

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS
URBANA DIVISION**

In re: IKO ROOFING SHINGLE PRODUCTS LIABILITY LITIGATION <hr style="border-top: 1px dashed black;"/> This Notice Relates To ALL CASES	Case No. 09-md-2104 MDL Docket No. 2104
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NOTICE OF PROPOSED SETTLEMENT IN CLASS ACTION

A federal court authorized this Notice. This is not a solicitation from a lawyer. You have not been sued.

This settlement resolves a lawsuit over whether “organic” asphalt roofing shingles manufactured by the IKO Defendants were defective and/or failed to perform as promised when installed on buildings in the United States.

In summary, if this settlement is approved, then the IKO Defendants will:

- extend existing (non-expired) Shingle warranties by five years;
- provide new Shingle warranties for five years after the date of expiration for warranties that expired five or fewer years prior to the date of the Settlement Agreement;
- limit the payment reduction factor on the final year of Shingle warranties;
- clarify their Shingle warranty claims procedures, including the language of goodwill releases; and,
- provide class members who submit valid Shingle warranty claims the option of selecting cash payments or replacement fiberglass shingles of equal or greater value.

You must be a Settlement Class Member to obtain the benefits of the settlement.

If you own or owned a home or other building in the U.S. with IKO Defendants’ shingles installed on it, your legal rights will be affected whether you act or don’t act. Please read the entire Notice carefully. All capitalized terms used herein are defined in the Settlement Agreement.

	WHAT ARE MY OPTIONS	DUE DATE
DO NOTHING	You do not have to take any action now to remain part of the Litigation, and you will be entitled to the benefits of the settlement. You will be bound by the settlement and may not bring a separate action against the IKO Defendants or other released persons regarding these claims.	
OBJECT	Write to the Court if you do not like the settlement.	February 15, 2019
APPEAR AT A HEARING	If you submit an objection, you may also speak at the hearing about your objection. The deadline for filing paperwork to appear at the hearing is:	February 15, 2019
EXCLUDE YOURSELF	Exclude yourself from this settlement. You are not entitled to recover anything from this settlement if you exclude yourself. If you exclude yourself, then you can bring your own lawsuit against the IKO Defendants.	February 20, 2019

These rights and options—**and their deadlines**—are explained in this Notice. The Court in charge of this case has not yet decided whether to approve the settlement. No benefits of the settlement will be available to Settlement Class Members until after the Court approves the settlement and any possible appeals are resolved.

BASIC INFORMATION

The IKO Defendants and representatives of owners of buildings on which the Shingles were installed reached a proposed class action settlement. This settlement is intended to resolve disputes between the Parties about the performance of the Shingles and the IKO Defendants’ warranty program. This proposed class action settlement covers the entire United States. The full terms of the settlement are set forth in the Agreement Of Compromise And Settlement (referred to in this Class Notice as the “Settlement Agreement”).

1. What Shingles are the subject of this lawsuit?

The organic asphalt roofing shingles at issue (called the “Shingles” throughout this Class Notice) were manufactured by IKO and sold throughout the United States primarily between 1978 and 2008. The Settlement Agreement defines the Shingles as organic asphalt roofing shingles sold under any brands of IKO, including but not limited to the following: Aristocrat, Aristocrat (Imperial), Armour Plus, Armour Plus 20, Armour Seal, AM Armour Seal, Armour Seal Supreme, Armour Seal (Metric), Cathedral XL, Crowne 30, Imperial Seal, Imperial Superplus, Seville, Superplus, AM Superplus, Superseal, Supreme, Royal Victorian, Total, New Englander, Quantum Skyline, Vista, Renaissance, Renaissance XL, Armour Lock, Armour Tite, Superlock, Suretite, Ultralock, Ultralock 25, Chateau, Chateau Ultra Shadow, and Harvard.

The IKO Defendants are IKO Manufacturing, Inc., IKO Industries Inc., IKO Industries Ltd., IKO Midwest Inc., and IKO Production Inc.

2. Why did I get this Class Notice?

The Court directed this Class Notice to you because you may own a home or other property on which the Shingles were installed. If so, you are likely to be a member of the proposed Settlement Class. If you are a member of the proposed Settlement Class, then the proposed settlement will affect your rights. You have choices to make before the Court decides whether or not to approve the settlement.

