

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

JOHN HANCOCK LIFE INSURANCE
COMPANY, et al., and all others similarly situated,

Plaintiffs,

v.

GOLDMAN, SACHS & CO., et al.,

Defendants.

C.A. No. 01-10729-RWZ

CLASS ACTION

NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS OR ENTITIES (THE "CLASS") WHO PURCHASED OWENS CORNING'S 7.5% NOTES DUE MAY 1, 2005 (THE "2005 NOTES") (CUSIP: 69073FABA), OWENS CORNING'S 7.7% NOTES DUE MAY 1, 2008 (THE "2008 NOTES") (CUSIP: 69073FACA), AND/OR OWENS CORNING'S 7½% DEBENTURES DUE AUGUST 1, 2018 (THE "2018 DEBENTURES") (CUSIP: 69073FADA) (COLLECTIVELY, THE "DEBT SECURITIES") DURING THE PERIOD BETWEEN APRIL 30, 1998 AND OCTOBER 5, 2000 (THE "CLASS PERIOD") WHOSE PURCHASES WERE PURSUANT TO OR TRACEABLE TO AN OFFERING BY OWENS CORNING OCCURRING ON OR ABOUT APRIL 30, 1998 AND/OR AN OFFERING BY OWENS CORNING OCCURRING ON OR ABOUT JULY 22, 1998.¹

THIS NOTICE IS GIVEN PURSUANT TO RULE 23 OF THE FEDERAL RULES OF CIVIL PROCEDURE AND PURSUANT TO AN ORDER OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS (THE "COURT"), TO INFORM YOU OF THE PENDENCY OF THE ACTION, THE COURT'S DECISION TO CERTIFY A CLASS OF INVESTORS WHO PURCHASED THE OWENS CORNING DEBT SECURITIES DURING THE CLASS PERIOD AS DEFINED ABOVE, THE PROPOSED SETTLEMENT OF THE ACTION, AND YOUR RIGHTS WITH RESPECT TO THE SETTLEMENT.

**THIS NOTICE CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS.
PLEASE READ THE ENTIRE NOTICE CAREFULLY.**

PLEASE TAKE NOTICE:

- (i) that pursuant to an Order of the United States District Court for the District of Massachusetts, the above-captioned action has been certified to proceed as a class action (the "Action") on behalf of the Class;
- (ii) that a proposed settlement (the "Settlement") has been reached between the Class Representatives and the Defendants pursuant to which the Defendants will pay or cause to be paid an aggregate sum of \$19.25 million in cash (the "Settlement Fund") for distribution to the Class in exchange for a release of the claims of the members of the Class (the "Class Members");
- (iii) that a Settlement Hearing will be held on August 9, 2007 at 2:00, p.m. before the Honorable Rya W. Zobel, United States District Judge, at the John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Boston, MA 02210, Courtroom #12, 5th Floor (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine (1) whether the proposed Settlement consisting of \$19.25 million in cash, plus accrued interest, should

¹ Excluded from the class are (A) Defendants; (B) members of the Defendants' families; (C) Owens Corning and any entity that is a part of, or is controlled by, Owens Corning; and (D) the officers, directors, employees, predecessors, successors and assigns of any of the Defendants; but not excluded from the Class are: (i) Persons who would otherwise be excluded solely by reason of having purchased the Debt Securities from any excluded Person, and (ii) Persons who would otherwise be excluded solely by reason of having acquired a beneficial interest in Debt Securities which were purchased by any excluded Person as a nominee or trustee.

"Persons" means an individual, corporation, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, or any business or legal entity, and its heirs, predecessors, successors, representatives, or assignees.

be approved as fair, just, reasonable and adequate to the Class, (2) whether pursuant to the Settlement a final judgment (the "Judgment") should be entered, dismissing with prejudice the claims against the Defendants, (3) whether the proposed plan to distribute the Settlement Fund (the "Plan of Allocation") is fair, reasonable, and adequate and should be approved, and (4) whether the application of Lead Plaintiffs' Counsel for an award of attorneys' fees and for reimbursement of expenses incurred in litigating the Action (the "Fee Application") should be approved;

(iv) that, in order to receive your share of the Net Settlement Fund, you must complete and return the accompanying Proof of Claim and Release form postmarked no later than October 10, 2007.

