

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

<p>IN RE: CHINESE-MANUFACTURED DRYWALL PROD. LIAB. LITIG.</p> <p>THIS DOCUMENT RELATES TO: <i>Abel v. Taishan Gypsum Co., Ltd.</i> Case No. 11-cv-080 (E.D. La.)</p> <p><i>Almeroth v. Taishan Gypsum Co.</i> Case No. 12-cv-0498 (E.D. La.)</p> <p><i>Amato v. Liberty Mutual Insurance Co.</i> Case No. 10-cv-00932 (E.D. La.)</p> <p><i>Germano v. Taishan Gypsum Co., Ltd.</i> Case No. 09-cv-06687 (E.D. La.)</p> <p><i>Gross v. Knauf Gips, KG</i> Case No. 09-cv-6690 (E.D. La.)</p> <p><i>Haya v. Taishan Gypsum Co., Ltd.</i> Case No. 11-cv-1077 (E.D. La.)</p> <p><i>Wiltz v. Beijing New Building Materials PLC</i> Case No. 10-cv-361 (E.D. La.)</p>	<p>MDL NO. 2047 SECTION: L</p> <hr/> <p>JUDGE FALLON MAG. JUDGE WILKINSON</p>
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**NOTICE OF PENDENCY OF PROPOSED SETTLEMENT AGREEMENT
OF ASSIGNED CLAIMS IN MDL NO. 2047 ON BEHALF OF THE
PORTER-BLAINE/VENTURE SUPPLY CLASS
REGARDING CLAIMS ASSIGNED TO THE CLASS BY THE PORTER-BLAINE/
VENTURE PARTICIPATING DEFENDANTS AND PARTICIPATING INSURERS
AGAINST TAISHAN GYPSUM CO. & TAIAN TAISHAN PLASTERBOARD CO., LTD.**

IF YOU PREVIOUSLY RECEIVED A CLAIM PAYMENT FROM THE PORTER BLAINE/VENTURE SUPPLY SETTLEMENT APPROVED BY THE COURT ON JULY 9, 2013, THEN YOU MAY BE ENTITLED TO RECEIVE AN ADDITIONAL PAYMENT FROM THE PROPOSED ASSIGNED CLAIMS SETTLEMENT.

The Porter-Blaine/Venture Supply Class includes:

all persons or entities (except for Porter-Blaine, Venture Supply, Citizens Insurance Company of America and Hanover Insurance Company) together with their heirs, representatives, attorneys, executors, administrators, executives, subsequent purchasers, residents, guests, tenants, lenders, successors and assigns, with claims, known or unknown, involving Affected Property and arising from or related to actual or alleged Chinese Drywall purchased, imported, supplied, distributed, marketed, installed, used, sold or in any way alleged to be within the legal responsibility of Porter-Blaine, Venture Supply, Citizens Insurance Company of America or Hanover Insurance Company, who did not opt out of the Porter-Blaine/Venture Supply Settlement.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY: IF YOU ARE AN ELIGIBLE PORTER-BLAINE/VENTURE SUPPLY CLASS MEMBER¹ YOU MAY BE ENTITLED TO RECEIVE A PAYMENT FROM FUNDS TO BE CREATED PURSUANT TO THE PROPOSED ASSIGNED CLAIMS SETTLEMENT DESCRIBED IN THIS NOTICE.

The purpose of this Notice is to inform you that: (a) a proposed settlement has been reached with Taishan Gypsum Company Ltd. f/k/a/ Shandong Taihe Dongxin Co., Ltd. and Taishan Gypsum Co., Ltd., and Taian Taishan Plasterboard Co., Ltd. (“Taishan”) regarding claims that were assigned to the Porter-Blaine/Venture Supply Class by the Porter-Blaine/Venture Participating Defendants and Participating Insurers; (b) the Assigned Claims Settlement Agreement in MDL No. 2047 on behalf of the Porter-Blaine/Venture Supply Class has been preliminarily approved by the Court; and (c) a hearing on the fairness, reasonableness, and adequacy of the proposed settlement will be held on Wednesday, July 18, 2018 at 10:00 a.m. (central time) in Courtroom C-456 before the Honorable Eldon E. Fallon (Presiding Judge) of the United States Courthouse, 500 Poydras Street, New Orleans, LA 70130, and at 11:00 a.m. (eastern time) before the Honorable Mary Jane Hall of the Norfolk Circuit Court, 100 St. Paul’s Blvd., Norfolk, VA 23510 (who will assist Judge Fallon by participating in the hearing through a telephonic connection to facilitate the participation of class members in the Virginia region).