3. What is a Class Action?

In a class action lawsuit, one or more people called “named plaintiffs” or “class representatives” sue one or more defendants on behalf of other people who have similar claims. A court decides whether such a lawsuit may proceed as a class action. All these people with claims, together are a “class” or “class members.” If they are part of a settlement, they are “settlement class members.” One court decides all the issues in the lawsuit for all class members, except for those who exclude themselves from the class.

4. What is this class action about?

Plaintiffs alleged that the Shingles are subject to cracking, curling, blistering, fishmouthing, clawing, discoloration, and breaking, and do not perform in accordance with user’s reasonable expectations. Plaintiffs also challenged the IKO Defendants’ warranty program. The IKO Defendants denied the allegations and asserted affirmative defenses to Plaintiffs’ claims. The Fourth Amended Consolidated Class Action Complaint involved ten individual consumer plaintiffs.¹

The IKO Defendants filed seven motions for summary judgment in their favor on Plaintiffs’ claims. The trial court granted many of these motions in whole or in part. As a result, several Plaintiffs’ cases were terminated in their entirety, while certain claims of other Plaintiffs were dismissed. The trial court also denied certification of the class. The Court of Appeals for the Seventh Circuit vacated the trial court’s denial of class certification and remanded the matter to the trial court for reconsideration of its class certification ruling. On remand to the trial court, Plaintiffs again moved for certification of the class. The IKO Defendants opposed the motion and moved for summary judgment in their favor on the remainder of the case.

The proposed settlement is intended to resolve these outstanding disputes. The Court has not ruled definitively in favor of either the Class or the IKO Defendants. The Court’s role in the settlement is to make sure it is a proper settlement that is fair, reasonable, and adequate for all Settlement Class Members.

The Court in charge of this Litigation is the United States District Court for the Central District of Illinois. The name of this Litigation is *In re: IKO Roofing Shingles Products Liability Litigation*, MDL Docket No. 2104. The judge is the Honorable Chief Judge James E. Shadid.

5. Why is the class action being settled?

Rather than proceeding to litigate through the outstanding motions and possibly a jury trial and further appeals, both sides in this Litigation have agreed to a settlement. That way, everyone avoids the costs and risks of trial, as well as the delay and costs of another appeal.

WHO IS IN THE SETTLEMENT?

6. How do I know if I’m part of the settlement?

To see if you are eligible for the benefits under this settlement, you must first know if you are a Settlement Class Member. You are a Settlement Class Member if:

As of October 3, 2018, you own or owned a home, building, or other structure located in the United States upon which the Shingles were installed.

You are *not* a Settlement Class Member even if the Shingles were installed on your building if:

- You exclude yourself from this settlement;
- You previously filed a lawsuit concerning your Shingles in any court of law, and that lawsuit was resolved with a final judgment or order, whether or not that judgment was favorable to you;
- You signed a goodwill release after submitting a warranty claim to IKO, unless the warranty claim was for Shingles on less than the whole roof and IKO made a settlement payment for less than the whole roof;
- You are a subsidiary, controlling owner, representative, assignee, or successor of IKO;
- You are a lawyer for any of the Parties in this Litigation; or
- You are a Judge for this lawsuit, or a member of any such Judge’s family.

¹ Debra Zanetti, Daniel Trongone, James Cantwil, Gerald Czuba, Michael Hight, Michael Augustine, Belinda Curler, David Greenough, Vincent Dion, and Christopher J. Pauly. Other individuals also agreed to serve as class representatives, although they were not named in that complaint.

7. How do I know if I have the Shingles that are the subject of this lawsuit?

There are several ways to find out if you have the Shingles.

- *Check your purchase or repair documents.* You may have receipts, warranties, bills of sale, or brochures from when you purchased or repaired your shingles or your roof. These documents may say that the Shingles were installed on your building.
- *The contractor or company that installed or repaired your shingles or roof* may know whether the Shingles were installed.
- *Ask a contractor or builder.* An experienced contractor or builder may be able to tell by looking at your property whether you have the Shingles.
- *See if you still have packaging material for the Shingles.* The installer may have left a package of spare Shingles in your garage or basement, and you may be able to identify them from the packaging.

