

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ILLINOIS

LEGAL NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

A Federal Court has authorized this Notice.

- This notice informs you of a proposed settlement of a class action lawsuit against HMI Industries, Inc. (“HMI”), which manufactures Filterqueen® brand products. This notice affects your legal rights. Please read it carefully.
- The purpose of this Notice is to advise you of a proposed settlement of the Lawsuit (the “Settlement”) and to summarize the rights you have with respect to the Settlement.
- If you do not opt-out of the Settlement, and it is approved by the Court, you will automatically receive a \$300.00 voucher to purchase HMI Filtration Products in the future. No action is required to receive this voucher. If you would rather receive cash, you may file a claim on or before **July 16, 2019**, and you will receive a \$100.00 check in lieu of the voucher.
- The settlement avoids costs and risks from continuing the lawsuit; provides vouchers or money to participating Class Members; stops HMI’s use of scratch card programs to gain entry into consumers’ homes to sell products; and releases the defendants from liability.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	Receive a \$300.00 voucher to purchase HMI Filtration Products (not including any machines or devices). You will remain in the Class and be subject to the Settlement Agreement.
SUBMIT A CLAIM FORM	Receive a check for \$100.00 in lieu of the voucher. You will remain in the Class and be subject to the Settlement Agreement.
EXCLUDE YOURSELF	Opt-out and get no vouchers or payment. If you exclude yourself, you will not be subject to the Settlement Agreement.
OBJECT	Write to the Court about why you don’t like the settlement. You will remain a part of the Class and will be entitled to either voucher, or payment by timely submitting a claim form, if the Settlement Agreement is approved by the Court. If you object, you may be able to appear in Court about your objection.

- These rights and options, **and the deadlines to exercise them**, are explained in this notice.
- The Court still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after appeals (if there are any) are resolved.

1. Why did I receive notice of the proposed settlement?

You previously received notice of the pendency of the class action lawsuit against HMI, and you did not opt to exclude yourself from participation in the Lawsuit. A settlement has now been reached in the Lawsuit. This notice explains the terms of the settlement and explains your options. If you have received this notice, you are automatically part of the settlement, unless you choose to opt-out pursuant to the opt-out procedures described below.

2. What is this lawsuit about?

Plaintiff Sabra Rench (“Plaintiff”) brought a Class Action Complaint against HMI Industries, Inc. (“HMI”), A-1 Allergy Relief, Inc. (“A-1”), and TD Bank, N.A. (“TD”), alleging that Defendants’ advertising and in-home sale practices violated several state and federal laws. Plaintiff’s claims against HMI arise out of HMI’s development and utilization of allegedly deceptive promotional scratch cards that allowed HMI’s network of distributors to gain entry into consumers’ homes to sell products, such as vacuum cleaners and air filters. TD previously settled and was dismissed from the Lawsuit. The Lawsuit, *Rench v. TD Bank, N.A. et al*, is pending in the United States District Court for the Southern District of Illinois, Case No. 3:13-cv-00922-SMY-RJD.

HMI denies these claims and has asserted numerous defenses to the Lawsuit. This Notice is not an admission by HMI that the claims asserted by Plaintiff in this case are valid, or that there has been any wrongdoing or violation of law. A more detailed statement of the claims and defenses can be found in the Settlement Agreement and the documents provided on the Settlement Website (www.HMIsettlement.com).

3. Why is this a class action?

If the Court certifies a class action, one or more people called class representatives may represent people who have similar claims. All these people are a class or class members. One court resolves the issues for all class members, except for those who exclude themselves from the class. **United States District Judge Staci M. Yandle is in charge of this class action.** By order dated January 2, 2018, the Court certified the following classes of individuals (the “Class” or “Classes”):

- I. All individuals in the United States who, between September 9, 2009 and January 2, 2018, (a) received in the mail a promotional sweepstakes “scratcher” ticket identifying A-1 Allergy Relief, Inc. and/or Simple Air Solutions and not identifying HMI Industries, Inc.; **and** (b) purchased a Filter Queen product.
- II. All individuals in the State of Illinois who between September 9, 2009 and January 2, 2018, (a) received in the mail a promotional sweepstakes “scratcher” ticket that does not identify HMI Industries, Inc.; **and** (b) purchased a Filter Queen product.

The Court appointed Plaintiff as the representative of the Class, and the law firm of Goldenberg Heller & Antognoli, P.C. (“Class Counsel”) to represent the Class.