¹ All Eligible Porter-Blaine/Venture Supply Class Members are listed in Exhibit A to the Assigned Claims Settlement Agreement.

Description of the Litigation

On July 9, 2013, the United States District Court for the Eastern District of Louisiana (the “Court”), the Honorable Eldon E. Fallon presiding, approved the Porter-Blaine/Venture Supply Settlement providing \$3,000,000 in cash for the benefit of Class Members, as well as the assignment to the Class of any and all Chinese Drywall claims the Porter-Blaine/Venture Participating Defendants and Participating Insurers had against Taishan in connection with the Affected Properties (“Assigned Claims”).² The cash settlement funds have been distributed to Class Members who were found to be eligible for a claim payment pursuant to the Revised Proposed Plan of Allocation approved by the Court. This Assigned Claims Settlement resulted from the efforts of Class Counsel and the PSC pursuing the Assigned Claims against Taishan so that additional funds could be distributed to the Eligible Class Members.

The Porter-Blaine/Venture Supply Settlement resolved all claims of Class Members arising from or related to Chinese Drywall in connection with Affected Properties against the Porter-Blaine/Venture Participating Defendants and Participating Insurers. The Porter-Blaine/Venture Supply Settlement expressly reserved Class Members’ Chinese Drywall claims against Non-Participating Defendants and Non-Participating Insurers. Taishan was a Non-Participating Defendant in the Porter-Blaine/Venture Supply Settlement.

On December 1, 2011, a default judgment was entered against Taishan with respect to third-party claims brought by Porter-Blaine/Venture Supply in Virginia state court, in *Allen, et al. v. Venture Supply, Inc., et al.*, Case No. 10-6976 (Va. Cir. Ct., Norfolk, Va.), before the Honorable Mary Jane Hall. Eligible Class Members attempted to pursue the Assigned Claims against Taishan in *Allen*. Taishan actively participated in the *Allen* litigation to defend against those claims and to deny liability for those claims.

After extensive arm’s-length negotiations, the Parties reached an agreement to settle the Assigned Claims for \$1,978,528.40, subject to Court approval. None of the Parties to the proposed Assigned Claims Settlement concedes the correctness of any other Party’s legal position, but the Parties wish to avoid the effort, expense and risk of continued litigation with regard to the Assigned Claims.

Class Members continue to pursue claims for remediation damages and other losses against Taishan and other Defendants (these are “Reserved Claims”) in the Litigation related to the Affected Properties. The Reserved Claims are expressly excluded from the Assigned Claims Settlement.

Summary of the Proposed Assigned Claims Settlement

The Assigned Claims Settlement is subject to, and will become effective only upon, final approval by the Court. Set forth below is a summary of the principal terms and conditions of the

² See Porter-Blaine/Venture Supply Settlement Agreement [Rec. Doc. 15969-6]; Final Approval Order [Rec. Doc. 16934] at 24.

Assigned Claims Settlement. The complete Assigned Claims Settlement is on file with the Court; posted in the Clerk's offices at the United States District Courthouse for the Eastern District of Louisiana; published on the District Court's official Chinese Drywall MDL website at <http://www.laed.uscourts.gov/drywall/Settlements.htm>; and available for your inspection as described below.

Amount of the Assigned Claims Settlement

The Assigned Claims Settlement provides that Taishan will pay Settlement Funds in the amount of \$1,978,528.40, following final approval by the Court, in full settlement of all Assigned Claims against Taishan that were asserted or could have been asserted by any of the Porter-Blaine/Venture Supply Participating Defendants and/or Participating Insurers, and which were assigned to the Class as part of the Porter-Blaine/Venture Supply Settlement. This Assigned Claims Settlement will settle and resolve with finality only the Assigned Claims against Taishan in the Litigation and the CDW-Related Actions, involving the Class Members, Porter-Blaine/Venture Supply Participating Defendants and Participating Insurers, and/or Taishan.

