

**UNDER A CLASS ACTION**

**YOU MAY BE ELIGIBLE TO RECEIVE A MINIMUM PAYMENT OF**

**\$1,500, OR UP TO \$6,000 .**

If You:

1. Suffered a property loss as the result of tree roots blocking and/or interacting with water lines and/or sewer lines during the Class Period - February 11, 1999 through February 11, 2003;
2. Were insured under a Pennsylvania homeowners' insurance policy issued by Nationwide covering the property that suffered the loss and in effect at the time of the loss; and
3. Were denied, not offered and/or never received payment under the policy for the property loss, or a portion of the loss.

What you need to do:

1. Please read the enclosed CLASS NOTICE and CLAIM FORM carefully.
2. Complete the CLAIM FORM to the best of your ability and send to Zuri and Cenci v. Nationwide, c/o Strategic Claims Services, 600 North Jackson Street, Suite 3, Media, PA 19063, no later than February 27, 2012.
3. Elect the relief you are seeking.
4. Send with your CLAIM FORM the documentation described at the bottom of the CLAIM FORM under the heading "CLAIM DOCUMENTATION."

**Detailed instructions and information about the Lawsuit are in the enclosed CLASS NOTICE and CLAIM FORM.**



IN THE COURT OF COMMON PLEAS  
ALLEGHENY COUNTY, PENNSYLVANIA

DIANE M. ZURI and JOHN F. CENCI,  
individually and on behalf of all others  
similarly situated,

CLASS ACTION

Plaintiffs,  
v.

GD No. 03-2763  
GD No. 01-6186

NATIONWIDE MUTUAL FIRE INSURANCE  
COMPANY, et. al,

Defendants.

CLASS NOTICE

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND FAIRNESS HEARING**

**IF YOU (i) SUFFERED A PROPERTY LOSS AS THE RESULT OF TREE ROOTS BLOCKING AND/OR INTERACTING WITH WATER LINES AND/OR SEWER LINES DURING THE CLASS PERIOD,<sup>1</sup> (ii) WERE INSURED UNDER A PENNSYLVANIA HOMEOWNERS INSURANCE POLICY ISSUED BY NATIONWIDE<sup>2</sup> COVERING THE SUBJECT PROPERTY AND IN EFFECT AT THE TIME OF THE LOSS; AND (iii) WERE DENIED, NOT OFFERED AND/OR NEVER RECEIVED PAYMENT UNDER THE POLICY FOR THE PROPERTY LOSS, OR A PORTION OF THE LOSS, THIS PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS WHETHER YOU ACT OR DON'T ACT.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Submit a Claim Form	The only way to get a payment. <b>Claim Forms must be postmarked no later than February 27, 2012.</b>
Exclude Yourself	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Nationwide about the legal claims in this case. <b>Requests for Exclusion must be postmarked no later than December 12, 2011.</b>
Object	Write to the Court about what you do not like about the settlement. <b>Objections must be postmarked no later than December 12, 2011.</b>
Go to a Hearing	Ask to speak in Court about the fairness of the settlement. <b>Notices of your intent to appear at the Fairness Hearing must be postmarked no later than December 12, 2011.</b>
Do Nothing	Get no payment. Give up rights.

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

<sup>1</sup> The "Class Period" means the period from February 11, 1999 through February 11, 2003.

<sup>2</sup> "Nationwide" means Nationwide Mutual Fire Insurance Company, Nationwide Mutual Insurance Company, Nationwide Assurance Company, Nationwide Property and Casualty Insurance Company, Nationwide General Insurance Company and Scottsdale Insurance Company and each of their respective present and former officers, directors, employees, insureds, agents, contractors, attorneys, insurers, trustees, representatives, predecessors, successors, parent companies, divisions, subsidiaries, affiliates, and assigns, and/or anyone acting or purporting to act for them or on their behalf.

## **BASIC INFORMATION**

### **WHY DID I GET THIS NOTICE?**

During the Class Period, you or someone in your family may have (i) suffered a property loss caused by tree roots blocking and/or interacting with water lines and/or sewage lines, (ii) been insured under a Pennsylvania homeowners insurance policy issued by Nationwide covering the subject property and in effect at the time of the loss; and (iii) been denied, not offered and/or never received payment under the policy for the property loss, or a portion of the loss.

