement: Parade – Regional (Zones 9 and 10, which include Alabama, Louisiana, Mississippi, and Texas); and (ii) to be posted by the

following online media: 24/7 Network (to appear nationally across a wide range of sites), as set forth in paragraph 6.1.1.2. of the InEx Settlement.

16. The class notice shall be posted on the Court's Chinese Drywall MDL website, the CPSC website, and the Department of Health websites for Alabama, Louisiana, Mississippi and Texas.

17. Any class member wishing to opt out of the Settlement, must notify Plaintiffs' Lead Counsel, Arnold Levin (Levin, Fishbein, Sedran & Berman, 510 Walnut Street, Suite 500, Philadelphia, PA 19106), and Counsel for InEx, Richard Duplantier (Galloway, Johnson, Tompkins, Burr & Smith, One Shell Square, 701 Poydras Street, 40th Floor, New Orleans, LA 70139) in writing, postmarked no later than _____, 2011, which is the last day of the Opt-Out/Objection Period. To be effective, the request for exclusion must comply with paragraph 7.2.1. of the InEx Settlement and must set forth the full name and current address of the person seeking exclusion, be signed by the class member and contain a sentence stating: "The undersigned hereby requests exclusion from the InEx Settlement Class in the Chinese Drywall Action."

18. All objections to the proposed InEx Settlement shall be filed and served in compliance with Section 8 of the InEx Settlement within seventy (70) days of the date of this Order, *i.e.*, postmarked no later than _____, 2011, or they will be deemed waived. All objections must be signed by the individual class member and by his or her counsel, if any.

19. A formal Fairness Hearing shall take place on the ___ day of _____, 2011 at ___ o'clock in the a.m./p.m., in order to consider comments on and objections to the proposed InEx Settlement and to consider whether (a) to approve thereafter the class settlement as fair, reasonable and adequate pursuant to Rule 23 of the Federal Rules of Civil Procedure, (b)

to finally certify the settlement class, and (c) to enter the Order and Judgment provided in paragraph 1.20. of the InEx Settlement.

20. Prosecution of the Litigation and the Omni Complaints against InEx, the Insurers and the Downstream InEx Releasees (including, but not limited to, those identified in Exhibit 1.10 to the InEx Settlement) (collectively, the “Settling Defendants,” except that any Builder listed on Exhibit 1.10 shall not be considered a Settling Defendant) shall be stayed pending the settlement proceedings and further Orders of the Court.

21. Prosecution of the “Related Actions” (including, but not limited to, those listed in Exhibit 1.25 to the InEx Settlement) against InEx, the Insurers and the other Settling Defendants shall be stayed pending the settlement proceedings and further Orders of the Court.

22. All claims and cases in which any person or entity claims to be an insured, additional insured, or named insured under any insurance policy issued to any InEx entity shall be stayed pending the settlement proceedings and further Orders of the Court.

23. All future payments from the primary insurance policies of InEx, as identified in the InEx Settlement, other than payments in satisfaction of the obligations of InEx and the Settling Defendants under the Pending Settlements, shall be stayed pending final approval of the InEx Settlement, but for no longer than six (6) months after the date of this Order.

24. The parties have reserved all claims and defenses in the Litigation should the proposed InEx Settlement not become final for whatever reason.

25. The Settling Defendants have reserved the right to contest certification of the class *de novo* should the proposed InEx Settlement not become final for whatever reason. If the proposed settlement does not become final, the conditional certification of the class will be null and void and the Litigation will proceed as if there had been no settlement, conditional

certification or notice.

This _____ day of _____, 2011, at New Orleans, Louisiana

ELDON E. FALLON
United States District Court Judge