

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION
No. 5:06-cv-00400-BR

SUELLEN E. BEAULIEU, et al
Plaintiffs
v.
EQ INDUSTRIAL SERVICES, INC., et al
Defendants

OFFICIAL NOTICE OF CERTIFICATION OF
SETTLEMENT CLASS AND PROPOSED CLASS
ACTION SETTLEMENT

This Document Relates To:
ALL CASES

**PLEASE READ THIS NOTICE CAREFULLY
IT WILL AFFECT YOUR RIGHTS IF YOU ARE A PERSON
WHO FITS THE DESCRIPTION BELOW.**

To: All natural persons, whether minor or adult, and Businesses including those falling within one or more of the following subclasses, including any person or entity claiming by, through or under a Class Member (as defined below), who seek compensation for damages other than personal injuries from a fire at the facility in Apex, North Carolina owned and/or operated by EQ Holding Company and EQ Industrial Services, Inc. (collectively referred to as "EQIS"), and subsequent evacuation from October 5-7, 2006 ("the Incident"):

Subclass 1- Recommended Evacuation Subclass:

All natural persons, including minors and adults, who, on October 5, 2006 resided within the geographic boundaries of the area of the Recommended Evacuation Zone (as defined in the Preliminary Settlement Agreement) and who evacuated in response to the Incident.

Subclass 2 - Secondary Evacuation Subclass:

All natural persons, including minors and adults, who, on October 5, 2006 resided outside the geographic boundaries of the Recommended Evacuation Zone, but within the geographical boundaries of the Secondary Evacuation Zone (as defined in the Preliminary Settlement Agreement), and who evacuated in response to the Incident.

Subclass 3 - Business Loss Subclass:

All Businesses that were physically located within or geographically contiguous to the Recommended Evacuation Zone (as defined in the Preliminary Settlement Agreement) on October 5, 2006 that were forced to cease business operations in response to the Incident and sustained provable economic losses as a result of the Incident.

Excluded from the class are those persons or Businesses who could otherwise be Class Members, but who or which are: (i) Defendants or any of their employees, agents, insurers, contractors, and subcontractors, including employees of Defendants' agents, contractors or subcontractors, (ii) the Presiding United States District Court Judge and the presiding United States Magistrate Judge, (iii) the attorneys who have made appearances for any of the Parties, and (iv) Opt-Outs.

GEOGRAPHIC BOUNDARY OF THE RECOMMENDED EVACUATION ZONE

Beginning at the intersection of Highway 55 and U.S. Highway 1 proceed north along U.S. Highway 55 to the intersection of U.S. Highway 64; then proceed in an easterly direction along U.S. Highway 64 to the intersection of Lake Pine; then proceed southeast

along a straight line to the intersection of Old Raleigh Rd and Crash Ln.; then proceed in a southerly direction to the end of Crash Ln.; then proceed in a south southeasterly direction along a straight line to the east end of Golden Plover Dr. and then continue on the same straight line to the intersection of U.S. Highway 1; then proceed in a southwesterly direction along U.S. Highway 1, to the point of beginning.