The Court directed that you be sent this Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves the settlement and after any objections and appeals are resolved, a neutral administrator (the "Class Administrator") approved by the Court will make the payments that the settlement allows.

The Court in charge of the case is the Court of Common Pleas for Allegheny County, Pennsylvania, and the case is known as *Diane M. Zuri and John F. Cenci v. Nationwide Mutual Fire Insurance Company*, Case No. 2003 - CV - 2763 (hereinafter the "Lawsuit"). The people who sued are called Plaintiffs, and the companies they sued, Nationwide, are called the Defendants.

### **WHAT IS THIS LAWSUIT ABOUT?**

The Lawsuit claims that Nationwide improperly denied, or failed to provide coverage benefits under its homeowners policies, for damages suffered by the Settlement Class as a result of tree roots blocking and/or interacting with water lines and/or sewer lines. Nationwide denies these claims and denies any wrongdoing. The Court has made no ruling on the merits of the claims or defenses made in the Lawsuit.

The Court has preliminarily approved this Lawsuit to proceed as a class action for settlement purposes only. If the settlement is not approved, the Court will have to decide whether this Lawsuit should be treated as a class action for the purpose of addressing the merits and trying the Lawsuit.

### **WHY IS THIS A CLASS ACTION?**

In a class action, one or more people called class representatives sue on behalf of people who they believe have similar claims. All of 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. In the Lawsuit, the "Class Representatives" are the named Plaintiffs, *Diane M. Zuri and John F. Cenci*. This Lawsuit is being presided over by Judge R. Stanton Wettick, Jr., Judge of the Court of Common Pleas for Allegheny County, Pennsylvania (referred to in this notice as the "Court").

### **WHY IS THERE A SETTLEMENT?**

Both sides believe their claims or defenses would have won in this Lawsuit. However, the Court has not decided in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way, they and the Settlement Class Members avoid the risk, delay, and expense of continuing the Lawsuit, and the Settlement Class Members will be eligible to receive compensation. The Plaintiffs, on their own behalf and on behalf of all Settlement Class Members, have entered into a "Settlement Agreement" with Nationwide, which has been preliminarily approved by the Court. The Class Representatives and Class Counsel think the settlement is best for all Settlement Class Members. This Notice summarizes the terms of the Settlement Agreement, your rights and obligations under the Settlement Agreement, and the process by which the Court will determine whether or not to enter a final approval of the Settlement Agreement.

## **CAN I FILE MY OWN LAWSUIT OR DEMAND?**

No, unless you follow the procedures set forth in this Notice to submit a request for exclusion from the Settlement Class. As part of the Court's preliminary approval of the proposed settlement, entered on September 15, 2011, the Court issued the following preliminary injunction/stay order:

20. All Settlement Class Members are hereby preliminarily enjoined from filing, commencing, prosecuting, continuing to prosecute, intervening in or participating in (as class members or otherwise) any lawsuit, claim, declaratory action, demand or proceeding in any state or federal court or other forum against Nationwide relating to or arising from the claims, transactions, or occurrences alleged in this action and/or the Released Claims as defined in the Settlement Agreement (the "Stay Order"). Accordingly, the scope of this Stay Order includes any claims relating to or arising out of claims for coverage benefits under Nationwide's homeowners policies, or for damages suffered by the Settlement Class, as a result of tree roots blocking and/or interacting with water lines and/or sewage lines, occurring from February 11, 1999 through February 11, 2003. The statute of limitations and all other time limits shall be tolled during this injunction period.

21. The Stay Order shall expire ten business days after the deadline for submitting Requests for Exclusion as to any Settlement Class Member that submits a timely, written request for exclusion from the Settlement Class complying with the Order and this Class Notice.

All Settlement Class Members are subject to the Stay Order and cannot independently prosecute claims except as allowed by the Court.

## **WHO IS COVERED BY THE SETTLEMENT**

### **HOW DO I KNOW IF I AM COVERED BY THE SETTLEMENT?**

You are member of the "Settlement Class" covered by the settlement if you fall within the following class definition adopted by the Court:

All homeowners who (i) suffered a property loss during the Class Period caused by tree roots blocking and/or interacting with water lines and/or sewage lines, (ii) were insured under a Pennsylvania homeowners insurance policy issued by Nationwide covering the subject property and in effect at the time of the loss; and (iii) were denied, not offered and/or never received payment under the policy for the property loss, or a portion of the loss.