I
SUMMARY: WHAT IS GOING ON AND WHAT ARE MY OPTIONS?

A What is Going On?

This Action (further described in Section V) has been proceeding on behalf of a class of investors who purchased the Debt Securities during the Class Period. The Court has issued an order certifying the Class in this Action; and a Settlement (as further described in Section VIII) has been reached with the Defendants. The proposed Settlement provides that the Defendants will contribute \$19.25 million to a settlement fund that will be distributed to those Class members who return a valid Proof of Claim and Release form to the Claims Administrator no later than October 10, 2007. Further details concerning completing and returning the Proof of Claim and Release form can be found in Section IX below and in the Proof of Claim and Release form itself.

As further described in Section X below, on August 9, 2007, the Court will hold a Settlement Hearing to determine whether the Settlement and the Plan of Allocation of the Settlement Fund should be approved as fair, just, reasonable and adequate to the Class, whether the Judgment should be entered dismissing the Action with prejudice, and whether the Fee Application should be approved as fair and reasonable.

Following approval of the Settlement and Plan of Allocation and resolution of appeals, if any, the Claims Administrator (The Garden City Group, Inc.) will distribute the Net Settlement Fund (the Settlement Fund less taxes owed, administrative costs and attorneys' fees as awarded by the Court), according to the Plan of Allocation described at the end of this notice, to those Class members who submit valid, timely Proof of Claim and Release forms.

B What Are My Options Now?

If you would like to share in the distribution to the Class of the funds recovered through this Settlement:

COMPLETE THE ACCOMPANYING PROOF OF CLAIM AND RELEASE FORM AND RETURN IT TO THE CLAIMS ADMINISTRATOR POSTMARKED NO LATER THAN October 10, 2007. To claim your share of the Net Settlement Fund, you **must** complete the accompanying Proof of Claim and Release form and return it to the Claims Administrator postmarked no later than October 10, 2007.

If you do not wish to be a member of the Class and you do not wish to share in the benefits of this Settlement:

If you do not wish to be bound by the Settlement of this Action, you must request exclusion from the Class. Excluding yourself from the Class will preserve your legal claims should you wish to pursue them, but will relinquish your right to share in the recovery that this Settlement provides to the Class or in any other recovery obtained on behalf of the Class. In order to request exclusion from the Class, you must mail a written request for exclusion (in the form and manner detailed in Section IX below) postmarked no later than July 10, 2007.

If you would like be included in the Class, but you have an objection to this Settlement:

You may present a written objection (in the form and manner detailed in Section X below and to the parties identified in Section X below) postmarked no later than July 10, 2007.

II INTRODUCTION

This Notice of Pendency and Settlement of Class Action (the "Notice") has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of Massachusetts (the "Court"). The purpose of this Notice is to inform you of the Court's certification of a Class in this Action, of the proposed settlement of the Action pursuant to which the Defendants will pay or cause to be paid an aggregate sum of \$19.25 million in exchange for release of the Class's claims against the Defendants, and of the Settlement Hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, Plan of Allocation, and Lead Plaintiffs' Counsel's application for an award of attorneys' fees and reimbursement of expenses. This Notice describes the rights you may have in connection with this Action and this Settlement, and what steps you may take in relation to this Action and this Settlement.

III STATEMENT OF PLAINTIFFS' RECOVERY

The Settlement will result in the creation of the Settlement Fund and will include interest that accrues on the fund prior to distribution to the Class. Lead Plaintiffs' Counsel estimates that the average recovery will be \$41.25 per \$1,000 face value of Debt Securities before the deduction of attorneys' fees, costs and expenses, as approved by the Court. The Settlement represents approximately 18.2% of the damages that Lead Plaintiffs' Counsel believes would be recoverable if the Class Representatives had prevailed on each claim alleged. Lead Plaintiffs' Counsel and the Defendants do not agree on the amount of damages, if any, that would have been recoverable. The actual recovery per debt security will depend on a variety of factors, including: (1) the number of claims filed; (2) when Class Members purchased the Debt Securities during the Class Period; (3) whether Class Members sold the Debt Securities during the Class Period or held the Debt Securities past the end of the Class Period; (4) administrative costs, including the costs of notice; (5) the number of Class Members who decide to exclude themselves from the Settlement; and (6) the amount awarded by the Court for attorneys' fees, costs and expenses. Distributions to Class Members will be made based on the Plan of Allocation described at the end of this Notice.

