



ending September 30 of the year of the report. Accordingly, CertainTeed now files this Sixth Report covering claims data for the period from October 2015 through September 2016.

Accompanying this report is a computer disc containing a list (Exhibit A), in electronic format, showing each claimant whose claim has been accepted and the amounts paid to the claimant, as well as a list (Exhibit B), also in electronic format, identifying each claimant whose claim has been denied and the reason for the denial. These exhibits, as well as Exhibit C discussed below, are being filed under seal in order to maintain the claimants' privacy in accordance with the November 3, 2011, Order.

Class Members in this case are defined as follows:

All individuals and entities that own, as of [December 15, 2009], homes, residences, buildings, or other structures located in the United States or Canada whose roofs contain or contained roofing shingles made with a felt reinforcement base material that is saturated with asphalt, also known as organic roofing shingles, manufactured by CertainTeed after July 1, 1987; all individuals and entities who previously owned such a building and who, prior to [December 15, 2009] sold or transferred the building and at the time of the sale or transfer retained the right to make a claim for the shingles pursuant to a valid documented assignment; and all individuals and entities who owned such a building and who, between August 1, 2006, and [October 1, 2010], have settled . . . their warranty claims for such shingles.

During the period October 2015 through September 2016, CertainTeed reviewed, processed, and paid a total of \$3,371,232.18 to Class Members. This total included \$91,295.00 in payments of up to \$50 per claim to defray the cost of removing and shipping shingle samples to CertainTeed pursuant to Section 4.6 of the Settlement Agreement (coded as RSS in column G of Exhibit A, Claims Summary tab); a total of 1831 claimants received such payments.

The balance of the compensation was paid to Class Members whose organic shingles were covered by a CertainTeed warranty and who did not resolve their warranty claims prior to the Effective Date of the Settlement Agreement. Under the Settlement Agreement, these claims are being paid at the rate of \$74/square, with \$34/square prorated from date of installation, and

\$40/square not prorated for the first ten years following installation and, thereafter, prorated in accordance with the regular proration schedules for each warranty. Where the SureStart provision of the warranty is still applicable, however, the full SureStart amount is being paid. During the period October 2015 through September 2016, 3229 warranty claims (coded as RCW in column F of Exhibit A, Claim Summary tab) were paid under the provisions of the Settlement Agreement. Payments for these claims totaled \$3,279,937.18, or an average of approximately \$1015.77 per claim.

The Settlement Agreement also provided for compensation to be paid to two other categories of claimants:

- *Transferee claims* are claims of Class Members whose organic shingles are not covered by CertainTeed's warranties because they purchased, on or before December 15, 2009, a previously occupied building and the applicable warranty did not provide warranty coverage to transferees.
- *Releaser claims* are claims of Class Members who resolved their warranty claims between August 1, 2006, and the Effective Date of the Settlement Agreement, and who executed a release in favor of CertainTeed.

Under the Settlement Agreement, both Transferee and Releaser claims were required to be postmarked or otherwise received by CertainTeed within 12 months of the Effective Date of the Settlement Agreement – that is, by October 3, 2011. During the period October 2015 through September 2016, no Releaser claims were submitted. During the same period, a total of 137 Transferee claims were denied because the claims were not filed within one year of the Settlement Effective Date as required by Section 6.7 of the Settlement Agreement. No Transferee claims or Releaser claims were paid under the applicable provisions of the Settlement Agreement, as all timely Transferee and Releaser claims were previously compensated.

During the period October 2015 through September 2016, CertainTeed has denied a total of 898 claims. Almost 79% of the denied claims – a total of 708 – were denied because the

claimant was not a Class Member: 504 of these claimants had fiberglass rather than organic shingles; 133 had shingles not manufactured by CertainTeed; two (2) had shingles that were installed prior to July 1, 1987; and 69 claimants purchased the building on which the shingles were installed after the execution of the Settlement Agreement and they did not succeed to the rights of the Class Members from whom they purchased the buildings in accordance with Section 4.31(a) of the Settlement Agreement because they were not qualified to assert a warranty claim in accordance with the transferability provisions of the CertainTeed warranty applicable to their shingles.

As to the other denied claims, 182 claims were denied because the claims involved shingles with warranties that had previously expired, including 45 claims of purchasers of the shingles themselves and, as discussed above, 137 claims of transferees. Additionally, eight (8) claims were denied, pursuant to Section 3.5 of the Settlement Agreement, because CertainTeed had paid the claims of previous owners of the same buildings for the same shingles on those buildings.

No claims were denied either because the shingles did not exhibit “Damage” as defined in Section 3.6 of the Settlement Agreement or on the basis of any of the causation defenses set forth in Section 3.7 of the Settlement Agreement.

On June 19, 2012, this Court approved the parties’ selection of Heffler Claims Administration to serve as the Independent Claims Administrator pursuant to Section 4.19 of the Settlement Agreement and BrightClaim, Inc. as the Independent Inspector pursuant to Section 4.20 of the Settlement Agreement. As of September 30, 2015, six (6) claims files had been submitted to the Independent Claims Administrator for independent review of CertainTeed’s denial of all or part of the claims, which remained unresolved as of the filing of the Fifth Report

to the Court. In the subsequent year, CertainTeed has submitted 27 additional claims files to the Independent Claims Administrator for independent review of CertainTeed's denial of all or part of the claims.

As set forth in the report of Heffler Claims Administration, attached hereto as Exhibit C, during the period October 2015 through September 2016, the Independent Claims Administrator issued claims determinations with respect to 27 of these 33 appeals, denying all 27 appeals. None of CertainTeed's determinations of the claims were reversed and CertainTeed was not required to make any additional payments to any of the appealing claimants. As of September 30, 2016, Heffler Claims Administration was still in the process of reviewing the claim files for the remaining six (6) appellants whose files had been submitted for appeal.

On October 28, 2013, this Court approved the parties' selection of the Honorable Louis C. Bechtel to serve as the Special Master pursuant to Section 5.1 of the Settlement Agreement. No issues have been submitted to Judge Bechtel for resolution during this past year.

Respectfully submitted,

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Dated: November 1, 2016

**CERTIFICATE OF SERVICE**

I, Arlene Fickler, hereby certify that I caused a true and correct copy of CertainTeed Corporation's Fifth Report to the Court under Section 4.33 of the Agreement of Settlement and Compromise as Amended to be filed and served today, November 2, 2016, via the Court's ECF system, where it is available for viewing and downloading. Copies of the accompanying exhibits, which are being filed under seal, were served upon Class Counsel Charles Schaffer, Esq. by hand delivery and upon Class Counsel Robert Shelquist, Esq. by UPS on November 1, 2016, in connection with the electronic filing.

s/Arlene Fickler  
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