GEOGRAPHIC BOUNDARY OF THE SECONDARY EVACUATION ZONE

Beginning at the intersection of Highway 55 and U.S. Highway 1 proceed southwest along U.S. Highway 1 to the intersection of Pleasant Plain Rd; then proceed in a northerly direction along Pleasant Plain Rd to the intersection of Old U.S. 1 (S. Salem St.); then proceed in a northeasterly direction along Old U.S. 1 (S. Salem St.) to the intersection of Lynch; then proceed in a northwest direction along Lynch to the intersection of Lynch at Apex Peakway; then continue in northerly direction along Apex Peakway to the intersection of White Dogwood Rd. and Apex Peakway; then in a westerly direction along White Dogwood Rd. to the intersection of Mosstree Dr.; then proceed in an northerly direction along Mosstree Dr. to the intersection of Telford Ln.; then proceed in a westerly direction along Telford Ln. to the intersection of Cameron Glen Dr.; then proceed in a northerly direction along Cameron Glen Dr. to the intersection of Olive Chapel Rd.; then proceed on a straight line in a northwesterly direction to the south end of Argus Ct. and then in a northerly direction along Argus Ct. to the intersection of Fairfax Woods Dr.; and then in a northerly direction along Fairfax Woods Dr. to the intersection of Red Barn Way; then proceed on a straight line in a northeasterly direction to the intersection of Green Level Church Rd. and U.S. Highway 64; then proceed in an easterly direction along U.S. Highway 64 to the intersection of Highway 55; then proceed in a northerly direction along Highway 55 to the intersection of Parkscene Ln.; then proceed in an easterly direction along Parkscene Ln. to the intersection of Park Valley Ln.; then proceed on a straight line in an easterly direction to the most westerly end of Castle Hayne Dr.; then proceed in an easterly and then southerly direction along Castle Hayne Dr. to the intersection of Park Village Dr.; then proceed in a westerly direction along Park Village Dr. half the distance (approximately 200 feet) to the intersection of Park Village Dr. and Trent Woods Way; then proceed on a straight line south to Farm Pond; continue south on Farm Pond to the intersection of Davis Rd.; then proceed in a southerly direction along Davis Rd. to the intersection of U.S. Highway 64; then proceed in a westerly direction along U.S. Highway 64 to the intersection of Highway 55; then proceed south on Highway 55 to the intersection of U.S. Highway 1, the point of beginning.

Important Things You Should Know About This Settlement Notice

If you are one of the persons or entities described above, you may be a member of the Settlement Class and may be entitled to participate in and/or object to the settlement as described in this Notice. This Notice is hereby given to advise you of the following:

- The District Court's certification of a Settlement Class as defined above, and your right to opt out of the Class;
- The District Court's preliminary approval of a settlement of this Class Action, whereby EQIS's Insurer and the other Defendants have agreed to pay, without any admission of liability, a total sum of \$7,850,000.00 for the compensation of Households and Businesses claiming to have sustained damages by reason of the above described Incident and for the purposes provided herein;
- A Court hearing, called the Final Fairness Hearing, is scheduled to commence on October 6, 2009 at 9:00 a.m. at the United States District Court for the Eastern District of North Carolina, Western Division at The Terry Sanford Federal Building and Courthouse, 310 New Bern Avenue, Raleigh, North Carolina, to determine the fairness, adequacy and reasonableness of the proposed settlement to the Class, and, if the settlement is approved by the Court, to authorize payment out of the Common Settlement Fund for the payment of Approved Claims, Settlement Costs, attorneys' fees, Litigation Expenses, Class Representative Participation Awards, Cy Pres funds and a potential reversion to EQIS's Insurer and the other Defendants;
- Your rights to object to the fairness, reasonableness and adequacy of the settlement; the procedures you must follow in order to register your objections, if any, to the settlement; and the payments to be made out of the Common Settlement Fund, as set forth herein.
- This is a settlement by the Class, as defined above, with all of the Defendants in this case, and your participation in the settlement will resolve all claims you may have as a result of the Incident, with the exception of personal injury claims.

THIS NOTICE CONTAINS IMPORTANT DATES AND DEADLINES. STRICT COMPLIANCE BY ALL CLASS MEMBERS WITH THESE DATES AND DEADLINES IS ABSOLUTELY REQUIRED.

How to make a claim for compensation

If you want to make a claim for compensation under this Settlement, **you must complete a Proof of Claim Form** and mail it to the Settlement Administrator, Litigation Settlement Services, 5868 Westheimer Road, Suite 214, Houston, TX, 77057, **postmarked no later than October 20, 2009**. If you have not received a Proof of Claim Form in the mail, you may obtain one online at WWW.APEXFIRESETTLEMENT.COM or by calling 1-877-675-6307.