4. Why is there a settlement?

The lawsuit was filed in 2013, and the Court has not decided in favor of Plaintiff or the Defendants. Prior to the settlement, HMI filed a Motion for Summary Judgment arguing that the claims of Plaintiff and the Class fail as a matter of law. Plaintiff similarly filed a Motion for Partial Summary Judgment arguing that certain claims of the class should prevail as a matter of law. The Court has not ruled on the merits of these Motions for Summary Judgment, and has not otherwise ruled on the merits of Plaintiff's claims or on the denials or other defenses asserted by HMI. There has not yet been a trial in this matter. Instead, both sides have agreed to a settlement. That way they avoid the cost and uncertainty of a trial and the Class Members will get compensation. Class Counsel also reviewed certain financial information about HMI casting doubt on HMI's ability to satisfy an adverse judgment in the Lawsuit. The Class Representatives and Class Counsel think the settlement is a favorable result for all Class Members.

5. Additional Information

Additional information about the case, including the Settlement Agreement, orders of the Court, selected pleadings, important deadlines, and a Claim Form, may be viewed at the following website: www.HMIsettlement.com (the "Settlement Website").

All papers publicly filed in this case are available for you to inspect and copy during regular business hours at the office of the Clerk of the Court, United States District Court for the Southern District of Illinois, 750 Missouri Avenue, East St. Louis, Illinois.

6. What does the settlement provide?

As part of the Settlement, HMI has agreed to:

- End its use of, or participation with, scratch card programs; and
- Provide all Class Members with a \$300 voucher for HMI Filtration Products, unless the Class Member elects to receive a \$100 cash payment from HMI in lieu of the voucher.

7. What are my options?

You have the choice of participating in the settlement (by either **doing nothing** or **filing a claim**), **excluding yourself** from the settlement, or **objecting** to the settlement. Each choice has risks and consequences. Please review a list of your options below.

8. Do Nothing/Receive a \$300 Voucher

If you do nothing, you will participate in the settlement and you will receive a \$300.00 voucher (the "Voucher") redeemable for HMI Filtration Products. By doing nothing, you will be bound by the terms of the settlement and will release certain claims against HMI and A-1.

9. Submit a Claim/Receive a \$100 Cash Payment

If you submit a Claim Form on or before **July 16, 2019**, you will participate in the settlement and receive a \$100 cash payment (the “Cash Award”) in lieu of the Voucher. You will be bound by the terms of the settlement and will release certain claims against HMI and A-1.

The Claim Form is attached to this Notice and is also available on the Settlement Website. You may submit the Claim Form in any of the following ways:

- A.** You may mail or email the completed Claim Form to the Settlement Administrator at the following address:

Rench v HMI Class Action #8086
C/O Atticus Administration LLC
PO Box 1440
Minneapolis, MN 55440
HMISettlement@AtticusAdmin.com

- B.** You may complete and submit the Claim Form online via the Settlement Website located at the following web address: www.HMIsettlement.com

10. Exclude Yourself

You may exclude yourself from the settlement for any reason. If you exclude yourself, you will receive neither the Voucher nor the Cash Award. You will not release HMI or A-1 and will retain the right to pursue claims against them.

If you wish to exclude yourself, you must notify the Settlement Administrator in writing that you want to be excluded (a “Request for Exclusion”). Be sure to include your name, address, telephone number, and your signature. You must submit your Request for Exclusion by mail or email postmarked on or before **July 16, 2019**, to:

Rench v HMI Class Action #8086
C/O Atticus Administration LLC
PO Box 1440
Minneapolis, MN 55440
HMISettlement@AtticusAdmin.com

11. Object to the Settlement

If you do not request to be excluded from the settlement, you may object to the terms of the settlement, Class Counsel’s requests for Attorneys’ Fees, Costs, and/or the request for the Incentive Award. If you object and the settlement is approved, and you fail to submit a timely valid request to be excluded, you will not be able to assert your own claims related to the matters released through the settlement, and you will be bound by the final judgment and release and all

Orders entered by the Court. You may, but need not, enter an appearance through counsel of your choice. If you do, you will be responsible for your own attorney's fees and costs.

If you wish to assert an objection, you must file any such objection with the Court, and provide copies to Class Counsel and Defendant's Counsel at the addresses listed in Sections 15 and 16 below on or before **July 16, 2019**.

The objection must include: (i) the objector's name, address, and telephone number; (ii) the name of this Action and the case number; (iii) a statement of each objection; (iv) a written brief detailing the specific basis for each objection, including any legal and factual support the objector wishes to bring to the Court's attention and any evidence the objector wishes to introduce in support of the objection; (v) a detailed list of any other objections submitted by the Class Member, or his/her counsel, to any class actions submitted in any court, whether state or otherwise, in the United States in the previous five (5) years, and, if the Class Member or his/her counsel has not objected to any other class action settlement in any court in the United States in the previous five (5) years, he/she shall affirmatively state so in the written materials provided in connection with the objection; (vi) the dates between the time the objection is filed and the date of the Final Approval Hearing when the objector is available for deposition by counsel for the Parties in the Southern District of Illinois; and (vii) a statement as to whether you intend to appear at the Final Approval Hearing, either individually or through counsel. If the objection is made through an attorney, the written objection must also include the identity of the Class Member represented by objector's counsel. No objection may be made on behalf of a group of Class Members.

