

If you were affected by flooding from Hurricanes Katrina and/or Rita, you may be included in a proposed class action settlement.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- A partial settlement has been reached in a class action lawsuit about the alleged failures and/or overtopping (water goes over the lowest point) of levees and other flood and water control structures during Hurricanes Katrina and Rita.
- You may be included in the proposed Settlement Class if you lived, owned property, or were present within the Parishes of **Jefferson, Orleans, Plaquemines, and St. Bernard**, Louisiana (“Hurricane Geographic Affected Area”) during and immediately after Hurricanes Katrina and/or Rita.
- Under the settlement, a fund will be established in the amount of \$20,839,115 (plus any additional interest) for the benefit of the Settlement Class, as well as to cover costs and expenses.
- Your legal rights are affected whether you act, or don’t act. Read this notice carefully.

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT: | |
|--|--|
| OBJECT | Write to the Court about why you don’t agree that the Settlement Class should be approved (or certified) and/or why you don't like the settlement. |
| GO TO A HEARING | Ask to speak in Court about an objection. |
| DO NOTHING | Give up any rights you have to object. |

- **Anyone included in the settlement does not have the right to get out of or be excluded from the settlement.**
- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve or certify the Settlement Class and if so, whether to approve the settlement. If it does, and after any appeals are resolved, the Court will determine how the settlement fund should be used for the benefit of the Settlement Class.

QUESTIONS? CALL 1-888-287-5893 TOLL FREE, OR VISIT WWW.LEVEEBREACHCLASS.COM

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BASIC INFORMATION

1. Why was this notice issued?

A Court authorized this notice because you have a right to know about a proposed partial settlement of this class action, and about all of your options, before the Court decides whether to allow the Settlement Class to be approved (or certified) and if so, whether to give “final approval” to the settlement. This notice explains the lawsuit, the settlement, and your legal rights.

Judge Stanwood R. Duval, Jr. in the United States District Court for the Eastern District of Louisiana is overseeing this class action. The case is known as *In Re: Katrina Canal Breaches Consolidated Litigation*, case number 05-4182. The people who sued are called the “Plaintiffs,” and the Orleans Levee District, the Board of Commissioners of the Orleans Levee District, the Lake Borgne Basin Levee District, the Board of Commissioners of the Lake Borgne Basin Levee District, the East Jefferson Levee District, the Board of Commissioners of the East Jefferson Levee District, their insurance company, St. Paul Fire and Marine Insurance Company (“insurer”), and all related people are called the “Settling Defendants.”

2. What is this lawsuit about?

The lawsuit alleges levees and other flood and water control structures failed and/or were overtopped as a result of Hurricanes Katrina and Rita because they were not properly designed, inspected, or maintained, and that this failure caused property loss, property damage, and personal injury. The Settling Defendants say that the levees failed for reasons beyond their control and that they did not do anything wrong.

3. What is the Hurricane Affected Geographic Area?

This includes the entire area located within the Parishes of Jefferson, Orleans, Plaquemines and St. Bernard, Louisiana, together with any body of water that is adjacent to or within all or any part of these Parishes.

4. What is considered a levee?

This term includes levees, embankments, seawalls, jetties, breakwaters, water-basins, floodwalls, floodgates, gates, outfall canals, drainage canals, berms, spoil banks, and other works related to such projects, and/or any other flood or water control structure(s) whether man-made or natural.

5. Why is this a class action?

In a class action, one or more people called “Class Representatives” sue on behalf of people who have similar claims. All of these people are a “Settlement Class” or “Settlement Class members.” One court resolves the issues for all Settlement Class members. At this point in time the Class Representatives include: Kenneth & Jeannine Armstrong of Chalmette, Louisiana (Subclass 1), Thurman R. Kaiser of Metairie, Louisiana (Subclass 2) and Donna Augustine of New Orleans, Louisiana (Subclass 3).

6. Why is there a settlement?

The Court did not decide in favor of the Settlement Class or the Settling Defendants. Instead, both sides agreed to settle. That way, all of the insurance money (plus any interest) available to the Settling

Defendants will be made available for the benefit of the Settlement Class (see Question 11) and the Settling Defendants avoid the cost of a trial. The Class Representatives and their attorneys think the settlement is best for all Settlement Class members. The settlement does not mean that the Settling Defendants did anything wrong.