How to exclude yourself from the proposed settlement

You may elect to opt out of the Settlement Class. If you do so, you will not participate in this Settlement in any way, and you will not receive any money from this Settlement. In order to opt out of the Settlement Class, you must do so in writing, including the caption of this Class Action, your current mailing address, telephone number, and your date of birth (or in the case of a legal entity, the entity's tax identification number) stating affirmatively that you are opting out of the Settlement Class. If you wish, you may state whether or not you intend to bring your own individual

claim against one or more of the Defendants. You must then date it, sign it, and send it by U.S. Mail, first class postage prepaid, to the Settlement Administrator, Litigation Settlement Services, 5868 Westheimer Road, Suite 214, Houston, TX, 77057, postmarked **no later than September 8, 2009**, with copies sent to all Counsel at the addresses shown on the last page of this Notice. Failure to timely opt out in the manner set forth above means that you will be a member of the Settlement Class and will be forever bound by the Final Order and Judgment, and release of all Released Claims against the Released Entities.

How to object to the proposed settlement

Objections to the proposed Settlement, or to Court approval of the payment of Approved Claims, Settlement Costs, attorneys' fees, Litigation Expenses, Class Representative Participation Awards, Cy Pres funds, and/or a potential reversion to EQIS's Insurer and the other Defendants must be made in writing, bearing the caption of this Class Action, must include the objecting person's current mailing address and telephone number, must be signed by the objecting Class Member or his/her/its Private Counsel, providing the objector's date of birth (or in the case of a legal entity, the entity's tax identification number), must state the nature of and the reasons for the objection, attaching any documents to support the objection or any other evidence that the objecting person intends to offer, and, if applicable identifying by name and address all witnesses the objecting party intends to call in support of the objection, summarizing the proposed testimony of each witness. The written objections must be timely filed in accordance with the Federal Rules of Civil Procedure with the Clerk of Court for the United States District Court for the Eastern District of North Carolina, Western Division, at the United States District Courthouse at The Terry Sanford Federal Building and Courthouse, 310 New Bern Avenue, Raleigh, North Carolina, **not later than September 8, 2009**, with copies sent to the Settlement Administrator and all Counsel at the addresses shown on the last page of this Notice. **Non-written, untimely, incomplete, unsigned or otherwise non-compliant objections to the proposed settlement may not be considered by the Court. Also, if you wish to be heard at the Final Fairness Hearing, your written objection MUST clearly so state.** If you have timely filed an objection, the Settlement Administrator may contact you to ask you questions about your objection. The Settlement Administrator is not an attorney representing any party in this matter; he is appointed by the Court. The Settlement Administrator will then issue a report to the Court regarding all objections. The Settlement Administrator's report shall include copies of objections including a summary of his findings which shall be delivered to the Court no later than five days before the Final Fairness Hearing. A statement describing the exhibits and witness testimony the parties to the Settlement intend to offer in support of the Settlement at the Final Fairness Hearing, along with copies of all such exhibits, will be available on the Settlement Administrator's website (the address for which is below) beginning on September 28, 2009. Paper copies of these documents may also be requested from the Settlement Administrator, but are subject to payment of reasonable copying costs.

How to appear in Court at the Final Fairness Hearing

The Court will conduct a Final Fairness Hearing beginning at **9:00 a.m.** on **October 6, 2009**, at the United States District Courthouse at the Terry Sanford Federal Building and Courthouse, 310 New Bern Avenue, Raleigh, North Carolina. If you want to be heard at the Final Fairness Hearing, you must file a timely, written, complete, signed, and fully compliant objection to the settlement as provided above, and indicating your desire to be heard in opposition to the settlement at the Fairness Hearing. If you have filed a timely, written, signed objection to the fairness of the proposed settlement, you do not have to appear at the Final Fairness Hearing in order for your objection to be considered; the Court will consider all timely filed, written, complete, signed and compliant objections to the proposed settlement, along with the report of the Settlement Administrator who will have assessed the objections in detail. To be heard in opposition to the proposed settlement at the Final Fairness Hearing, you must arrive at the courthouse by **9:00 a.m.** on the date the hearing. When you arrive at the courtroom please register with Court personnel if you intend to speak.

The effect of doing nothing and not making a claim

If you are within the definition of the Class, do not opt out, and do not timely file a Proof of Claim Form you will not be entitled to share in the allocation of this Settlement Fund and all claims you may have against the Released Entities will be dismissed, with the exception of any personal injury claims you may have. If you want to claim compensation under this Settlement, **you must complete a Proof of Claim Form** and mail it to the Settlement Administrator, Litigation Settlement Services, 5868 Westheimer Road, Suite 214, Houston, TX, 77057, **no later than October 20, 2009.**

Your right to hire a lawyer

The Court has appointed a group of lawyers, called Class Counsel, to represent Class Members. You will not be charged for these lawyers. Instead, they will be paid out of the Common Settlement Fund if the settlement is given final Court approval. If you want to be represented by your own lawyer, you may hire one at your expense.

