UNITED STATES DISTRICT COURT FOR THE DISTRICT OF KANSAS

FEDERAL TRADE COMMSSION	Case No			
Plaintiff,	COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EOUITABLE			
V.	RELIEF			
SUPERIOR PRODUCTS INTERNATIONAL II, INC., a corporation, and				
JOSEPH E. PRITCHETT, individually and as an officer of SUPERIOR PRODUCTS INTERNATIONAL II, INC.,				

Defendants.

Plaintiff, the Federal Trade Commission ("FTC"), for its Complaint alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission

Act ("FTC Act"), 15 U.S.C. § 53(b), to obtain permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants' acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

2. Defendants market their Super Therm and Sunshield roof and wall coatings using deceptive energy savings claims and claims related to R-values, which measure the insulating ability of a material, including home insulation.

3. Defendants claim that their Super Therm and Sunshield products provide significant energy savings for consumers when applied to a home or other building. They also

claim those products have R-values and R-value equivalents of R-19, and consequently, also provide significant energy savings for consumers when applied to a home or other building.

4. However, these claims are false. Therefore, Defendants cannot substantiate them. In fact, Defendants' coatings have R-values that are substantially less than one when applied as Defendants instruct, and Defendants' purported substantiation demonstrates their products do not provide the advertised energy savings.

JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345.

6. Venue is proper in this District under 28 U.S.C. \$\$ 1391(b)(1) and (c)(2).

PLAINTIFF

7. The FTC is an independent agency of the United States created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

8. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. § 53(b).

DEFENDANTS

9. Defendant Superior Products International II, Inc. ("Superior Products") is a Kansas corporation with its principal place of business at 10835 W 78th St, Shawnee, Kansas 66214. Superior Products transacts or has transacted business in this District and throughout the United States. At all times material to this Complaint, acting alone or in concert with others,

Superior Products has advertised, marketed, distributed, or sold its Super Therm and Sunshield coatings to consumers throughout the United States.

10. Defendant J.E. Pritchett ("Pritchett") is the President and founder of Superior Products. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts of Superior Products, including the acts and practices set forth in the Complaint. Defendant Pritchett resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District.

COMMERCE

11. At all times material to this Complaint, Defendants maintained a substantial course of trade in or affecting "commerce," as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' BUSINESS PRACTICES

12. Defendants manufacture and market coatings designed for residential, industrial, and commercial applications, including "Super Therm" and "Sunshield."

13. Coating products are marketed for application on homes and buildings and include paint, paint with additives (such as ceramic spheres), varnishes, lacquers, and products that incorporate such coatings.

14. Defendants claim that Super Therm is a water-borne combination of aliphatic acrylics, urethanes and resin additives that contains four types of ceramic particles that allow it "to block heat gain into the surface upon which the coating film is applied." Defendants also claim that Super Therm is an "[i]nsulation coating to create [sic] thermal barrier on substrates,"

including "[a]s a one-coast insulation system on exteriors" and "[a]s an insulation system for interior applications." Super Therm retails for \$108.50 per gallon.

15. Defendants claim Sunshield is a water-borne combination of elastomeric acrylic and resin additives that includes four different ceramics that provide it "both heat reflectivity and insulating properties." On their website, Defendants claim that Sunshield has "similar performance characteristics to Super Therm," but does not provide "the same benefits." Sunshield retails for \$60 per gallon.

16. Since at least 2008, Defendants have disseminated or caused the dissemination of advertising, packaging, and promotional materials for Super Therm and Sunshield, including through advertisements on their website and marketing materials for their distributors.

17. In these materials, Defendants describe Super Therm's performance in terms of R-values and R-value equivalents. For example, they advertise that Super Therm provides a "benefit comparable to R 19" when applied 0.01 inches thick. **Exhibit A** at 1.

18. R-value is a measurement of resistance to heat flow. *See* FTC's Trade Regulation Rule Concerning the Labeling and Advertising of Home Insulation ("R-value Rule" or "Rule"), 16 C.F.R. Part 460 (initially issued in 1980 and last amended in 2019). The greater the R-value, the greater the reduction in heat flow, and the more energy may be saved to heat or cool a building. 70 Fed. Reg. 31,258 (2005).