Definition of "Assigned Claims"

"Assigned Claims" means any and all claims that the Porter-Blaine/Venture Participating Defendants and Participating Insurers may have had against Taishan relating to Chinese Drywall in connection with the Affected Properties, which were assigned for the benefit of the Class. Assigned Claims do not include any Reserved Claims the Class has against Taishan (or any other non-settling Defendant) in the MDL or state courts related to the Affected Properties. The litigation of Reserved Claims against Taishan and other Defendants, including claims for remediation damages and other losses, is ongoing.

Claims Released by the Assigned Claims Settlement Agreement

The Assigned Claims Settlement is intended to resolve only the Assigned Claims (but not Reserved Claims) against Taishan.

Allocation of Funds

The Assigned Claims Settlement contemplates that the Settlement Funds will be allocated to Eligible Class Members³ on a *pro rata* basis in accordance with the settlement payment amounts previously made in the Porter-Blaine/Venture Supply Settlement. The Intervening Plaintiffs in *Germano, et al. v. Taishan Gypsum Co., Ltd., et al.*, Case No. 09-cv-6687 (E.D. La.) (namely, Deborah and William Morgan; Jerry and Inez Baldwin; Joe and Cathy Leach; Robert and Lisa Orlando; Fred and Vanessa Michaux; Preston and Rachel McKellar; and Steven and Elizabeth Heischober) are Class Members, but they not eligible for a claim payment from the Assigned

³ Eligible Class Members include: Class Members who were determined to be eligible for a claim payment from the Porter-Blaine/Venture Supply Settlement pursuant to the Revised Proposed Plan of Allocation approved by the Court, as set forth in Exhibit A of the Assigned Claims Settlement Agreement.

Claims Settlement because they already received payments for their claims from Taishan pursuant to the Judgment entered by the Court.

Attorneys' Fees

After the Effective Date, Plaintiffs' Class Counsel, common benefit attorneys, and privately retained attorneys for all Class Members (the "Petitioning Attorneys") shall be entitled to petition the Court for attorneys' fees totaling in the aggregate up to 32% of the Assigned Claims Settlement Funds, and reimbursement of reasonable expenses, excluding the cost of notice. The determination of any attorney's fee or court cost issue, including the allocation between and amongst the Petitioning Attorneys, shall be determined by the Court, and all Petitioning Attorneys agree that such determination is not appealable and Petitioning Attorneys waive all appeals of any such determination.

Settlement Hearing

Notice is further hereby given that, pursuant to the Court's Order, a hearing will be held in Courtroom C-456 before the Honorable Eldon E. Fallon (Presiding Judge) of the United States Courthouse, 500 Poydras Street, New Orleans, LA 70130, at 10:00 a.m. (central time), on July 18, 2018 (the "Joint Fairness Hearing"), and before the Honorable Mary Jane Hall of the Norfolk Circuit Court, 100 St. Paul's Blvd., Norfolk, VA 23510 at 11:00 a.m. (eastern time) (who will assist Judge Fallon by participating in the hearing through a telephonic connection to facilitate the participation of class members in the Virginia region) for the purpose of determining whether the Assigned Claims Settlement is fair, reasonable, and adequate and should be approved finally by the Court. The Joint Fairness Hearing may be adjourned from time to time by the Court without further notice.

CLASS MEMBERS WHO DO NOT OPPOSE THE PROPOSED ASSIGNED CLAIMS SETTLEMENT DO NOT NEED TO APPEAR AT THE HEARING OR FILE ANY PAPERS.

You will be represented at the Joint Fairness Hearing by Class Counsel, Russ Herman, telephone no. (504) 581-4892, Arnold Levin, telephone no. (215) 592-1500, or Richard Serpe, telephone no. (877) 544-5323, unless you enter an appearance in person or through your own counsel. As a member of the Class, you will not be personally responsible for attorneys' fees, costs or disbursements except those of your own counsel.