BACKGROUND OF THE LITIGATION

This Class Action arises out of the October 5-7, 2006 fire at EQIS's facility in Apex, North Carolina, and the subsequent evacuation of the area surrounding the fire sometimes herein referred to as the "Incident." As a result of the Incident, emergency response authorities recommended an evacuation from the Recommended Evacuation Zone (described above). In addition, as a result of the Incident, certain residents of the Town of Apex outside the boundaries of the Recommended Evacuation Zone, in an area described as the Secondary Evacuation Zone (described above), chose to evacuate. Finally, a number of Businesses within and geographically contiguous to the Recommended Evacuation Zone are alleged to have suffered economic loss due to the evacuations.

As a result of the Incident, four (4) putative class actions—in which claims were made for the recovery of compensatory and punitive damages as a consequence of the Incident—were initiated

against EQIS, Allworth, LLC f/k/a Allworth, Inc. ("Allworth"), and/or ST Mobile Aerospace Engineering, Inc. ("MAE") by the Plaintiffs and others. These cases have been consolidated in the United States District Court for the Eastern District of North Carolina. With leave of Court, Plaintiffs filed a Fourth Supplemental and Amended Master Class Action Complaint relating to all consolidated cases. All consolidated cases are hereby collectively referred to as the "Litigation".

TERMS OF THE SETTLEMENT

This is a settlement with all Defendants. The essential terms of the settlement proposed by the Parties are set out in this Notice. Note, however, that this Notice is not the Preliminary Settlement Agreement—which sets out the Parties' rights and obligations—but is only a summary of that agreement. Should there be any inconsistency between this Notice and the Parties' Preliminary Settlement Agreement, the Preliminary Settlement Agreement will control and govern. A copy of the Preliminary Settlement Agreement may be obtained by contacting the Settlement Administrator at Litigation Settlement Services, 5868 Westheimer Road, Suite 214, Houston, TX, 77057 or at 1- 877-675-6307.

EQIS's Insurer, and the other Defendants, without any admission of liability, will pay a total sum of \$7,850,000.00 into the Common Settlement Fund, established to pay for Class Member claims and other settlement-related payments as set forth in this Notice. You may participate in the distribution of the Common Settlement Fund if you are a Class Member and you have timely and satisfactorily completed a Proof of Claim Form in accordance with the Preliminary Settlement Agreement. Payments from the Common Settlement Fund to Class Members will be made only upon timely filed sufficient Proof of Claim Forms approved by the Settlement Administrator. Each Household that evacuated and which timely files a compliant Proof of Claim form will be paid approximately Seven Hundred Fifty Dollars (\$750.00) (subtracting any monies previously paid by EQIS or its insurer to the Household for evacuation-related costs) in accordance with the provisions of the Preliminary Settlement Agreement. Each Business which timely files a compliant Proof of Claim Form will be paid up to a maximum of \$2,200 upon satisfactory proof of economic loss related to the Incident (subtracting any monies previously paid by EQIS or its insurer for business-related losses) the specific amount to be determined by the Settlement Administrator in accordance with the provisions of the Preliminary Settlement Agreement.

Class Counsel will apply for: (1) an attorneys' fee of \$2,983,000.00, which equals 38% of the Common Settlement Fund; and (2) Litigation Expenses and Settlement Costs up to a maximum of \$425,000.00, all of which will be paid from the Common Settlement Fund along with Approved Claims. Class Counsel have also applied for Class Representative Participation Awards in the total amount of \$100,000.00 for the ten named plaintiffs for their extraordinary participation in the Litigation. One half of any funds remaining in the Common Settlement Fund after payment of Approved Claims, attorneys' fees, Settlement Costs, Litigation Expenses and Class Representative Participation Awards, shall be placed into a Cy Pres fund, which will be dedicated to the public benefit of the citizens of the Town of Apex at the direction of the Court, up to a maximum of \$80,000.00. The balance of any remaining monies in the Common Settlement Fund will revert to EQIS's Insurer and the other Defendants.