8. How do I qualify for a remedy under the Settlement Agreement?

If you are a Settlement Class Member, then you will receive the benefits of the Settlement Agreement unless you request to exclude yourself from the settlement. You do not need to file a claim form to obtain the benefits of the settlement.

THE SETTLEMENT BENEFITS – WHAT YOU GET

9. Does the settlement change the terms of IKO’s written warranties on the Shingles?

All IKO limited warranties for the Shingles that have not expired at the time of the Settlement Agreement will be extended by five (5) years. Each of those warranty extensions will be prorated at the same reduction factor as the first month of the final year of the existing warranty.

The reduction figure or proration of all warranties will be capped at the first month of the warranty’s final year. Thus, the amount of the payment due under the warranty will no longer decline during the last 11 months of the warranty despite any contrary language in the warranty.

If you are a Settlement Class Member and your warranty on your Shingles expired within five (5) years before the date of the Settlement Agreement, then IKO will provide you with a new limited warranty for five (5) years after the date of the old warranty’s expiration. The new limited warranty will be on the same terms as the old warranty, except that the new warranty will be prorated at the same reduction factor as the first month of the last year on the expired warranty.

IKO agreed to clarify its warranty claims process. Warranty claims brought under the Settlement Agreement will be based on filing a Homeowner’s Inquiry Survey. Claims will be processed based on the Summary of Warranty Claim Filing Procedures. These documents are Exhibits 1.A. and 1.B. to the Settlement Agreement. These documents will be available at the settlement website, www.IKOOrganicRoofingShinglesClassActionSettlement.com.

10. If I already submitted a Shingle warranty claim to IKO, but did not accept IKO’s offer, may I receive any additional benefits under the settlement?

If you filed a written warranty claim after April 29, 2009, and the IKO Defendants made a written offer to resolve your claim, which you rejected, then your payment may be recalculated. In that case, if you submit a sufficient Homeowner’s Inquiry Survey, then IKO will pay the greater of either: (i) the original offer, or (ii) the amount payable assuming your limited warranty was five years longer than your actual limited warranty.

11. When is the Settlement’s Effective Date?

For information about the Settlement’s Effective Date, check the settlement website, www.IKOOrganicRoofingShinglesClassActionSettlement.com. The Effective Date will be the date of the Court’s order giving final approval to the settlement if there are no objections or appeals. If there are objections or appeals, the Effective Date will be delayed. When that date becomes known, it will be posted on the website.

12. What happens if the settlement is not approved by the Court?

If the settlement is not approved after the Final Approval Hearing, then the settlement will terminate and all prospective class members and Parties will be restored to the positions in which they were before the Parties signed the Settlement Agreement.

13. When will I receive my benefits?

On March 13, 2019, the Court will hold a hearing to decide whether or not to approve the settlement. Please note that delays often occur after a class action settlement is approved. For example, there may be appeals of the Court’s order approving the settlement, and benefits of the settlement can’t be given unless appeals are finished and the Court’s order is upheld.

YOUR RIGHTS – GETTING OUT OF THE SETTLEMENT

14. What if I don’t want to be part of the settlement or the Settlement Class?

You do not have to take part in the settlement or be a Settlement Class Member. You can do what is called “excluding” yourself or “opting out.” If you follow the procedure and request exclusion, the Court will exclude you from the Settlement Class. If you exclude

yourself, you may not receive any of the benefits of the Settlement Agreement, and you may not object to the settlement. Court orders about the settlement will not apply to you. By excluding yourself, you keep any right to file or proceed with a lawsuit about the Shingles that you may have, but you take the risk that your individual claims may be uneconomical or unsuccessful.

15. What am I giving up to be in the Settlement Class?

If the settlement becomes final and you are in the Settlement Class, you will give up your right to sue any of the IKO Defendants or Released Persons about the claims being resolved by the settlement. The specific claims released by the settlement are described in sections 13.1 to 13.5 of the Settlement Agreement. The “Released Persons” are defined in section 1.1(r). Released Persons include Shingle installers in their role as sellers, but not in their role as installers. By staying in the Settlement Class, you gain the benefits of the settlement, but take the risk that your individual claim could have provided better individual results than the settlement’s benefits. The Court has not ruled on the merits of the claims in this Litigation. The specific claims you are giving up are described in the Settlement Agreement. Unless you exclude yourself, you are “releasing” these legal claims.

