

If you own or owned a high efficiency gas furnace, you could get benefits from a class action settlement.

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

- A settlement has been reached in a class action lawsuit about whether Carrier Corporation (“Carrier”) failed to disclose alleged defects in the secondary heat exchangers of its high efficiency gas furnaces. This settlement is not about personal injuries, wrongful death, or emotional distress.
- You may be part of this class action if you own or owned a high efficiency condensing gas furnace made by Carrier since January 1, 1989 and sold under the following brands:

▶ **Carrier**

▶ **Bryant**

▶ **Payne**

▶ **Day & Night**

- Carrier will pay those included in the settlement up to \$270 for an eligible secondary heat exchanger failure and offer an enhanced 20-year warranty on secondary heat exchangers in their high efficiency gas furnaces.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM	The only way to get a cash payment if you are eligible.
EXCLUDE YOURSELF	This is the only option that allows you to start another lawsuit against Carrier about the legal claims in this case.
OBJECT	Write to the Court about why you don’t like the settlement.
GO TO A HEARING	Ask to speak in Court about the settlement.
DO NOTHING	Get no payment. Give up rights to start another lawsuit against Carrier about the legal claims in this case.

- 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 the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

QUESTIONS? CALL 1-866-517-2490 OR VISIT WWW.FURNACECLAIMS.COM
PARA UNA NOTIFICACIÓN EN ESPAÑOL, VISITE NUESTRO SITIO DE INTERNET.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION PAGE 3

1. Why was this notice issued?
2. What is the lawsuit about?
3. Which furnace models are included?
4. What is a high efficiency furnace?
5. Why is this a class action?
6. Why is there a settlement?

WHO IS IN THE SETTLEMENT PAGE 4

7. How do I know if I am part of the settlement?
8. I'm still not sure if I'm included in the settlement.

THE SETTLEMENT BENEFITS—WHAT YOU GET PAGE 4

9. What does the settlement provide?
10. How much will my payment be if I had a secondary heat exchanger failure?
11. What is included in the enhanced warranty?
12. What if I don't want my secondary heat exchanger repaired or replaced?
13. What am I giving up in exchange for the settlement benefits?

HOW TO GET BENEFITS PAGE 6

14. How can I get benefits?
15. When will I get my benefits?

EXCLUDING YOURSELF FROM THE SETTLEMENT PAGE 6

16. If I exclude myself, can I get anything from the settlement?
17. If I don't exclude myself, can I sue later?
18. How do I get out of the settlement?
19. What about the other notice I saw in Washington?

THE LAWYERS REPRESENTING YOU PAGE 7

20. Do I have a lawyer in the case?
21. How will the lawyers be paid?

OBJECTING TO THE SETTLEMENT..... PAGE 7

22. How do I tell the Court if I don't like the settlement?
23. What's the difference between objecting and excluding?

THE COURT'S FAIRNESS HEARING..... PAGE 8

24. When and where will the Court decide whether to approve the settlement?
25. Do I have to come to the hearing?
26. May I speak at the hearing?

IF YOU DO NOTHING PAGE 9

27. What happens if I do nothing at all?

GETTING MORE INFORMATION PAGE 9

28. How do I get more information?

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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 the proposed settlement in this class action lawsuit and about all of your options, before the Court decides whether to give “final approval” to the settlement. This notice explains the lawsuit, the settlement, and your legal rights.

Judge Ronald B. Leighton, of the United States District Court for the Western District of Washington, is currently overseeing this case. The case is known as *Grays Harbor Adventist Christian School v. Carrier Corporation*, No. CV05-5437. The people who sued are called the “Plaintiffs.” The company they are suing, Carrier Corporation, is called the “Defendant” or “Carrier.”