Excluded from the Settlement Class is Nationwide, any entities in which Nationwide has a controlling interest, and all of their legal representatives, heirs and successors. Also excluded are any claims resolved and/or discharged or released prior to September 15, 2011.

A search of Nationwide's records identified you as potentially a member of the Settlement Class. If you are a member of the Settlement Class, unless you exclude yourself from the Settlement Class, you will be deemed to be a "Settlement Class Member" and subject to the settlement.

## **THE SETTLEMENT BENEFITS – WHAT YOU GET**

Settlement Class Members who do not submit a timely and complete request for exclusion from the Settlement Class will be eligible to receive the following Settlement Relief by submitting a timely and properly completed claim form (and any Claim Documentation<sup>3</sup> which they have in their possession) in conformance with the instructions and procedures set forth in this Notice. A separate claim form must be submitted for each separate insurance claim for which Settlement Relief is sought.

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<sup>3</sup>"Claim Documentation" means copies of all written documents, materials, receipts or other information or communications arising from the claim and/or accident identified in a Settlement Class Member's claim form.

Your completed claim form must be submitted to the Class Administrator at Zuri and Cenci v. Nationwide, c/o Strategic Claims Services, 600 North Jackson Street, Suite 3, Media, PA 19063, sent by First Class Mail, postage prepaid, postmarked no later than February 27, 2012.

- **Settlement Relief.** Settlement Class Members who timely submit a completed and signed claim form (together with any Claim Documentation which they have in their possession) will be eligible for one of two forms of Settlement Relief:
  - **General Relief.** In lieu of other Settlement Relief, Class Members who (a) timely submit a completed and signed claim form attesting that they (i) suffered a property loss during the Class Period caused by tree roots blocking and/or interacting with water lines and/or sewage lines; (ii) were insured under a Pennsylvania homeowner's policy issued by Nationwide covering the subject property and in effect at the time of the property loss, and (iii) submitted a claim for the property loss which was denied by Nationwide, or did not submit a claim for the property loss because Nationwide represented that their property loss claim would be denied under the policy; and (b) submit with their signed claim form written documentation establishing that the property loss occurred, will be eligible to receive a General Relief Payment without being required to provide further evidence of the amount of the property loss. The General Relief Payment will be \$1,500; or
  - **Actual Tree Root Expense Relief.** In lieu of General Relief, Class Members who (a) timely submit a completed and signed Claim form attesting that they (i) suffered a property loss during the Class Period caused by tree roots blocking and/or interacting with water lines and/or sewage lines; (ii) were insured under a Pennsylvania homeowners policy issued by Nationwide and in effect at the time of the property loss, and (iii) submitted a claim for the property loss which was denied by Nationwide, or did not submit a claim for the property loss because Nationwide represented that their property loss claim would be denied under the policy; and (b) submit with their signed claim form written documentation establishing that the property loss occurred and further establishing the amount of each item of expense incurred, will be eligible to receive an Actual Tree Root Expense Payment. The Actual Tree Root Expense Relief Payment will be 66 2/3% of the expenses incurred, up to a maximum payment of \$6,000.

Any disputes regarding whether a payment is owed on a claim and/or the amount of a payment on a claim will initially be negotiated among Class Counsel and Nationwide (through its counsel). If an agreement cannot be reached, the parties will submit the disputed claim to a neutral arbitrator. The decision of the neutral arbitrator shall be final and binding upon the parties.

No interest, costs, attorneys' fees or other extra-contractual payments, except as expressly provided for in the Settlement Agreement, shall be payable with respect to any Settlement Relief payment, and Settlement Class Members waive any claim to such interest, costs, attorneys' fees, or other extra-contractual payments.

### **RELEASE OF YOUR RIGHTS AND DISMISSAL OF THE LAWSUIT**

**IF YOU DO NOT EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS ACCORDING TO THE STEPS IN THIS NOTICE, YOU WILL BE BOUND BY THE SETTLEMENT, INCLUDING THE RELEASE AND DISMISSAL WITH PREJUDICE, WHETHER OR NOT YOU SUBMIT A CLAIM FORM.**

If the settlement receives final approval from the Court, Plaintiffs and all Settlement Class Members who are not recognized by the Court as excluded from the Settlement Class, and any person claiming through or on behalf of Plaintiffs and all such Settlement Class Members, shall be deemed to have, and by operation of the Final Judgment and Order of Dismissal shall have, fully, finally, and forever released, relinquished and discharged all Released Claims as defined below.