19. Different products have different R-values. For example, fiberglass batt is among the most common insulating materials in the United States. It generally has an R-value of R-3.0 to R-3.8 per inch. Other popular insulation materials, polyisocyanurate or polyurethane foam, have R-values of R-5.6 to R-8.0 per inch. Consumers typically apply those materials several inches thick to provide the desired level of insulation. By comparison, hardwood has an R-value

of R-0.9 per inch. Poured concrete has an R-value of about R-0.08 per inch, making it a poor insulator.

20. The U.S. Department of Energy recommends levels of insulation for homes. It divides the country into eight climate zones and lists R-values for each zone. Most of Kansas is in Zone 4. The Department recommends homes in this zone have R-38 to R-60 insulation in the attic and R-13 to R-15 insulation in the walls. Thus, if such a home uses fiberglass batt (at R-3.8 per inch), it should have at least 10 inches of the batt in its attic. By comparison, Miami, Florida is in Zone 1 where the Department recommends R-30 to R-49 for attics. For the coldest zone, Zone 8, the Department recommends attic insulation of R-49 to R-60.

21. Defendants' conduct is ongoing as of the filing of this Complaint.

22. Based on the facts and violations of law alleged in this Complaint, the FTC has reason to believe that Defendants are violating or are about to violate laws enforced by the Commission.

DEFENDANTS CLAIM SUPER THERM HAS AN R-VALUE OF R-19 OR IS EQUIVALENT TO R-19 AND THAT SUNSHIELD IS SIMILAR

23. Defendants claim in marketing materials that a 0.01-inch thick coat of Super Therm provides a "benefit comparable to R 19," has "a R-19 [e]quivalent [r]ating," and has the same insulating qualities as six inches of "traditional fiberglass insulation." *See* Exhibit A at 1; Exhibit B at 6.

24. Defendants claim Sunshield is a "[c]ost-efficient alternative with similar performance characteristics to Super Therm."

25. In 2008, Superior Products started using a brochure, which it posted on its website – where it remained until the FTC contacted Defendants in April 2019 as part of the

investigation that lead to this suit. That brochure expressly claims Super Therm has "a R-19 [e]quivalent [r]ating" when applied 0.01 inches thick. *See* **Exhibit B** at 6.

26. Superior Products bolstered this claim by stating in the same brochure that Super Therm is "Approved" to have an "RE19" R-value at a 0.01-inch thickness, with "RE" meaning an R-value equivalent. **Exhibit B** at 5.

27. The 2008 brochure further claims Super Therm has an "RE19" R-value whether applied to the "[i]nterior" or "[e]xterior" of a building. **Exhibit B** at 5. It explains this feature by claiming, "SUPER THERM holds heat inside the room in the winter by not loading the heat which would be absorbed into the wall to be transferred and lost to the cold. The ceramics will not load the heat and allow the normal transfer." **Exhibit B** at 4. In this way, Defendants market Super Therm not merely as a product that reflects the Sun's heat, but as a product that performs as traditional home insulation.

28. The 2008 brochure remains on the website of some Superior Products distributors.

29. Pritchett stated his goal when developing Super Therm was to create a product "that could compete with or compliment batt forms of installed insulation."

30. Superior Products also created a "Technical Data Sheet" about Super Therm that it posted on the company's website and includes with shipments of Super Therm. Under "Tests and Certifications," the March 1, 2019 version of the data sheet claims: "Exterior insulation against Solar Radiation – benefit comparable to R 19" and references several standardized test methods used to determine R-value. **Exhibit A** at 1.

1.	Exterior insulation against Solar Radiation - benefit comparable to
	R 19
2.	Blocks 99.5% of infrared / up to 68% sound blockage
3.	Interior- ASTM C1363 (Guarded Hot Box), E1269 and E1461-92 (Blocking heat through coating Film

31. A video on Superior Products's website, as of April 2019, claims: "With one coating [of Super Therm] at 16mils wet, or 10mil dry, you're going to get an R-20 R-factor equivalence."

32. Pritchett personally makes unsubstantiated R-value claims about Super Therm. An article about Super Therm on www.bobvila.com, a popular home improvement website, quotes Pritchett throughout and states: "SuperTherm achieves an R-19 rating with one coat applied, and a rating of R-28.5 when the surface is coated on the exterior and interior." *See* **Exhibit C** at 1-2.