If approved by the Court at or after the Final Fairness Hearing, and if the Court's approval becomes final, definitive and non-appealable, the proposed settlement shall discharge the Defendants and any and all of their shareholders, directors, officers, agents, servants, employees, managers, members, representatives, predecessors, successors, assigns, affiliated corporate entities (including parent, subsidiary and sister corporations), attorneys, insurers, reinsurers, and each of their administrators, heirs and assigns, and any other person, firm, corporation or entity not heretofore named as a defendant in this Class Action for whom Defendants may be liable or responsible with respect to the Incident or the subject matter of the Class Action, collectively referred to as "Released Entities," from any further liability to the Class Members for Released Claims arising out of the Incident, including all claims for damages or remedies that may be asserted by guardians, estates or legal representatives, except for personal injury claims as set forth herein.

The Released Claims will include all claims asserted in the Litigation as well as all other claims (including nuisance, trespass and claims for property damage) arising out of the Incident, except for personal injury claims.

REASONS FOR THE PROPOSED SETTLEMENT

Defendants have at all times denied, and continue to deny, all allegations of negligence, wrongdoing or liability of any kind whatsoever on their part, and on the part of those persons and entities for whom they are liable or responsible. Defendants believe they have strong legal and factual defenses to the claims asserted against them in the Litigation and that the members of the Class would be unable to establish any entitlement to compensatory or punitive damages if their claims were litigated to final judgment.

The Class Representatives and Class Counsel are persuaded and believe it is in the best interest of the Class, subject to the Court's

approval, to compromise all claims against Defendants in the Class Action for a fair and appropriate sum recognizing: (i) the Class Action involves a myriad of complex and vigorously contested issues of law and fact; (ii) the risks, expense and delay inherent in continued prosecution of the Class Action; (iii) the possibility that future proceedings to quantify each Class Member's compensatory and/or punitive awards, should Defendants' liability to the Class be established, could prove to be unduly protracted and costly; (iv) the magnitude of the benefits to the Class to be derived from the contemplated settlement considering the maximum potential and likely ranges of recovery obtainable through further litigation and the expense thereof, as well as the possibility the Class might make no recovery whatsoever; and (v) the Parties' mutual good faith determination that the settlement is fair, reasonable, adequate and in the best interest of and will substantially benefit the Class Members.

CLAIMS FOR PERSONAL INJURY DAMAGE FROM THE INCIDENT ARE NOT INCLUDED IN THIS CLASS SETTLEMENT. YOU DO NOT HAVE TO OPT OUT OF THIS SETTLEMENT CLASS IN ORDER TO BRING SUCH CLAIMS, BUT YOU MUST TIMELY FILE YOUR OWN LAWSUIT TO PRESERVE SUCH CLAIMS.

THIS NOTICE IS ONLY A SUMMARY OF THE SETTLEMENT

This Notice is being provided pursuant to Order of the Court in compliance with Rule 23(e)(1)(B) of the Federal Rules of Civil Procedure. If you would like more information you should contact the Settlement Administrator at 1-877-675-6307 during regular business hours, or you can obtain information from the Settlement Administrator's website: WWW.APEXFIRESETTLEMENT.COM. The Preliminary Settlement Agreement is available for inspection during regular business hours at the Clerk of Court's office, Terry Sanford Federal Building and Courthouse, 310 New Bern Avenue, Raleigh, North Carolina. You may contact the Settlement Administrator, Class Counsel and counsel for Defendants at the following addresses:

Settlement Administrator:

Litigation Settlement Services
5868 Westheimer Rd. Suite 214
Houston, TX 77057

Class Counsel:

Plaintiffs' Management Committee
P.O. Box 1027
Apex, N.C. 27502-1027

EQIS's Counsel:

Frederick W. Rom
Womble Carlyle Sandridge & Rice PLLC
150 Fayetteville St., Suite 2100
Raleigh, N.C. 27601