"Released Claims" means any and all claims, actions, demands, lawsuits, rights, liabilities, damages, losses, attorneys' fees, interest, expenses, costs and causes of action, whether accrued or unaccrued, known or unknown, fixed or contingent, including without limitation extra contractual damages, damages at law or in equity, or penalties of any kind or description which now exist or heretofore existed, by or on behalf of any Settlement Class Member against Nationwide, which have been or could have been asserted in the Lawsuit or another proceeding relating to, arising out of, or in connection with claims for property damage as a result of tree roots blocking or interacting with water/sewage line(s).

## **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want Settlement Relief from this settlement, but you want to keep the right to sue Nationwide, on your own, about the legal issues released and dismissed by this settlement, then you must take steps to get out. This is called excluding yourself – or is sometimes referred to as “opting out” of the Settlement Class.

To exclude yourself from the Settlement Class, you must make your request in writing. A request for exclusion must contain the following: (1) a prominent identifying reference to the case as follows "*Zuri v. Nationwide, Case No. 2003 – CV – 2763*;" (2) your name; (3) the applicable Nationwide policy number; (4) your address; (5) an expression of your desire to opt out or be excluded from the Settlement Class; and (6) your signature or the signature of an authorized representative. A separate request for exclusion must be submitted for each Settlement Class Member who wants to be excluded from the settlement.

**Your written request for exclusion must be sent by First Class Mail, postage prepaid, and postmarked no later than December 12, 2011, and must be addressed to the Court-appointed Class Administrator at: Zuri and Cenci v. Nationwide, c/o Strategic Claims Services, 600 North Jackson Street, Suite 3, Media, PA 19063.**

**If you do not comply with these procedures within the deadline for requesting exclusion set forth above, you will lose any opportunity to exclude yourself from the Settlement Class and your rights will be determined by the Settlement Agreement and the Court's orders.**

## **THE LAWYERS REPRESENTING YOU - CLASS COUNSEL**

### **DO I HAVE A LAWYER IN THIS CASE?**

The Court has appointed the law firm of SWENSEN PERER & KONTOS to represent you and the other Settlement 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.

### **HOW WILL THE LAWYERS BE PAID?**

You will not be charged for the services of Class Counsel. As part of the consideration provided to you and the other Settlement Class Members, Nationwide will pay Class Counsel's fees, costs and expenses separate and apart from the Settlement Relief being made available to Settlement Class Members.

Class Counsel will ask the Court to approve payment in the amount of \$2,475,000 to them for attorneys' fees, costs and expenses. Class Counsel will also ask the Court to approve payments of \$24,500 each to Diane M. Zuri and John F. Cenci for their services as Class Representatives. The fees and payments would pay Class Counsel and the Class Representatives for investigating the facts and litigating the Lawsuit, as well as negotiating the settlement and monitoring your rights during approval and administration of the settlement. Nationwide has agreed not to oppose these payments. These amounts will not come out of the funds for payments to Settlement Class Members. The Court may award less than the amount requested.

## **OBJECTING TO THE SETTLEMENT**

### **HOW DO I OBJECT TO THE SETTLEMENT?**

You may remain a member of the Settlement Class and object to the settlement. If you do not exclude yourself from the Settlement Class, you may object to any aspect of the proposed settlement, including final certification of the Settlement Class, the fairness, reasonableness, or adequacy of the proposed settlement, the adequacy of the representation by the Class Representatives or by Class Counsel, or the request of Class Counsel for fees, costs and expenses and awards to the Class Representatives. Each objection must be in writing and include: (1) a prominent identifying reference to the case as follows "*Zuri v. Nationwide, Case No. 2003 – CV – 2763*;" (2) your name; (3) the applicable Nationwide policy number or the last four digits of your social security number or complete Tax I.D. number; (4) your address; (5) a statement of each objection being made; (6) a statement indicating whether you intend to appear at the Fairness Hearing; and (7) a list of witnesses whom you may call by live testimony and copies of any documents or papers that you plan to submit.