33. In a patent application to the U.S. Government for a method of applying a coating, Pritchett claims: "it has been found that the equivalent R value (thermal resistance) of a single coat of Super Therm® is R-19 equivalence."

34. Defendants bolster their express R-value claims by comparing Super Therm to products with known R-values and implying that Super Therm has that level of R-value.

35. Traditional fiberglass insulation, for example, has an R-value of about R-3.0 per inch; six inches of that insulation is R-18. Pritchett claims Super Therm has an R-value of "about that of a fiberglass batt having a thickness of six inches."

36. Until contacted by the FTC, the Superior Products website repeated Pritchett's six-inch claim, in which it claimed: "A layer of Super Therm, the thickness of a business card, has the same insulation value as 6 inches of traditional insulation by blocking the initial loading of heat so that the heat available for conduction is reduced." The 2008 Super Therm brochure mirrors that claim, stating, "[i]n fact, a layer of SUPER THERM no thicker than a single business card provides the same protection as 6 inches of fiberglass," accompanied by the following visual and express "R-19 Equivalent" claim:



Exhibit B at 6.

37. In addition, the product label on containers of Super Therm in 2019 claims:

"Insulating equivalent better than batt insulation due to [heat] load reduced."

38. Defendants make further claims in the 2008 brochure and on their website as late

as April 2019, including expressly claiming Super Therm has an "RE19" R-value and suggesting

it is equivalent to ten inches of fiberglass (R-value of approximately R-30), eight inches of

cellulose filler (R-value of approximately R-25), and 5.5 inches polystyrene foam (R-value of

approximately R-25) by using the visual below:





39. When contacted by the FTC, Defendants removed certain R-value claims from their website. Nonetheless, R-value and R-value equivalent claims still appear on Superior Products' website and, as late as October 2019, in its technical brochure for Super Therm (claiming "R 19" equivalency). For example, a part of Defendants' current website sub-titled, "Reflective Coating vs. Fiberglass vs. SUPER THERM," compares fiberglass insulation to Super Therm. Defendants state "Fiberglass has only an 'R 19' value when it is a full 6 inches." They

Case 2:20-cv-02366 Document 1 Filed 07/28/20 Page 10 of 24

then claim that a 0.01-inch coating of "Super Therm was tested in the lab and found to have" a "better" R-value, by about 70%, than a test sample of 3-inches of fiberglass.

DEFENDANTS CLAIM THAT SUPER THERM AND SUNSHIELD SAVE CONSUMERS MONEY

40. Defendants claim that using Super Therm "reduc[es] important energy costs," results in "[e]nergy savings," and brings about "cost-saving, long-term energy efficiencies." *See, e.g.,* **Exhibit D** at 2. They also claim that Sunshield provides "similar performance characteristics to Super Therm."

41. In 2015, Defendants added a second brochure to their website, which remains on the site today. This brochure makes energy savings claims about Super Therm. Under the heading "PROVEN ENERGY EFFICIENCY," the brochure claims a "26% - 30% increase in energy efficiency" in "Interior Temperature Performance" attributed to analysis by the U.S. Department of Energy. **Exhibit D** at 4. It also claims "22% overall energy reduction with 40% HVAC savings" as a result of Super Therm being applied at an airport terminal. **Exhibit D** at 4.

42. Defendants also included on their website (as of April 2019) a number of specific claims about substantial energy savings achieved by using Super Therm, for example:

- a. Under the title, "Energy Saving Products," the website claims "[s]hown in field usage to save between 40% and 70%."
- b. "Energy Efficient Energy savings of 20-70% (field results as given by customers' own testing, such as Sony."
- c. "<u>FACT</u>: Sony Corporation coats <u>roof and walls</u> of one monitored building with SUPER THERM and finds a 78% reduction in total energy consumption."

- d. "<u>FACT</u>: Florida Department of Energy Specialist documents . . . 30% utility savings on homes in Florida (hot humid climates) and in Denver (dry climates) as well as steel containers."
- e. "<u>FACT</u>: German Mechanical Engineer in Construction Physics makes study of home coated with SUPER THERM and finds 76% less energy usage from SUPER THERM as compared to fiberglass and rock wool."
- f. "FACT: Total house application cost is paid with energy savings in 2-4 years."