WHO IS IN THE SETTLEMENT

7. How do I know if I am part of the settlement?

If you are not sure whether you are part of the settlement, the series of questions listed below will help you see if you qualify for Settlement Class membership.

| Question | Yes | No |
|---|---|---|
| Did you live in the Hurricane Affected Geographic Area during and immediately after Hurricane Katrina or Hurricane Rita? | Continue if you answer "Yes" to any of these questions. | If you answered "No" to all of these questions you are not a Settlement Class member. |
| Were you visiting or present in the Hurricane Affected Geographic Area during Hurricane Katrina or Hurricane Rita? | | |
| Did you own, lease (rent) or possess any home, business or other property in the Hurricane Affected Geographic Area during Hurricane Katrina or Hurricane Rita? | | |
| Did you use or otherwise have an interest in any home, business or other property in the Hurricane Affected Geographic Area during Hurricane Katrina or Hurricane Rita? | | |
| Do you have any losses, damages, and/or injuries from Hurricane Katrina and/or Hurricane Rita that were a result of any alleged levee failures and/or waters that originated from or that came over, under or through the levees that were under the authority or control of the Settling Defendants? | You are probably a Settlement Class member. | You are not a Settlement Class member. |

For purposes of this settlement, the Settlement Class has been divided into three separate Subclasses. Those affected may be included in one or more Subclass. The Subclasses include anyone who has or may have claims against:

Subclass 1 - the Lake Borgne Basin Levee District, the Lake Borgne Basin Levee District Board of Commissioners, and/or their insurer;

Subclass 2 - the East Jefferson Levee District, the East Jefferson Levee District Board of Commissioners, and/or their insurer; and

Subclass 3 - the Orleans Levee District, the Orleans Levee District Board of Commissioners, and/or their insurer.

8. When did Hurricanes Katrina and Rita hit Louisiana?

Hurricane Katrina made landfall in Louisiana on or around August 29, 2005 and Hurricane Rita made landfall on or around September 24, 2005.

9. What is a levee failure?

A levee failure means an actual or alleged breaching, overtopping, seepage, collapse, undermining, weakening or any other alleged failure of levees. See Section II (37) of the [settlement agreement](#), available at www.LeveeBreachClass.com, for more information.

10. I'm still not sure I'm included.

Call 1-888-287-5893 if you are not sure whether you are included in the Settlement Class.

THE SETTLEMENT

11. What does the settlement provide?

A settlement fund will be established in the amount of \$20,839,115 (plus any additional interest) for the benefit of the Settlement Class, as well as to cover costs and expenses. Under the settlement, the Court will confirm that this settlement fund represents all insurance money available to the Settling Defendants. Please note that, under law, the Settlement Class can get no additional money or property in this settlement because the Settling Defendants are governmental bodies.

The portion of the settlement fund that will be given to each Subclass is provided below:

Subclass 1 (Lake Borgne) – approximately \$2,371,467 plus any additional interest.

Subclass 2 (East Jefferson) – approximately \$5,924,284 plus any additional interest.

Subclass 3 (Orleans) – approximately \$12,543,363 plus any additional interest.

The [Settlement Agreement](#), available at the website, describes all of the details about the proposed settlement. The Settlement Agreement may, with approval of the Court, be modified by written agreement by the lawyers for the Settling Defendants and the lawyers representing the Settlement Class without giving any additional notice, provided that any modifications are not materially adverse or substantially unfavorable to the Settlement Class.

12. When would benefits be available?

No decision on benefits will be made until after the Court decides whether to approve the settlement. If Judge Duval decides to approve the settlement, appeals may be made to other courts. It is always uncertain how these issues will be resolved, and resolving them can take time. Please be patient. If Judge Duval approves the settlement, and it becomes final, he may request that a second notice be issued to Settlement Class members explaining how the settlement fund will be used or administered. Please check the website or call the toll-free number to be kept informed of Judge Duval's decision.

13. Who will oversee the settlement fund?

An independent “Special Master” appointed by the Court will oversee the settlement fund. If the Court approves the settlement, the Special Master will recommend to the Court how to administer the settlement fund for the benefit of the Settlement Class (see the section on “The Court’s Hearings” below).