Class Members may object to the Assigned Claims Settlement, in whole or in part, by providing written notice of their intention to object, setting forth all objections and the reasons for such objections and, if applicable, the Class Member's intention to appear at the Joint Fairness Hearing, in accordance with the following procedure. The objection must be signed by the Class Member and his or her counsel, if any. The objection must contain the caption of the Litigation, the name, mailing address, e-mail address, if any (an e-mail address is not required), and telephone number of the Class Member. The objection must identify any witnesses intended to be called, the subject area of the witnesses' testimony, and all documents to be used or offered into evidence at the Joint Fairness Hearing. All objections to the proposed Assigned Claims Settlement shall be mailed to Plaintiffs' Lead Counsel, Arnold Levin (Levin Sedran & Berman,

510 Walnut Street, Suite 500, Philadelphia, PA 19106), Russ M. Herman (Herman, Herman & Katz, LLC, 820 O’Keefe Avenue, New Orleans, LA 70113), and Richard Serpe (Law Offices of Richard Serpe, P.C., 580 East Main St., Suite 310, Norfolk, VA 23510), in writing, postmarked no later than sixty (60) days after the commencement of the Class Settlement Notice Period, *i.e.*, postmarked no later than June 27, 2018, or they will be deemed waived.

At the Joint Fairness Hearing, any Class Member who has provided written notice of the intention to object to the Assigned Claims Settlement may appear in person or by counsel and show cause why the Assigned Claims Settlement should not be approved. Such Class Member may present any admissible evidence relevant to the issues to be heard, provided that such Class Member has timely provided any and all papers in opposition to the Assigned Claims Settlement upon which the objection may be based.

Persons wishing to attend the Joint Fairness Hearing may appear either in the Louisiana or Virginia venues described below.

Any Class Member who does not so object to the matters noted above shall be deemed to have waived, and shall be forever foreclosed from raising, any objection to such matters.

Effect of Final Court Approval

With respect to the Assigned Claims Settlement that is approved (if it is approved), the Court will enter an Order and Judgment dismissing the Assigned Claims on the merits with prejudice. Class Members will also file a dismissal with prejudice of all claims against Taishan in the consolidated cases styled *Allen, et al. v. Venture Supply, Inc., et al.*, Case No. 10-6976 (Va. Cir. Ct., Norfolk, Va.), and any other CDW-Related Actions brought by Class Members in Virginia Court.

Litigation of the Reserved Claims will continue against Taishan, other Non-Participating Defendants and Non-Participating Insurers, and other Defendants in the Litigation.

IF YOU ARE A MEMBER OF THE CLASS, YOU WILL BE BOUND BY THE APPROVED ASSIGNED CLAIMS SETTLEMENT, INCLUDING THE JUDGMENT OF DISMISSAL.

Examination of Papers

The foregoing is only a summary of the Litigation and the Assigned Claims Settlement. The Assigned Claims Settlement and documents incorporated therein, as well as the pleadings and other papers filed in the Litigation, may be inspected at the office of the Clerk of the Court, United States Courthouse, Room C-151, 500 Poydras Street, New Orleans, LA 70130; or during regular business hours at the offices of Russ M. Herman, Herman, Herman & Katz, LLC, 820 O’Keefe Avenue, New Orleans, LA 70113, telephone number (504) 561-6024; or at the offices of Richard Serpe (Law Offices of Richard Serpe, Crown Center, Suite 310, 580 East Main Street, Norfolk, VA 23510; telephone no. (757) 233-0009), commencing on April 27, 2018. Any papers Class Counsel and counsel for Taishan shall file in support of the Assigned Claims Settlement

Agreement will be made available for inspection at these locations and on the Court's website, www.laed.uscourts.gov, at the time they are filed. Any questions that any person to whom this Notice is addressed may have with respect thereto should be directed to Class Counsel, or his or her own counsel.

Schedule of Important Dates

Beginning April 27, 2018	Assigned Claims Settlement papers may be examined at the offices of Russ M. Herman or Richard Serpe
On or before June 27, 2018	Objections to the Assigned Claims Settlement must be mailed to Arnold Levin, Russ Herman and Richard Serpe
July 18, 2018 at 10:00 a.m. central time in New Orleans, LA and 11:00 a.m. eastern time in Norfolk, VA	Joint Fairness Hearing at United States Courthouse for the Eastern District of Louisiana, 500 Poydras Street, Room C-456, New Orleans, LA 70130 and at the Norfolk Circuit Court, 100 St Paul's Blvd., Norfolk, VA 23510

Dated: New Orleans, Louisiana April 16, 2018

/s/ ELDON E. FALLON
Judge, United States District Court
for the Eastern District of Louisiana