43. Pritchett has personally made energy savings claims about Super Therm. On the popular home improvement website, bobvila.com, Pritchett claims: "We estimate that a home can save up to 40 to 50 percent in energy costs using our product." **Exhibit C** at 2.

44. After the FTC identified the claims in Paragraph 42, Superior Products removed them from its website, but maintained other energy savings claims. For example, Defendants continued to claim that applying Super Therm to the roof of a building resulted in "total utility savings of \$22,144 (22%) in August for the total facility and the A/C portion of the total utility being 55%, this relates to a 40% savings in A/C operational cost."

DEFENDANTS CLAIM THAT TESTING ESTABLISHES THEIR R-VALUES

45. Defendants expressly claim that testing supports their R-value claims of R-19.

46. For example, Superior Products created a March 1, 2019 "Technical Data Sheet" about Super Therm, which it posts on the company's website and includes with shipments of Super Therm. Under the heading, "Tests and Certifications," the data sheet claims: "Exterior insulation against Solar Radiation – benefit comparable to R 19." **Exhibit A** at 1.

47. In support of Superior Products' R-value claims, Defendants have circulated to their distributors several letters and reports purporting to show that Super Therm has an R-value

Case 2:20-cv-02366 Document 1 Filed 07/28/20 Page 12 of 24

of R-19. For example, in January 1997, the Thermophysical Properties Research Laboratory, Inc. ("TPRL") produced a report for Superior Products titled, "Thermophysical Properties of SUPER THERM Coating, Report No. 1780." Although the report does not state an R-value or even use the term "R-value," Defendants provided the report to distributors and used it in a promotional video also given to distributors in which Defendants claim the report supports their R-19 claims.

48. On March 7, 1997, a TPRL researcher wrote a two-sentence letter to Defendants that contained an R-19 claim, which Defendants then circulated to distributors. The letter states:

I have reviewed the information provided by Superior Products International II, Inc. on the thermal performance of Super Therm. The combination of it's[sic] reflectivity, emissivity and thermal conductivity allows it to be a thermal resistor as effectively as fiberglass with a R 19 rating as shown by the Hot Box Test.

49. Superior Products also circulated a one-page letter from VTEC Laboratories, Inc. to its distributors. The January 28, 1998 letter claims: "As stated in the testing report performed at the [sic] Thermophysical Properties Research Laboratory, Inc., the calculated R-value [of Super Therm] is to be RE-19." Superior Products created a video that visually showcased the afore-quoted sentence and the January 1997 TPRL report, with the voiceover claiming:

In fact, independent laboratory tests, such as the one conducted by Thermophysical Properties Research Laboratory reported that Super Therm stopped 99.5% of the heat conducted in their tests. In fact, Thermophysical Properties Research Laboratory conducted a test that clearly and unequivocally proved that a coat of Super Therm with a thickness no bigger than the a human hair produces an insulation rating that is equivalent to six to eight inches of comparable fiberglass insulation. Imagine that. Super Therm stops heat better than a wall full of harmful fiberglass insulation.

50. Later, Defendants circulated to distributors a May 2, 2013 two-sentence letter

from VTEC Laboratories, Inc. to Pritchett, which claims: "SuperTherm can perform as an

equivalent R 19 based upon application and test method."

Case 2:20-cv-02366 Document 1 Filed 07/28/20 Page 13 of 24

51. In or about 2017, Superior Products circulated to its distributors a report prepared for it by Inn Choi, Ph.D, in which Choi claims, "a 10-mil [0.01-inch] thickness of SuperTherm is the same as 6 [inches] of fiberglass in Thermal Conductivity." Choi states that he did not conduct independent testing, and instead reviewed summaries of tests by others provided to him by Defendants without access to the test reports. At least one distributor then posted the report on its website.

52. Superior Products also claims that testing supports its R-value claims by comparing Super Therm to known insulation materials. Defendants' 2008 brochure claims, for example, states: "Tests prove it. SUPER THERM is the better option." This appears next to a visual (shown above at \P 38) comparing a 0.01 thick coat of Super Therm to 10" fiberglass insulation, 8" of cellulose insulation, and 5.5" of polystyrene foam insulation. **Exhibit B** at 5. The brochure further claims: "SUPER THERM outperforms and outlasts traditional insulation in lab tests and on the field." **Exhibit B** at 6.