**You must file your objection with the Court, and send copies by First Class Mail, postage prepaid, to Class Counsel and counsel for Nationwide postmarked no later than December 12, 2011 as follows:**

Address For Filing With Court

Court of Common Pleas  
Allegheny County, Pennsylvania  
815 City-County Building  
414 Grant Street  
Pittsburgh, PA 15219

Class Counsel

Alan Perer, Esq.  
Swensen Perer & Kontos.  
One Oxford Centre  
Suite 2501  
Pittsburgh, PA 15219

Counsel for Nationwide

John P. Marino, Esq.  
Lindsey R. Trowell, Esq.  
Fowler White Boggs P.A.  
50 North Laura Street  
Suite 2800  
Jacksonville, FL 32202

If you do not comply with these procedures, including the deadline for submitting written objections, you will lose any opportunity to have your objection considered by the Court at the Fairness Hearing or to otherwise contest the approval of the proposed settlement or to appeal from any orders or judgments entered by the Court in connection with the proposed settlement.

**WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING?**

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Settlement Class, and you will be bound as a Settlement Class Member if the Court approves the settlement despite any objections. You may also submit a claim form, even though you objected to the settlement. Excluding yourself from the Settlement Class means that the settlement no longer applies to you, so you cannot receive Settlement Relief or object to the settlement.

**THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to decide whether to finally approve the settlement. You may attend, but you do not have to attend.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?**

The Court will hold a Fairness Hearing at **10:00 a.m. on January 11, 2012, in room 818** at the City County Bldg., 414 Grant Street, Pittsburgh, PA 15229. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Persons who have followed the procedures described below may appear to be heard by the Court. The Court may also decide whether to approve Class Counsel's fees, costs and expenses and awards to the Class Representatives as negotiated in the settlement. After the hearing, the Court will decide whether to approve the settlement. It is not known how long these decisions will take.

**DO I HAVE TO COME TO THE HEARING?**

No. Class Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send a timely and proper objection, the Court will consider it whether or not you attend the hearing. You may also pay your own lawyer to attend, but it is not necessary.

**MAY I SPEAK AT THE HEARING?**

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must notify the Court and parties in writing. The writing must contain: (1) a prominent identifying reference to the case as follows: "*Zuri v. Nationwide*, Case No. 2003 – CV – 2763," and "Notice of Intent to Appear;" (2) your full name, address, telephone number, and signature; and (3) if counsel will appear on your behalf, the counsel's full name, address, telephone number, and bar number.

You must file your Notice of Intent to Appear with the Court, and send copies by First Class Mail, postage prepaid, to Class Counsel and counsel for Nationwide, at the three addresses provided for submitting objections set forth on page 5 of this Notice, no later than December 12, 2011. You cannot speak at the hearing if you excluded yourself from the Settlement Class.

### **WHAT IF I DO NOTHING?**

#### **WHAT HAPPENS IF I DO NOTHING AT ALL?**

If you do nothing, you will get no money from the settlement. But, unless you exclude yourself, you will be bound by the settlement if it is approved by the Court, including the release and dismissal with prejudice.

### **TAX CONSEQUENCES**

The relief described above could have tax consequences for you. Those tax consequences may vary depending upon your individual circumstances. You should consult your own tax advisor regarding any tax consequences of the settlement, including any payments or benefits provided under the settlement, and any tax reporting obligations you may have with respect thereto. The parties make no representations, and assume no responsibility, with respect to any tax consequences that may occur.

### **GETTING MORE INFORMATION**

#### **ARE THERE MORE DETAILS ABOUT THE SETTLEMENT AND HOW DO I GET MORE INFORMATION?**

This notice summarizes the proposed settlement. More details are in a Settlement Agreement. You can get a copy of the Settlement Agreement by writing to the Settlement Administrator or visiting the website below.

You can write to Settlement Administrator: Zuri and Cenci v. Nationwide, c/o Strategic Claims Services, 600 North Jackson Street, Suite 3, Media, PA 19063; or visit the website at [www.strategicclaims.net](http://www.strategicclaims.net), where you will find out about the settlement, documents concerning the settlement, a claim form, plus other information to help you determine whether you are a Settlement Class Member and whether you are eligible for a Settlement Payment.

**PLEASE DO NOT WRITE OR TELEPHONE THE COURT OR NATIONWIDE FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT. ALL INQUIRIES SHOULD BE DIRECTED TO THE CLASS ADMINISTRATOR AS INDICATED ABOVE.**

**HONORABLE R. STANTON WETTICK, JR.  
JUDGE OF THE COURT OF COMMON PLEAS  
ALLEGHENY COUNTY, PENNSYLVANIA**