16. How do I exclude myself from the settlement?

To exclude yourself, you must send a written Request for Exclusion to the Notice Provider at this address:

In re: IKO Roofing Shingles Products Liability Litigation Notice Provider
c/o KCC Class Action Services
P.O. Box 404000
Louisville, KY 40233-4000

Deadline For Exclusion: Your request for exclusion must be postmarked or personally delivered to the Notice Provider by February 20, 2019 (twenty-one days before the Final Approval Hearing).

Requirements For Request for Exclusion: Any Request for Exclusion must be personally signed by the prospective Settlement Class Member requesting exclusion. Any Request for Exclusion must also contain a statement indicating a desire to be excluded from the Settlement Class. If you do not follow these instructions properly, you will lose your right to exclude yourself. There are no exceptions.

UNLESS YOU PROPERLY FILE A REQUEST FOR EXCLUSION, YOU WILL BE BOUND BY ANY JUDGMENT IN THIS CASE AND YOU WILL NOT BE PERMITTED TO PURSUE ANY PENDING OR FUTURE LITIGATION ON MATTERS RESOLVED IN THIS SETTLEMENT.

17. If I exclude myself, can I receive the benefits under the Agreement or tell the Court that I don’t think the settlement is fair?

No. If you exclude yourself, you cannot receive the benefits of the Settlement Agreement, and you cannot tell the Court that you don’t like the settlement (which is called “objecting”). If you exclude yourself, you are no longer part of the Settlement Class, but you can sue or be part of a different lawsuit against IKO about the claims from this case.

YOUR RIGHTS – OBJECTING TO THE SETTLEMENT

18. How do I tell the Court if I don’t like the settlement?

If you are a Settlement Class Member and don’t exclude yourself, you can object to the settlement. This means you can tell the Court you don’t like the settlement or some part of it. For example, you can say you don’t think the settlement is fair or adequate. The Court will consider your views but may approve the settlement anyway.

To object, you or your lawyer must prepare a letter that contains all of the following:

- The name and title of the lawsuit, *In re IKO Roofing Shingle Products Liability Litigation*, MDL Docket No. 2104;
- Your current address and telephone number;
- Your email address, if you have one;
- The address(es) of the property or properties on which the Shingles were installed;
- A clear statement of the exact nature of your objection;
- Whether you intend to appear at the Final Approval Hearing;
- A list of other class action settlements to which you have objected in the last four years;
- A list of other class action Settlements to which your attorney, if you have one, has objected in the last four years;
- Your signature (even if you have an attorney); and
- Your attorney’s signature (if you have an attorney).

Your objection letter must be sent to the Court, Class Counsel, and the IKO Defendants’ counsel at the addresses below, and postmarked or received **no later than** February 15, 2019. If you hire an attorney to object to the settlement, the attorney must file a notice of appearance and serve it on Class Counsel and the IKO Defendants’ counsel **no later than** February 15, 2019.

The Court:

Clerk of Court
United States District Court for the Central District of Illinois
204 U.S. Courthouse
100 N.E. Monroe Street
Peoria, IL 61602

Class Counsel:

Halunen Law
Attn: Clayton D. Halunen
1650 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Telephone: (612) 605-4098
Fax: (612) 605-4099

Levin Sedran & Berman
Attn: Charles E. Schaffer
510 Walnut Street #500
Philadelphia, PA 19106
Telephone: (877) 882-1011
Fax: (215) 592-4663

Lockridge Grindal Nauen P.L.L.P.
Attn: Robert K. Shelquist
100 Washington Avenue South, Suite
2200
Minneapolis, MN 55401
Telephone: (612) 339-6900
Fax: (612) 339-0981

IKO Defendants' Counsel:

McDermott Will & Emery LLP
Attn: Christopher M. Murphy
444 West Lake Street, Suite 4000
Chicago, IL 60606-0029