53. After the FTC contacted Superior Products on their website and marketing materials, Defendants continued to claim that testing supports their R-value claims for Super Therm. In a "Thermal Tutorial" section of Defendants' website, they claim that "Super Therm was tested in the lab and found to have" a "better" R-value, by about 70%, than a test sample of 3-inches of fiberglass.

54. Additionally, Defendants claim that NASA testing supports their insulation
claims. A page of Superior Products's 2015 brochure compares Super Therm to "traditional insulation" and Defendants claims: "Super Therm passed NASA testing with Best Test Result." **Exhibit D** at 3. Next to that claim is a picture of the Space Shuttle. Defendants claim that Super Therm is based on the ceramics used by NASA to protect the Space Shuttle and that "Super

Case 2:20-cv-02366 Document 1 Filed 07/28/20 Page 14 of 24

Therm[®] was designed and developed with the assistance of NASA, a fact that can be substantiated."

DEFENDANTS USE A NETWORK OF DISTRIBUTORS TO SPREAD THEIR CLAIMS

55. Superior Products sells Super Therm across the United States through authorized distributors and provides them with marketing materials. Internationally, the company claims to have distributors in at least 40 countries.

56. Superior Products provided its distributors with product brochures, reports, letters, graphs, charts, and videos created by or for Superior Products that contain Defendants' claims. The distributors, in turn, spread those claims throughout the United States. Predominately, they did this on their own websites, oftentimes using the exact materials and wording created by Defendants.

57. Superior Products has 15 distributors who sell its products in the United States.

58. Eleven of those 15 distributors have identifiable websites. Of those 11, eight prominently repeated Defendants' R-value and energy savings claims in April 2019 or later. They do this often by re-publishing Defendants' materials or making claims based upon the materials distributed by Defendants. For example:

a. Arizona Superior Coatings claims that Super Therm has an "R-19 equivalent rating. (Equal to 6-8 inches of fiberglass)" when applied 0.01 inches thick. The distributor claims Super Therm is "Approved" to achieve an "RE19" rating when applied to the outside *or inside* of a building. The distributor makes multiple energy savings claims about Super Therm, such as "SAVE UP TO 35% ON YOUR UTILITY BILLS!" and that it produces "[e]nergy savings of 20-70% for air-conditioned buildings." It also claims: "Super Therm can be used as

Case 2:20-cv-02366 Document 1 Filed 07/28/20 Page 15 of 24

replacement for traditional insulation on most substrates and in most conditions." The distributor's website includes three videos. In the first, the distributor's owner, Gary Collins, claims: "when applied to your home, you can experience as much as a 45-50% reduction in your utility bill." In the second video, it is claimed "[w]ith one coating at 16mils wet, or 10mil dry [*i.e.*, 0.01 inches], you're going to get an R-20 R-factor equivalence." In the third video, it is claimed that Super Therm "achieve[s] an R-19 insulation value, as tested by independent laboratories, or the equivalent of 6-8 inches of traditional fiberglass batt insulation, with merely a 7 dry mil [i.e., 0.007 inches] coating."

- b. Coating Solutions of Texas claims that using Super Therm provides insulation "[c]omparable to an R19 effect" and that it can be used to "replac[e] the 6 to 8 inches of traditional insulation to block initial heat load." The distributor republishes a document prepared by Superior Products that claims: "Super Therm has a "R-19 Equivalent Rating (equal to 6-8 inches of fiberglass)[sic] Thickness of a business card, but outperforms fiberglass in laboratory and field testing;" "SUPER THERM (R-19);" and "Super Therm is a certified insulator providing an R-19 equivalent." The distributor also claims, "Super Therm® can provide energy savings of 20-70%."
- c. DW Pearce Enterprises Ltd. dba Eagle Specialized Coatings and Protected Environments of Canada (serving parts of the United States) republishes many of the R-value tests and documents prepared by or for Superior Products. These documents claim "R19 is achieved" using Super Therm or that "RE19" is possible with a coating 0.01-inches thick. The distributor further claims Super Therm is a