IV STATEMENT OF ATTORNEY'S FEES AND EXPENSES SOUGHT

In November 2004, the Court appointed the firm of Kirby McInerney & Squire, LLP ("KMS" or "Lead Plaintiffs' Counsel"), 830 Third Avenue, New York, NY 10022, as Lead Plaintiffs' Counsel to represent Class Members in this Class Action. Prior to November 2004, the firm of Dwyer & Collora, LLP had served as Lead Plaintiffs' Counsel; after substitution of KMS as Lead Plaintiffs' Counsel, Dwyer & Collora continued as liaison counsel. You will not be charged for these lawyers, other than amounts that Lead Plaintiffs' Counsel is awarded by the Court from the Settlement Fund.

To date, Lead Plaintiffs' Counsel has not received any payment for its services in litigating the Action on behalf of the Class Representatives and the Class during the previous four years, and has not been reimbursed for out-of-pocket expenses it incurred in advancing the Action. Lead Plaintiffs' Counsel will apply to the Court for an award of attorneys' fees from the Settlement Fund not to exceed twenty-five percent (25%) of the Settlement Fund, and for reimbursement of expenses of no greater than \$400,000, plus interest on such amounts at the same rate earned by the Settlement Fund (the "Fee Application"). This is the equivalent of an average of \$11.17 per \$1,000 face value of Debt Securities. A portion of the Fee Application in the amount of approximately \$525,000 will be used to reimburse the Class Representatives for legal fees that the Class Representatives paid prior to the appointment of KMS as Lead Plaintiffs' Counsel.

V SUMMARY AND HISTORY OF THE ACTION

The Action was filed on April 27, 2001 in the United States District Court for the District of Massachusetts as a securities class action on behalf of all persons who purchased certain Debt Securities (identified below) issued by Owens Corning ("Owens Corning" or the "Company").

On July 5, 2001, the Class Representatives filed a First Amended Complaint (the "Complaint") for violation of §§ 11, 12(a)(2) and 15 of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. §§ 77k, 77l(a)(2) and 77o. The Complaint is brought on behalf of all persons who purchased, between April 30, 1998 and October 5, 2000, (i) Owens Corning 7.5% Notes due May 1, 2005 (the "2005 Notes"); and/or (ii) Owens Corning 7.7% Notes due May 1, 2008 (the "2008 Notes"); and/or (iii) Owens Corning 7½% Debentures due August 1, 2018 (the "2018 Debentures") (collectively, the "Debt Securities"). The 2005 Notes and the 2008 Notes were issued and sold in an April 30, 1998 Offering (the "April Offering"); the 2018 Debentures were issued and sold in a July 22, 1998 Offering (the "July Offering"). The Complaint

names as defendants the underwriters of the Debt Securities (the “Underwriter Defendants”) and certain of Owens Corning’s directors and officers who signed the registration statements for the Debt Securities (the “Individual Defendants”) (collectively, the “Defendants”).

The Complaint alleges that the registration statements for both the April Offering and the July Offering stated that the Debt Securities were “unsubordinated” and would “rank equally with all other unsecured and unsubordinated indebtedness of the Company.” The Complaint further alleges that, at the time of each debt offering, Owens Corning was indebted to several banks under a long-term revolving Credit Facility (the “Bank Debt”), to which certain of Owens Corning’s subsidiaries were borrowers and guarantors. The Complaint alleges that the registration statements for the April Offering and the July Offering were materially false and misleading. In particular, the Complaint alleges that the registration statements omitted required information concerning: (i) guarantees of the Bank Debt provided by certain subsidiaries of Owens Corning; (ii) the transfer of certain intellectual property rights from Owens Corning to one of its subsidiaries; and (iii) a licensing arrangement between the subsidiary and Owens Corning. The Complaint alleges that, as a consequence, the debt securities are “structurally subordinated” to the Bank Debt and do not “rank equally” with all other unsecured debt of Owens Corning.

Defendants moved to dismiss the Complaint on November 14, 2001. On August 26, 2002, the Court denied Defendants’ motion to dismiss the Complaint. On October 11, 2002, Defendants filed their answer to the Complaint.