2. What is the lawsuit about?

This is not about personal injuries, wrongful death, or emotional distress. The lawsuit is about whether secondary heat exchangers in high efficiency gas furnaces made by Carrier were defective and failed too soon. The lawsuit claims that the polypropylene-laminated steel (“PPL”) used in secondary heat exchangers in the furnace degrades and disintegrates due to the high temperatures in the furnace and leads to premature corrosion. Carrier has denied all of these claims and maintains that it did not act wrongfully or unlawfully. Carrier maintains that its patented use of PPL in the secondary heat exchanger is superior to the stainless steel used by competitors.

3. Which furnace models are included?

The lawsuit includes Carrier, Bryant, Payne, and Day & Night high efficiency gas furnaces. Gas furnaces include both natural gas and propane. Oil furnaces are not included in the settlement. The following gas furnace model numbers are included in the settlement:

Carrier			
58SX*	58DXC	58MXB	58MVP
58SXA	58MSA	58UVB	58MVB
58SXC	58MCA	58SXB*	58MTA
58DX*	58MXA	58VUA	58MTB
58DXA	58MCB	58VCA	58MVC

Bryant/Payne/Day & Night			
398AAW*	398AAV	398BAZ	490AAV
398AAZ	350MAV	320AAZ	PG9MAA
399AAW*	340AAV	321AAZ	PG9MAB
399AAZ	350AAV	355MAV	355CAV
399AAV	351DAS	355AAV	340MAV
345MAV	355BAV	352MAV	398BAW*
352AAV			

*Note: On model numbers 58SX, 58DX, 58SXB, 398AAW, 399AAW, and 398BAW only those with serial numbers 89 or higher in the third and fourth position (i.e. xx89xxxxxx) are included in the settlement.

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4. What is a high efficiency furnace?

High efficiency condensing (or 90+%) furnaces maximize efficiency by using a second heat exchanger to extract more heat from the hot gases through condensation.

5. Why is this a class action?

In a class action one or more people called “Class Representatives” (in this case, Grays Harbor Adventist Christian School, Greg Bogdanovich, Mary Laforest, Bruce Kelly, Mark Neuser, Arlan and Marcia Hinkelmann, Jeff Dougherty, Frank Zinn, Harvey Opaleski, and James Nogosek) sued on behalf of people who have similar claims. All of these people or entities are a “Class” or “Class members.” One court resolves the issues for all Class members, except for those who exclude themselves from the Class.

6. Why is there a settlement?

This lawsuit was “certified” as a class action in the state of Washington and was scheduled to go to trial. However, both sides agreed to a nationwide settlement to avoid the cost and risk of a trial. The settlement does not mean that any law was broken. Carrier denies all of the legal claims in this case. The Court did not decide which side was right. The Class Representatives and the lawyers representing them think the settlement is best for all Class members.

WHO IS IN THE SETTLEMENT?

To see if you are affected or if you can get benefits, you first have to determine if you are a Class member.

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

The lawsuits include current and former owners of Carrier 90+% high efficiency condensing gas furnaces made and sold since January 1, 1989, with a polypropylene-laminated secondary heat exchanger. Former owners are only included if their secondary heat exchanger failed. These furnaces were sold under the brand names “Carrier,” “Bryant,” “Payne,” and “Day & Night.” See the list of models that are included in the lawsuit in Question 3 above.

8. I’m still not sure if I’m included in the settlement.

If you are still not sure whether you are included, you can visit the website www.FurnaceClaims.com, call toll free 1-866-517-2490, or write to Furnace Settlement, PO Box 56636, Jacksonville, FL 32241-6636, for more information.

THE SETTLEMENT BENEFITS—WHAT YOU GET

9. What does the settlement provide?

Carrier will pay up to \$270 to those Class members who had a secondary heat exchanger failure and who were not previously reimbursed by Carrier or one of its dealers or distributors for the labor cost of replacement or provided a credit or allowance on the purchase of a new furnace bought as a result of this

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failure. Carrier will offer an enhanced warranty on secondary heat exchangers in their high efficiency furnaces. Carrier will also provide a technical bulletin to its furnace dealers to help identify furnaces eligible for coverage under the enhanced warranty. More details are in a document called the Settlement Agreement, which is available at www.FurnaceClaims.com.