"RE19 [n]on-deteriorating [i]nsulation," has a "[t]hermal [b]enefit [e]quivalent to R19," "provides a thermal benefit equivalent to R19 at the very least," and that painting asphalt roof shingles with Super Therm provides "an additional EFFECTIVE R19 insulation." It also claims, based on purported testing paid for by Superior Products, "[w]hen SuperTherm is applied at 10 mils [0.01 inches], the improvement to the R Value [of the material to which it is applied] is 68%. Based on the 68% improvement ratio, a minimum R13 material improves to R21.8 by applying 1 coat of SuperTherm." Elsewhere the distributor claims applying Super Therm to a building will result in "making a 60% improvement" in the structure's R-value. The distributor also includes an article attributed to bobvila.com with the claim: "SUPER THERM . . . carries an R value of R-19."

d. Innovative Coatings Technologies of Colorado claims Super Therm has an "R-19 Equivalent Rating (equal to 6-8 inches of fiberglass)," an "R-19 equivalency," and provides an "insulation value equivalent to R19" when applied 0.01 inches thick ("only the thickness of a business card"). The distributor also claims that using Super Therm "[s]aves [e]nergy [u]sage of 20-70% for air-conditioned buildings during the warmer months, averaging 25%-35% annual total utility savings." It repeats other energy savings claims made by Superior Products, such as "30% utility savings on homes in Florida," "76% less energy usage as compared to fiberglass and rock wool" in a home, and a "78% reduction in total energy consumption" of a commercial building.

- e. **RBG Constructors, Inc.** of Mississippi has a video with the following statement about Super Therm: "With one coating at 16mils wet, or 10mil dry, you're going to get an R-20 R-factor equivalence."
- f. Superior Coatings International, Inc. of California claims Super Therm has an "R-19 Equivalent Rating . . . replacing the 6 to 8 inches of traditional insulation to block initial heat load" and that "Super Therm has been tested to have an RE-19 value compared to traditional insulation." It also makes the claim that "[a] layer of Super Therm, the thickness of a business card, has the same insulation value as 6 inches of traditional insulation." The distributor repeats claims by Superior Products that "Super Therm can provide energy savings of 20-70%," can result in "saving between 40 and 60 percent on your next power bill," and that "Super Therm is 296% more effective than traditional insulation under identical conditions and shown to be stable all day in field studies by Sony, UPS and others."
- g. Superior Products Coatings, Inc. of Georgia claims: "Because of special ceramic used Super Therm has a high emissivity, the ability to block heat transfer, block air and moisture infiltration, this results in a performance, comparison wise, of better than a R-19." The distributor uses the visual shown in ¶ 36, *supra*, and the claim, "[i]n fact, a layer of SUPER THERM no thicker than a single business card provides the same protection as 6 inches of fiberglass." For Sunshield, the distributor claims the product "[s]hatters air conditioning costs."
- h. **Superior Coating Solutions LLC** of New York claims: "While Super Therm handles heat transfer differently than traditional insulation such as fiberglass,

spray foam, polyisocyanurate, or polystyrene, the overall heat loss/gain or energy savings would be comparable to that of using traditional R-19 insulation." It further claims that Super Therm results in energy savings of "20-70% depending on use" and claims, "Super Therm is 296% more effective than traditional insulation under identical conditions and shown to be stable all day in field studies by Sony, UPS and others."

59. Additionally, distributors make claims directly to consumers. A Superior Products distributor told a consumer in 2017: "The Super Therm coating application is a thick as a business card and carrying an Re = 19 which results in a very thin ceramic coating that repels sunlight heat and keeps internal heat from escaping through the cold roof."

DEFENDANTS' R-VALUE, R-VALUE EQUIVALENT, AND ENERGY SAVINGS CLAIMS ARE FALSE OR UNSUBSTANTIATED

60. Super Therm and Sunshield do not significantly restrict heat flow, let alone to the extent claimed by Defendants. Indeed, the R-value of Super Therm applied to the thickness Defendants instruct is considerably less than R-1.