On February 28, 2003, the Class Representatives moved for class certification. On March 9, 2004, the Court granted the Class Representatives’ motion for class certification with respect to certain of the class claims asserted in the Complaint, which claims were brought under §§ 11 and 15 of the Securities Act, 15 U.S.C. §§ 77k and 77o.

The parties subsequently engaged in discovery proceedings.

Subsequently, the Class Representatives and Defendants participated in mediation sessions with the Honorable Layn Phillips, a former United States District Court Judge. The Class Representatives and Defendants mediated face-to-face before Judge Phillips on November 2, 2005, and subsequently the Class Representatives and the Underwriter Defendants reached an agreement-in-principle to settle all claims between them. The Class Representatives and the Individual Defendants mediated face-to-face before mediator Jonathan Marks on September 21, 2006, and subsequently reached an agreement to settle all claims between them. These two settlements constitute the Settlement. The efforts that led to the Settlement are set forth in greater detail in the Stipulation and Agreement of Settlement, dated September 19, 2006 between the Class Representatives and the Underwriter Defendants, the Supplemental Stipulation of Settlement dated March 28, 2007 among the Class Representatives, the Underwriter Defendants, and the Individual Defendants, and the Stipulation and Agreement of Settlement between the Class Representatives and the Individual Defendants dated March 28, 2007 (the “Stipulations”). The Settlement provides that the Defendants will pay or cause to be paid, into an escrow account, cash in the amount of nineteen million, two hundred and fifty thousand dollars (\$19,250,000.00) that will earn interest for the benefit of the Class.

VI PLAINTIFFS’ CLAIMS AND BENEFITS OF THE SETTLEMENT

The Class Representatives believe that the claims asserted in the Action have merit. However, the Class Representatives recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against the Defendants through trial and through appeals. The Class Representatives also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Action, as well as the difficulties and delays inherent in such litigation. The Class Representatives also are mindful of the inherent problems of proof and possible defenses to the violations asserted in the Action. The Class Representatives believe that the Settlement confers substantial benefits upon the Class. Based on their evaluation and the evaluation of Lead Plaintiffs’ Counsel, the Class Representatives have determined that the Settlement is in the best interests of the Class Representatives and the Class.

VII THE SETTLING DEFENDANTS’ STATEMENT AND DENIALS OF WRONGDOING AND LIABILITY

The Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Class Representatives in the Action. The Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. The Defendants also have denied and continue to deny, *inter alia*, the allegations that the Class Representatives or the Class have suffered damage, that the price of 2005 Notes, 2008 Notes and/or the 2018 Debentures was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, and that any

such alleged misrepresentations or non-disclosures caused the alleged losses of the Class Representatives or of any Class Member or otherwise caused harm to the Class Representatives or Class Members. The Defendants believe that if the Action did not settle, they would prevail. Nonetheless, the Defendants have concluded that further conduct of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Underwriter Stipulations and the Individual Defendants' Stipulation (the "Stipulations"). The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Action. The Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in the Stipulations.

**VIII
TERMS OF THE PROPOSED SETTLEMENT /
ALLOCATION AND DISTRIBUTION OF SETTLEMENT PROCEEDS**

The Defendants are required to pay into an escrow account, pursuant to the terms of the Settlement, cash in the amount of \$19.25 million, which is to earn interest for the benefit of the Class. If the Settlement is approved by the Court, the Court will enter the Judgment which will dismiss the Action with prejudice. The Judgment will release, discharge, and extinguish all "Released Claims" as set forth in the accompanying Proof of Claim and Release form, and will also release certain claims as between the Underwriter Defendants and the Individual Defendants.

A portion of the Settlement Fund will be used for certain administrative expenses, including costs of printing and mailing this Notice, payment of any taxes assessed against the Settlement Fund and costs associated with the processing of claims submitted, and a portion of the Settlement Fund may be awarded by the Court to Lead Plaintiffs' Counsel as attorneys' fees and for reimbursement of out-of-pocket expenses.

The Net Settlement Fund will be distributed according to the Plan of Allocation described at the end of this Notice to Class Members who submit valid, timely Proof of Claim forms.