10. How much will my payment be if I had a secondary heat exchanger failure?

The amount of money you may be eligible to receive depends on the number of years you had your furnace before the secondary heat exchanger failure. You may be eligible to receive \$270 if your furnace had a secondary heat exchanger failure within the first 13 years after you bought it. If the secondary heat exchanger failure occurred between 14 and 20 years after you bought the furnace you may be eligible to receive a reduced payment as follows:

Years	% Reduction	Amount
14	10	\$243.00
15	10	\$216.00
16	10	\$189.00
17	10	\$162.00
18	10	\$135.00
19	5	\$121.50
20	5	\$108.00

You are not eligible to receive this payment if you were reimbursed by Carrier for the labor cost of replacing the secondary heat exchanger, or if you received from Carrier a credit or trade-in allowance for a new furnace purchased as a result of the secondary heat exchanger failure.

11. What is included in the enhanced warranty?

The enhanced warranty will cover all parts and labor required for a Carrier-authorized technician to repair or replace the secondary heat exchanger and associated parts for 20 years from the date of installation. At the conclusion of the 20-year enhanced warranty period, the original purchasers of the furnace shall retain their rights under the original warranty. To find an authorized Carrier or Bryant dealer, go to www.residential.carrier.com/dealers/locator.shtml, or www.bryant.com/dealers/locator.shtml.

12. What if I don't want my secondary heat exchanger repaired or replaced?

Class members who experience a secondary heat exchanger failure in the future may also receive a credit toward the purchase of certain Carrier heating or cooling products that have a minimum retail price of \$1250. The amount of the credit will be no less than the cost of four hours of labor (based on the local rate as registered with Carrier at the time of credit) plus the value of the secondary heat exchanger and associated parts.

13. What am I giving up in exchange for the settlement benefits?

If the settlement becomes final, Class members will be releasing Carrier for all the claims described and identified in Section VII(A) of the Settlement Agreement. The Settlement Agreement is available at www.FurnaceClaims.com. The Settlement Agreement describes the released claims with specific descriptions, in necessarily accurate legal terminology, so read it carefully. You can talk to one of the

lawyers listed below for free or you can, of course, talk to your own lawyer if you have questions about the released claims or what they mean.

HOW TO GET BENEFITS

14. How can I get benefits?

You do not have to do anything to receive the enhanced warranty. However, to request a payment for a secondary heat exchanger failure you must complete and submit a claim form. You may fill out and submit a claim form online at www.FurnaceClaims.com. The claim form describes what you must provide to prove your claim and receive a payment. Please read the instructions carefully, fill out the claim form and submit it online or mail it postmarked no later than **August 1, 2008** to:

Furnace Claims
PO Box 56636
Jacksonville, FL 32241-6636

15. When will I get my benefits?

The enhanced warranty benefits will start upon “final approval” of the settlement by the Court. Payments for past secondary heat exchanger failures will be mailed to Class members who send in valid claim forms on time, after the Court grants final approval of the settlement, and any appeals are resolved. If Judge Leighton gives final approval to the settlement after a hearing on **April 22, 2008** (see the section “The Court’s Fairness Hearing” below), there may be appeals. Resolving these appeals can take time. Please be patient.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep the right to start your own lawsuit against Carrier over the legal issues in this case, then you must take steps to get out of the settlement. This is called asking to be excluded from—sometimes called “opting out” of—the Class.

16. If I exclude myself, can I get anything from the settlement?

No. If you ask to be excluded, you will not get any benefits, and you cannot object to the settlement. But you may sue, continue to sue, or be part of a different lawsuit against Carrier in the future. You will not be bound by anything that happens in this lawsuit, but you will keep your original warranty rights.

17. If I don’t exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue Carrier for the claims that this settlement resolves. You must exclude yourself from *this* Class to start your own lawsuit.

18. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail saying that you want to be excluded from the Class in *Grays Harbor Adventist Christian School v. Carrier Corporation*. Be sure to

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include your name, address, and your signature. You can't ask to be excluded on the phone or at the website. Your exclusion request must be postmarked or received no later than **March 21, 2008** to:

Furnace Exclusions
PO Box 56636
Jacksonville, FL 32241-6636

19. What about the other notice I saw in Washington?

A statewide notice program began in September 2007 in Washington state when this case was scheduled to go to trial. Now that there is a settlement, anyone who excluded themselves from the Class in that lawsuit will be given an opportunity to withdraw their exclusion request and ask to participate in this settlement. However, if you already excluded yourself, and you wish to remain excluded, you do not have to exclude yourself again.

THE LAWYERS REPRESENTING YOU

20. Do I have a lawyer in the case?

The Court has appointed the law firms of Tousley Brain Stephens PLLC of Seattle, Washington; Lieff, Cabraser, Heimann & Bernstein, LLP of New York, New York; Cullen Weston Pines & Bach LLP of Madison, Wisconsin; and Heins Mills & Olson, P.L.C. of Minneapolis, Minnesota, to represent you and other Class members as "Class Counsel." You will not be charged for these lawyers. If you want to be represented by another lawyer, you may hire one to appear in Court for you at your own expense.

21. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees, costs and expenses for all of the lawyers representing Class members, of up to \$9,950,000. Class Counsel will also ask for a payment of \$3,500 for each Class Representative, who helped the lawyers on behalf of the whole Class. The Court may award less than these amounts. These payments will not reduce the amount distributed to Class members.

OBJECTING TO THE SETTLEMENT

You can tell the Court if you don't agree with the settlement or some part of it.

22. How do I tell the Court if I don't like the settlement?

You can object to the settlement if you don't like some part of it. You must give reasons why you think the Court should not approve the settlement. To object, send a letter saying that you object to the proposed settlement in *Grays Harbor Adventist Christian School v. Carrier Corporation* and mention the case number (CV05-5437). Be sure to include your name, address, telephone number, your signature, the reasons why you object to the settlement, all documents you want the Court to consider, and indicate whether you or your attorney will appear at the fairness hearing (see the section on the "Court's Fairness Hearing" below). Mail the objection to these two different places so that it is postmarked or received no later than **March 21, 2008**:

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COURT	SETTLEMENT ADMINISTRATOR
Clerk of Court 3100 United States Courthouse 1717 Pacific Avenue Tacoma, WA 98402	Furnace Objections PO Box 56636 Jacksonville, FL 32241-6636

23. What's the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. If you file an objection on time you may attend and you may ask to speak, but you don't have to.

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

The Court will hold a Fairness Hearing at 9:00 a.m. on **April 22, 2008**, at the United States District Court for the Western District of Washington, Union Station Courthouse, 1717 Pacific Avenue, Tacoma, Washington. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check www.FurnaceClaims.com. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Leighton will only listen to people who have asked to speak at the hearing (see Questions 22 and 26). The Court will also consider how much to pay the lawyers representing Class members. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

25. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge Leighton 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 another lawyer to attend, but it's not required.

26. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intent to Appear in *Grays Harbor v. Carrier Corporation*." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intent to Appear must be postmarked or received no later than **March 21, 2008**, and must be sent to the addresses listed in Question 22. You cannot speak at the hearing if you excluded yourself from the Class.

IF YOU DO NOTHING

27. What happens if I do nothing at all?

If you are a Class member and do nothing, you will not get a cash payment from this settlement, although you will receive the enhanced warranty on the secondary heat exchanger. And, unless you exclude yourself, you won't be able to start a lawsuit, or be part of any other lawsuit against Carrier about the claims in this case, ever again.

GETTING MORE INFORMATION

28. How do I get more information?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement which is available at www.FurnaceClaims.com. You may also call 1-866-517-2490 or write with questions to Furnace Settlement, PO Box 56636, Jacksonville, FL 32241-6636. You may also fill out and submit a claim form at the website.