61. In 2009, the Cold Climate Housing Research Center ("Climate Center"), a group not affiliated with Defendants, tested Super Therm and a similar product by a different manufacturer. The Climate Center's report concluded: "Neither product contributed to the Rvalue of the building material on which they were applied" and "[t]he coatings did not demonstrate an energy savings in the realistic box tests we conducted."

62. In January 2012, TPRL, the laboratory that Defendants claim had determined Super Therm has an R-19 value, rebuked Defendants' claim. Under the title, "Insulation Paint Claims," TPRL posted this warning on its website:

Beware of Insulated paint or ceramic type products that claim wild insulation values. TPRL Inc. would like to counter misinformation concerning various claims about insulated paint products that our company has tested If you find a copy of [sic] TPRL 1780 report [*i.e.*, the report on Super Therm] on the web you will notice that no R values are in the report. Our company did provide a memo that stated that a R19 value was possible under certain conditions which included how the HotBox[sic] test was done. The HotBox[sic] test, performed by another company, used a coating of insulated paint on top of a[sic] insulating media to get a R19 value. In real world conditions you will not get a R value of 19 from these insulated paints.

63. Based on the data compiled by TPRL in its original report, the R-value of Super

Therm can be determined to be approximately R-0.00265.

64. In 2017, Superior Products prepared an energy savings analysis for a potential

client that more accurately reflected the true R-value of Super Therm. In their calculations,

Defendants identified Super Therm as having an R-value of R-0.00258 when applied 0.01 inches thick.

65. Most recently, Superior Products admitted during the FTC's investigation: "Super Therm is a coating and cannot have a R-value or a R-value equivalency based upon established criteria [Superior Products] clearly understands that a coating such as Super Therm cannot have a R-value."

66. This admission mirrors a prior acknowledgment by Defendant Pritchett. In October 2009, an energy efficiency newsletter published a response by Pritchett to the Climate Center report described in ¶ 61, which had concluded after testing that Super Therm did not contribute to a building's R-value. In response, Pritchett conceded: "Super Therm does not have an R value because an R value measures *only* thermal resistance (absorb and resist heat transfer) and requires thickness."

Case 2:20-cv-02366 Document 1 Filed 07/28/20 Page 20 of 24

67. Despite these concessions, Defendants continued to make numerous R-value, Rvalue equivalency, and energy savings claims in their marketing materials, in public statements, and on the Superior Products website when the FTC contacted them in April 2019. While Defendants removed some false or unsubstantiated claims, they continue to make others.

DEFENDANTS' CLAIMS ARE MATERIAL

68. Defendants tout their products' purported R-values, insulating benefits, and energy saving capabilities to consumers as a basis of superiority over paints and other coatings.

- 69. Defendants state in marketing materials and public statements, for example, that:
 - a. "We estimate a home can save up to 40 to 50 percent in energy costs using our product."
 - b. Using Super Therm results in a "26% 30% increase in energy efficiency."
 - c. Using Super Therm results in "40% savings in A/C operational cost" and 22% in "total utility savings."
 - d. Super Therm has been "[s]hown in field usage to save between 40% and 70%."

DEFENDANTS PROVIDED THE MEANS AND INSTRUMENTALITIES FOR THE COMMISSION OF DECEPTION

70. Defendants provided their promotional materials, third party reports, and related documents containing false and deceptive claims to their distributors.

VIOLATIONS OF THE FTC ACT

71. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts or practices in or affecting commerce." Misrepresentations and unsubstantiated claims constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

<u>COUNT I</u> <u>False or Unsubstantiated Performance Claims</u>

72. In numerous instances in connection with the advertising, promotion, offering for sale, or sale of Super Therm and Sunshield, as described in Paragraphs 23-44, Defendants have represented, directly or indirectly, expressly or by implication, that:

A. Super Therm has an R-value of R-19, or provides a benefit equivalent to R-19.

B. Sunshield has similar performance characteristics as Super Therm.

C. Using Super Therm or Sunshield will save consumers a significant amount of money, including of up to 78% on existing energy bills.

73. The representations set forth in Paragraph 72 are false and misleading and were not substantiated at the time the representations were made.