**IX
YOUR CHOICES AS A CLASS MEMBER**

If you are a member of the Class, as defined above, you should carefully consider the following statements and choices

A CLAIMING YOUR SHARE OF THE NET SETTLEMENT FUND

If you choose to remain in the Class, you will be entitled to share in the distribution of the Net Settlement Fund. If you wish to participate in the distribution of the Net Settlement Fund you will need to complete the Proof of Claim and Release form that accompanies this notice and to return it to the Claims Administrator, at the address stated below, postmarked no later than October 10, 2007:

Owens Corning Bondholder Litigation
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9125
Dublin, OH 43017-4125

Further details concerning how to complete the Proof of Claim and Release form appear on the Proof of Claim and Release form itself.

B EXCLUDING YOURSELF FROM THE CLASS AND RELINQUISHING YOUR SHARE OF THE NET SETTLEMENT FUND

If you do not wish to share in the benefits of this Settlement, or in any other recovery obtained on behalf of the Class, and if you do not wish to be bound by any final judgment in this Action, you must request exclusion from the Class.

To request exclusion from the Class, you must mail a written request for exclusion via First Class Mail with postage prepaid and postmarked no later than July 10, 2007 to:

Owens Corning Bondholder Litigation
Exclusions
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9125
Dublin, OH 43017-4125

The request for exclusion must be signed and state: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the Person's purchases, acquisitions, and sales of the Debt Securities made during the Class Period, including the dates of each such purchase, acquisition or sale, the type of each such security (e.g., 2005 Notes, 2008 Notes or 2018 Debentures) the face value of each such security and the price paid or received for each such purchase, acquisition or sale; (c) the name(s) in which each such Debt Securities were registered and (d) that the Person wishes to be excluded from the Class. If the Debt Securities were held jointly in two or more names, all names must be shown, and all joint owners must sign the request for exclusion. YOUR EXCLUSION REQUEST MUST BE POSTMARKED ON OR BEFORE July 10, 2007.

If you submit a valid and timely request for exclusion, you shall have no rights under the Settlement, shall not share in the distribution of the Net Settlement Fund and shall not be bound by the Stipulations or the Judgment.

X
THE SETTLEMENT HEARING
AND THE RIGHT TO BE HEARD AT THE HEARING

The Settlement Hearing will be held on August 9, 2007 at 2:00 p.m., before the Honorable Rya W. Zobel, United States District Judge, at the United States District Court for the District of Massachusetts, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Boston, MA 02210, Courtroom #12, 5th Floor, for the purpose of determining (i) whether the Settlement consisting of \$19.25 million in cash, plus accrued interest, as set forth in the Stipulations, is fair, reasonable and adequate and should be approved by the Court; (ii) whether pursuant to the Settlement the Class Action claims against the Defendants should be dismissed with prejudice through entry herein of the Judgment; (iii) whether the Plan of Allocation is fair, reasonable and adequate and should be approved; and (iv) whether Lead Plaintiffs' Counsel's application for an award of attorneys' fees and reimbursement of expenses is fair and reasonable and should be approved.

Any Class Member who has not validly and timely requested to be excluded from the Class, and who objects to any aspect of the Settlement, Plan of Allocation, and/or Lead Plaintiffs' Counsel's fee request, may appear and be heard at the Settlement Hearing. Any such objection must identify (a) the name, address, and telephone number of the objectant requesting exclusion; (b) the objectant's purchases, acquisitions and sales of the Debt Securities made during the Class Period, including the dates of each such purchase, acquisition and sale, the type of each such security (e.g., 2005 Notes, 2008 Notes, 2018 Debentures), and the price paid or received for each such purchase, acquisition or sale; and (c) the name, address and telephone number of any attorney representing the objectant. Such objections, together with all other papers and briefs to be submitted, must be filed on or before July 10, 2007 and served on or before that date upon each of the following:

COURT

Clerk of the Court
United States District Court, District
of Massachusetts
John Joseph Moakley U.S.
Courthouse
1 Courthouse Way, Suite 2300
Boston, MA 02210

LEAD PLAINTIFFS' COUNSEL

Richard L. Stone
Mark A. Strauss
KIRBY MCINERNEY & SQUIRE, LLP
830 Third Avenue, 10th Floor
New York, NY 10022

DEFENDANTS' COUNSEL

Sheldon Raab
Eric A. Hirsch
FRIED, FRANK, HARRIS, SHRIVER &
JACOBSON LLP
One New York Plaza
New York, NY 10004

**Counsel for the Underwriter
Defendants**

Timothy C. Blank
DECHERT LLP
200 Clarendon Street, 27th Floor
Boston, MA 02116
**Counsel for the Individual
Defendants**

Unless otherwise ordered by the Court, any Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all objections to the foregoing matters.