Allworth's counsel:

Steven B. Epstein
Hunton & Williams LLP
One Bank of America Plaza
421 Fayetteville Street, Suite 1400
Raleigh, NC 27601

MAE's counsel:

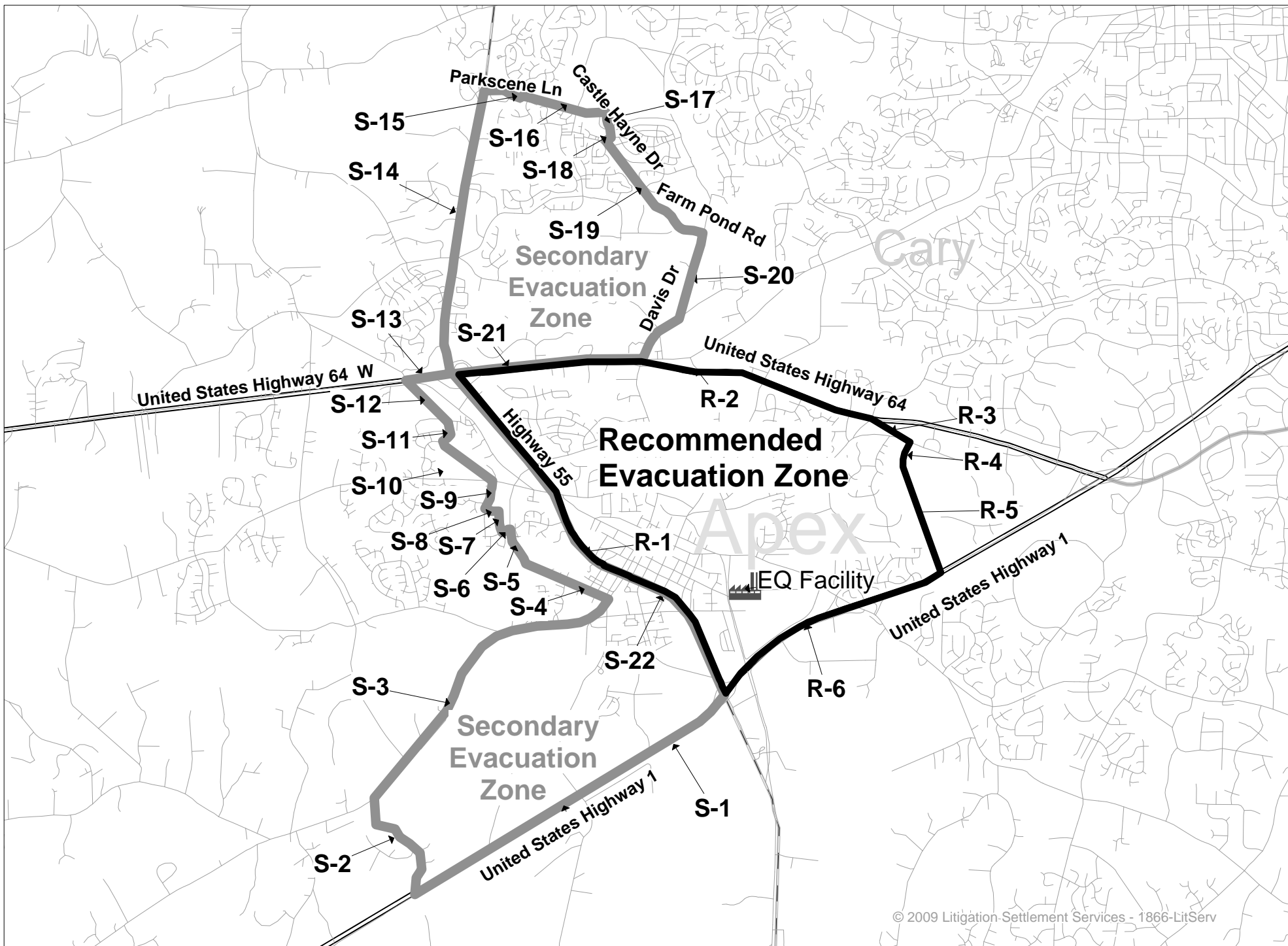
Michael J. Holland
Condon & Forsyth, LLP
Times Square Tower
7 Times Square
New York, NY 10036

Richard T. Boyette
Cranfill Sumner & Hartzog LLP
5420 Wake Park Blvd., Suite 300
Raleigh, NC 27607

by order of:

HON. W. EARL BRITT
SENIOR UNITED STATES DISTRICT JUDGE
United States District Court
Eastern District of North Carolina

DO NOT CONTACT THE COURT



Recommended (Black) and Secondary (Gray) Evacuation Zones.