14. What am I giving up?

Settlement Class members do not have the right to get out of or be excluded from the settlement. This means that if the Court grants final approval you will be bound by the settlement and you will not be able to sue, or continue to sue, the Settling Defendants, as well as the Board of Commissioners of the Southeast Louisiana Flood Protection Authority-East, the Southeast Louisiana Flood Protection Authority-East, and their insurers, and all related people (“Released Parties”). This means that all of the Court’s orders will apply to you and legally bind you and you will “release” the Released Parties as described in Sections II (54) and IV of the [Settlement Agreement](#). **Please note that the settlement does not release any claims you may have against the U.S. Army Corps of Engineers, the State of Louisiana, Washington Group International, Inc., and others not related to the Settling Defendants.**

A complete copy of the Settlement Agreement can be obtained at www.LeveeBreachClass.com. The Settlement Agreement specifically describes the released claims in necessarily accurate legal terminology. Talk to Class Counsel (see the section on “The Lawyers Representing You”) or your own lawyer if you have questions about the released claims or what they mean.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court appointed Joseph M. Bruno of The Law Offices of Joseph M. Bruno of New Orleans, Louisiana; James P. Roy of Domengeaux Wright Roy and Edwards of Lafayette, Louisiana; and Gerald E. Meunier of Gainsburgh, Benjamin, David, Meunier & Warshauer, L.L.C., of New Orleans, Louisiana to represent you and other Settlement Class members as “Class Counsel.” You do not have to pay Class Counsel. If you want to be represented by your own lawyer and have that lawyer appear in court for you in this case, you may hire one at your own expense.

16. How will the lawyers be paid?

Class Counsel will not request any attorneys’ fees from the settlement fund. However, Class Counsel may ask the Court for reimbursement of their costs and expenses out of the settlement fund. Other counsel for Settlement Class members may also request costs and expenses. Requests for costs and expenses will be made after the settlement is granted final approval by the Court. The Court may award more or less than the actual costs and expenses.

OBJECTING TO THE SETTLEMENT

17. How do I object?

You can comment on whether the proposed Settlement Class (as defined in Question 7) should be approved (or certified) by the Court. You may also comment if you don't like some part of settlement. The Court will consider your views. To do so, you must send in a written objection in the case in *In Re: Katrina Canal Breaches Consolidated Litigation*, case number 05-4182. Be sure to include the name of the case, the case number, your full name, address, email address (if any), telephone number, your signature, the specific reasons why you object to the settlement, and any legal support or evidence that supports your objection that you wish to bring to the Court's attention. You must mail your objection to the three addresses listed below so that it is received no later than **March 13, 2009**.

| COURT | CLASS COUNSEL | ST. PAUL'S COUNSEL |
|---|--|--|
| Clerk of Court United States District Court for the Eastern District of Louisiana C151 Hale Boggs Federal Building 500 Poydras St. New Orleans, LA 70130 | Joseph M. Bruno Law Offices of Joseph M. Bruno 855 Baronne Street New Orleans, LA 70113 | S. Ault Hootsell III Phelps Dunbar LLP Canal Place 365 Canal St., Suite 2000 New Orleans, LA 70130 |

If you would like to speak in Court about your objection you will need to file an "Notice of Intent to Appear" (see Question 20).

THE COURT'S HEARINGS

18. When and where will the Court decide whether to approve the settlement?

The Court has scheduled hearings that will start at 10:00 a.m. on **April 2, 2009**, at the Courthouse for the United States District Court for the Eastern District of Louisiana, Section K, Hale Boggs Federal Building, 500 Poydras Street, New Orleans, Louisiana, 70130. The hearings may be moved to a different date or time without additional notice, so it is a good idea to check www.LeveeBreachClass.com. At these hearings, the Court will consider whether the proposed Settlement Class should be approved (or certified) by the Court, and if so, whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. At or after these hearings, the Court will decide whether to approve the settlement. We do not know how long this decision will take.

19. Do I have to come to the hearings?

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

20. May I speak at the hearings?

To ask to speak at the hearings, you must submit a valid objection (see Question 17) and you or your counsel, if any, must file a "Notice of Intent to Appear" in *In Re: Katrina Canal Breaches Consolidated Litigation* (case number 05-4182). Be sure to include your name, address, telephone number, and your

signature. Send your Notice of Intent to Appear to the three addresses listed in Question 17 so that it is received no later than **March 13, 2009**. Judge Duval will determine whether or not anyone will be allowed to speak at the hearings about their objection.

IF YOU DO NOTHING

21. What happens if I do nothing at all?

You have the right to do nothing. If you do nothing, you will lose your right to object (see Question 17). If the Court grants final approval to the settlement you will be bound by it and you will not be able to sue, or continue to sue, the Released Parties about the legal claims in this case ever again.

GETTING MORE INFORMATION

22. How do I get more information?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement at www.LeveeBreachClass.com. You may also write with questions to Levee Breach Settlement, PO Box 5053, Portland, OR 97208-5053. Additional information is also available at the website and by calling the toll free number, 1-888-287-5893.