19. What's the difference between objecting and excluding myself?

Objecting is the way to tell the Court what you don't like about the settlement. You can object only if you stay in the Settlement Class. Excluding yourself is the way to tell the Court that you don't want to be a part of the Settlement Class and the settlement and that you want to keep the right to file your own lawsuit. If you exclude yourself, you can't object because the settlement doesn't affect you anymore.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you have the Shingles on your building, all decisions made by the Court in this Litigation or about the settlement will apply to you. If the Court approves the settlement, you will have released the IKO Defendants and Released Persons from any further claims against them about the issues settled in this Litigation, and you may not sue them again about these issues.

THE LAWYERS REPRESENTING ME

21. Do I have a lawyer in this lawsuit?

The Court has designated the following lawyers to represent you and all Settlement Class Members. Together, these lawyers are called Lead Counsel. *You will not be charged for these lawyers' work.* Lead Counsel's names, addresses, and telephone numbers for questions are as follows:

Clayton D. Halunen
Halunen Law
1650 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Telephone: (612) 605-4098

Charles E. Schaffer
Levin Sedran & Berman
510 Walnut Street #500
Philadelphia, PA 19106
Telephone: (877) 882-1011

Robert K. Shelquist
Lockridge Grindal Nauen P.L.L.P.
100 Washington Avenue South, Suite 2200
Minneapolis, MN 55401
Telephone: (612) 339-6900

22. How will the lawyers be paid?

The lawyers who represent the Settlement Class will ask the Court for reimbursement of their out of pocket expenses and an award of attorneys' fees and costs based on their work in this Litigation. Attorneys' fees and expenses, and service awards for class representatives may not exceed seven million, five hundred thousand dollars (\$7,500,000). The amount of the attorneys' fees will be determined by the Court. The amount of the award will in large part be based on the amount of time spent by the lawyers litigating this case since 2009. The Court must approve any requests for fees, expenses, and costs.

23. Will the class representatives who have worked with the lawyers receive any extra payment?

Yes. To compensate them for their work in this Litigation, the class representatives will be paid a service award. The service awards must be approved by the Court and will likely be either \$3,000 or \$7,500, depending on the class representative's work on the case. The total of attorneys' fees and expenses and service awards may not exceed \$7,500,000.

THE COURT'S FINAL APPROVAL HEARING

24. When and where will the Court decide whether or not to approve the settlement?

The Court will hold a Final Approval Hearing on March 13, 2019. At this hearing, the Court will consider whether or not the settlement is fair and adequate. If there are written objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether or not to approve the settlement. The hearing will be held at: United States District Court for the Central District of Illinois, 204 U.S. Courthouse, 100 N.E. Monroe Street, Peoria, IL 61602.

25. Do I have to go to the hearing?

No. Class Counsel will answer questions the Court may have. But you are welcome to come at your own expense. If you send a written objection, you don't have to come to the hearing to talk about it. As long as you've mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

26. Can I have my lawyer appear at the Final Approval Hearing to tell the Court about my opinions regarding the settlement?

Yes. As long as you don't exclude yourself, you have the right to appear through counsel at the Final Approval Hearing, so long as your notice of appearance and any written objections you may have are timely postmarked or received by the Court, the IKO Defendants, and Class Counsel. If you send your lawyer to the Final Approval Hearing, however, the cost is at your own expense.

GETTING MORE INFORMATION

27. Are more details about the settlement and my rights under the settlement available?

This Notice summarizes the Settlement Agreement and your rights under it. This Notice cannot tell you every right to which you may be entitled. To obtain further information or advice about your legal rights, you may contact Class Counsel or consult a lawyer at your own expense.

More details about the terms of the settlement are set forth in the Settlement Agreement. You can also check the settlement website at www.IKOOrganicRoofingShinglesClassActionSettlement.com. The website has a copy of the complete Settlement Agreement and other important documents, and will be maintained to provide information about the settlement.

You can also look at and copy the legal documents filed in this lawsuit at any time during regular office hours at the Office of the Clerk of Court, United States District Court for the Central District of Illinois, 204 U.S. Courthouse, 100 N.E. Monroe Street, Peoria, IL 61602.