Class Members who do not timely make their objections in this manner will be deemed to have waived all objections and shall not be heard or have the right to appeal approval of the Settlement.

12. 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 participate in the settlement. Excluding yourself is telling the Court that you don't want to be part of the settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

13. What if you submit a Request for Exclusion and a Claim Form?

If you submit both a Request for Exclusion and a Claim Form, the Request for Exclusion will be deemed invalid and you will participate in the settlement and receive the Cash Award.

14. When will I get my payment?

If you participate in the settlement by doing nothing or submitting a Claim Form, the \$300 Voucher or \$100 check will be mailed to you following the Court's Final Approval of the settlement and the exhaustion of any appeals.

15. Do I have a lawyer in this case?

The Court has appointed the following lawyers to represent you and other Class Members. These lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

GOLDENBERG HELLER & ANTOGNOLI, P.C.

Mark C. Goldenberg
Thomas P. Rosenfeld
Kevin P. Green
2227 South State Route 157
Edwardsville, IL 62025

16. Who are HMI's Lawyers?

HMI is represented by Shipman & Wright, LLP, 575 Military Cutoff Road, Suite 106, Wilmington, NC 28405

17. How will the lawyers for the Class be paid?

Class Counsel has pursued the Lawsuit on behalf of the Plaintiff and the Class for over five (5) years on a contingent basis and has not received any payment of fees or any reimbursement of their out-of-pocket expenses related to the recovery on behalf of the Class. Class Counsel will ask the Court for attorneys' fees, Class Notice expenses advanced by Class Counsel, and other costs incurred in the Lawsuit (the "Fee Award"). Class Counsel will also petition the Court for an incentive award (the "Incentive Award") to compensate Plaintiff for her time and effort in pursuing the Lawsuit. Class Counsel's application for the Fee and Incentive Awards will be filed with the Court on or before June 17, 2019, and posted on the Settlement Website. The Fee Award and Incentive Award must be approved by the Court. As part of the Settlement, HMI has agreed to pay the lesser of \$200,000.00 or the amount of the Fee Award and Incentive Award approved by the Court. This amount will not reduce the payments available for Class Members.

In addition, the Court entered a Sanction Order on July 25, 2016 (the "Sanction Order"), requiring HMI to pay certain attorneys' fees and costs incurred by Class Counsel as a result of HMI's failure to comply with the rules governing discovery during the Lawsuit. As part of the Settlement, HMI has agreed to pay \$150,000.00 to Class Counsel in full and final satisfaction of the Sanction Order. This amount will not reduce the payments available for Class Members.

18. Court approval of the Settlement

The Court must approve the Settlement. As part of the approval process, the Court will conduct a Final Approval Hearing on **August 28, 2019**, at 1:30 p.m., at the United States District Court for the Southern District of Illinois, 301 West Main Street, Benton, IL 62812, to decide whether the Settlement is fair, reasonable, adequate, and should be approved and, if so, to determine the amount

of the Fee Award and Incentive Award. The time and date of the Final Approval Hearing may be changed without further notice. Please check the Settlement Website for any date changes.

If the Court approves the proposed Settlement, it will enter a judgment that will serve as a final judgment of the claims against HMI raised in the Lawsuit, and which will be binding on all Class Members who do not opt-out. Unless you exclude yourself, you will be bound by the release set forth in the Settlement Agreement. This means you can't sue, continue to sue, or be part of any other lawsuit against HMI or A-1 about the legal issues related to this case. It also means that all of the Court's orders will apply to you and legally bind you.

If the Court does not approve the proposed Settlement, the Lawsuit will proceed as if no settlement has been attempted. In that event, there is no assurance that the Classes will not be decertified and/or recover more or less than is provided for in this Settlement or, indeed, anything.

19. Do I have to come to the hearing?

No. Class Counsel will answer questions the Judge may have. But, you are welcome to come at your own expense. If you send an objection, you may, but 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. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details can be found in the Settlement Agreement and other documents that can be found on the Settlement Website. If you have questions concerning this notice that are not answered by the website you may also call (888) 334-1443 toll free or write to Class Action Settlement Administrator, Rench v HMI Class Action #8086, c/o Atticus Administration LLC, PO Box 1440, Minneapolis, MN 55440, or email to HMISettlement@AtticusAdmin.com.

*****NO INQUIRIES SHOULD BE DIRECTED TO THE CLERK OF THE COURT
OR TO THE JUDGE*****

Dated: April 24, 2019

BY ORDER OF THE COURT
Clerk of the Court