Any Class Member who has submitted an objection in accordance with the foregoing may also formally appear at the Settlement Hearing either in person or through an attorney and be heard to the extent that the Court, in its discretion, deems appropriate at that time, provided that, at the time of filing the objection, such Class Member also includes a Notice

of Intention to Appear together with the objection. Only Class Members who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

**XI
DISMISSAL AND RELEASES**

If the Settlement is approved by the Court, the Court will enter the Judgment which will dismiss the Action with prejudice. The Judgment will release, discharge, and extinguish all "Released Claims" as set forth in the accompanying Proof of Claim and Release form, and will also release certain claims as between the Underwriter Defendants and the Individual Defendants.

**XII
FOR MORE INFORMATION**

Any questions regarding the Action, Class certification, and/or the Settlement should be directed to Lead Plaintiffs' Counsel:

Mark A. Strauss
KIRBY MCINERNEY & SQUIRE, LLP
830 Third Avenue, 10th Floor
New York, New York 10022
(212) 371-6600

**XIII
SPECIAL NOTICE TO NOMINEES**

If you hold any Debt Securities purchased or acquired during the Class Period as nominee for a beneficial owner, then, within thirty (30) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator at the following address:

Owens Corning Bondholder Litigation
c/o The Garden City Group, Inc.
Claims Administrator
P.O.Box 9125
Dublin, OH 43017-4125

If you choose to mail the Notice yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice, upon submission of appropriate documentation to the Claims Administrator.

**XIV
EXAMINATION OF PAPERS**

This Notice is a summary and does not describe all of the details of the Stipulations. For full details of the matters discussed in this Notice, you may review the Stipulations filed with the Court, which may be inspected during business hours, at the office of the Clerk of the United States District Court, District of Massachusetts, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Boston, MA 02210. The Stipulations and their exhibits will also be available on Lead Plaintiffs' Counsel's website, www.kmslaw.com. If you have any questions about the Action, you may contact Lead Plaintiffs' Counsel at the address set forth above.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

DATED: May 10, 2007

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

APPENDIX I
PLAN OF ALLOCATION OF SETTLEMENT FUND

The Plan of Allocation provides that you will be eligible to participate in the distribution of the Settlement Fund only if you have a net loss on all transactions in the Debt Securities purchased during the Class Period. These transactions are referred to as "Debt Securities Transactions." The Plan of Allocation will be submitted to the Court for its approval at the Settlement Hearing, but will be considered by the Court separately from the Settlement itself.

The total of all profits of Debt Securities Transactions shall be subtracted from the total of all losses of Debt Securities Transactions to determine if a Class Member has a net Recognized Loss. Only if a Class Member had a net Recognized Loss from Debt Securities Transactions will the claimant be considered an "Authorized Claimant" eligible to receive a distribution from the Settlement Fund.

All calculations of expenditures and proceeds with respect to the Debt Securities Transactions shall exclude any/all commissions, taxes and/or fees incurred in such transactions.

To the extent there are sufficient funds in the Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Loss, as described below. If the amount in the Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Settlement Fund that each Authorized Claimant's Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants.

Class Members' Recognized Loss are defined as follows:

A For Debt Securities Purchased During the Class Period and Sold During the Class Period or Sold Subsequent to the Class Period:

For those Debt Securities purchased during the Class Period and subsequently sold – either during the Class Period or subsequent to the Class Period – the Recognized Loss shall be the difference between (i) the expenditure incurred in the purchase of the Debt Securities and (ii) the proceeds received from the sale of the Debt Securities.

B For Debt Securities Purchased During the Class Period and Redeemed in Connection with Owens Corning's Sixth Amended Joint Plan of Reorganization (effective on October 31, 2006):

For those Debt Securities purchased during the Class Period and redeemed in connection with Owens Corning's Sixth Amended Joint Plan of Reorganization, the Recognized Loss shall be the difference between (i) the expenditure incurred in the purchase of the Debt Securities; and (ii) 58.4% of the face value of such redeemed Debt Securities (i.e., the percentage recovery received by bondholders pursuant to Owens Corning's Sixth Amended Joint Plan of Reorganization).