GEOGRAPHIC BOUNDARY OF THE RECOMMENDED EVACUATION ZONE

(SEE ATTACHED MAP)

Beginning at the intersection of Highway 55 and U.S. Highway 1

- R-1. proceed north along U.S. Highway 55 to the intersection of U.S. Highway 64;
- R-2. then proceed in an easterly direction along U.S. Highway 64 to the intersection of Lake Pine;
- R-3. then proceed southeast along a straight line to the intersection of Old Raleigh Rd and Crash Ln.;
- R-4. then proceed in a southerly direction to the end of Crash Ln.;
- R-5. then proceed in a south southeasterly direction along a straight line to the east end of Golden Plover Dr. and then continue on the same straight line to the intersection of U.S. Highway 1;
- R-6. then proceed in a southwesterly direction along U.S. Highway 1, to the point of beginning.

GEOGRAPHIC BOUNDARY OF THE SECONDARY EVACUATION ZONE

(SEE ATTACHED MAP)

Beginning at the intersection of Highway 55 and U.S. Highway 1

- S-1. proceed southwest along U.S. Highway 1 to the intersection of Pleasant Plain Rd.;
- S-2. then proceed in a northerly direction along Pleasant Plain Rd to the intersection of Old U.S. 1 (S. Salem St.);
- S-3. then proceed in a northeasterly direction along Old U.S. 1 (S. Salem St.) to the intersection of Lynch;
- S-4. then proceed in a northwest direction along Lynch to the intersection of Lynch at Apex Peakway;
- S-5. then continue in northerly direction along Apex Peakway to the intersection of White Dogwood Rd. and Apex Peakway;
- S-6. then in a westerly direction along White Dogwood Rd. to the intersection of Mosstree Dr.;
- S-7. then proceed in a northerly direction along Mosstree Dr. to the intersection of Telford Ln.;
- S-8. then proceed in a westerly direction along Telford Ln. to the intersection of Cameron Glen Dr.;
- S-9. then proceed in a northerly direction along Cameron Glen Dr. to the intersection of Olive Chapel Rd.;
- S-10. then proceed on a straight line in a northwesterly direction to the south end of Argus Ct. and then in a northerly direction along Argus Ct. to the intersection of Fairfax Woods Dr.;
- S-11. and then in a northerly direction along Fairfax Woods Dr. to the intersection of Red Barn Way;
- S-12. then proceed on a straight line in a northeasterly direction to the intersection of Green Level Church Rd. and U.S. Highway 64;
- S-13. then proceed in an easterly direction along U.S. Highway 64. to the intersection of Highway 55;
- S-14. then proceed in a northerly direction along Highway 55 to the intersection of Parkscene Ln.;
- S-15. then proceed in an easterly direction along Parkscene Ln. to the intersection of Park Valley Ln.;
- S-16. then proceed on a straight line in an easterly direction to the most westerly end of Castle Hayne Dr.;
- S-17. then proceed in an easterly and then southerly direction along Castle Hayne Dr. to the intersection of Park Village Dr.;
- S-18. then proceed in a westerly direction along Park Village Dr. half the distance (approximately 200 feet) to the intersection of Park Village Dr. and Trent Woods Way;
- S-19. then proceed on a straight line south to Farm Pond continue south on Farm Pond to the intersection of Davis Rd.;
- S-20. then proceed in a southerly direction along Davis Rd. to the intersection of U.S. Highway 64;
- S-21. then proceed in a westerly direction along U.S. Highway. 64 to the intersection of Highway 55;
- S-22. then proceed south on Highway 55 to the intersection of U.S. Highway 1, the point of beginning.