74. Therefore, the making of the representations as set forth in Paragraph 72 constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

<u>COUNT II</u> False Establishment Claim of R-values

75. In numerous instances in connection with the advertising, promotion, offering for sale, or sale of Super Therm and Sunshield, as described in Paragraphs 45-54, Defendants have represented, directly or indirectly, expressly, or by implication, that testing establishes an R-value or R-value equivalent of R-19 for Super Therm.

76. In truth and in fact, testing does not establish these R-values.

77. Therefore, the representations in Paragraph 75 are thus false or misleading and constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

<u>COUNT III</u> <u>Means and Instrumentalities</u>

78. By furnishing distributors with promotional materials for Super Therm, including materials such as brochures and third-party reports, that make false or misleading representations, Defendants have provided the means and instrumentalities that constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

79. Consumers are suffering, have suffered, and will continue to suffer substantial injury because of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

80. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

81. Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C.§ 53(b), and the Court's own equitable powers, requests that the Court:

- A. Award Plaintiff such ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including a preliminary injunction;
- B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;
- C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and
- D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

REQUEST FOR PLACE OF TRIAL

Plaintiff hereby requests that trial of the above-entitled matter be held in the City of Kansas City, Kansas

* * *

Respectfully submitted,

STEPHEN R. MCALLISTER United States Attorney

<u>s/ Jon P. Fleenor</u>
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Local Counsel for Plaintiff Federal Trade Commission Dated: July 28, 2020

ALDEN ABBOTT General Counsel

<u>s/ Jonathan W. Ware</u> JONATHAN W. WARE (DC SBN 989414) *Pro hac admission pending* Federal Trade Commission 600 Pennsylvania Ave., NW Maildrop CC-9528 Washington, DC 20580 Tel: 202-326-2726 Fax: 202-326-3197 jware1@ftc.gov

Counsel for Plaintiff Federal Trade Commission

<u>INDEX OF EXHIBITS TO</u> <u>PLAINTIFF FEDERAL TRADE COMMISSION'S</u> <u>COMPLAINT</u>

Exhibit A: Super Therm Technical Data Sheet (3/1/19)

Exhibit B: Super Therm Brochure (2008)

Exhibit C: Bobvila.com Article by B. Hardy

Exhibit D: Super Therm Brochure (2015)

EXHIBIT A



Technical Data Sheet (3/1/19)

DESCRIPTION

SUPER THERM® is a water-borne combination of highperformance aliphatic acrylics, urethanes and resin additives which produces a tough, yet flexible coating film. Designed for performance and durability, SUPER THERM® contains 4 unique ceramics to block heat gain into the surface upon which the coating film is applied. SUPER THERM® resists 95% of Solar heat blocking Visual Light, Ultra Violet (UV), and Infrared (IR). SUPER THERM® is a flexible membrane with low permeability that can greatly reduce expansion and contraction of a roof, and prevents corrosion and surface deterioration.

TYPICAL USES

- As a one-coat insulation system on exteriors to block the migration of Solar Heat gain (roofs and side walls).
- As an insulation system for interior applications to seal and block IR heat loss and ambient heat loss.
- > For interior insulation uses see number three in testing
- Exterior application to reduce or eliminate condensation on HVAC systems, tanks, spheres, storage systems, and concrete walls.
- As a system over metal, concrete, masonry, and wood to stop moisture penetration and corrosion.
- Ability to resist dirt, mold, mildew, and pollution to increase longevity, and reduce surface maintenance.
- As a topcoat over metal roofs, or an intermediate coat on flat roofs.
- Applied over tent fabrics to provide insulation & remain flexible.
- Applied to tilt-up concrete walls to hold interior heat.

APPLICATION METHODS

SUPER THERM[®] can be applied to metal, concrete, masonry and wood. The application can be spray, brush or roller. For specific instructions on surface preparation, mixing and application, please refer to the SPI's application instructions for SUPER THERM[®]. This coating should never be applied at less than 17 mils wet (425 microns), 10.0 mils dry (250 microns), each coat.

TESTS AND CERTIFICATIONS (partial list)

- 1. Exterior insulation against Solar Radiation benefit comparable to R 19
- 2. Blocks 99.5% of infrared / up to 68% sound blockage
- 3. Interior- ASTM C1363 (Guarded Hot Box), E1269 and E1461-92 (Blocking heat through coating Film)
- 4. UL (Underwriters Laboratory) approved
- 5. Flame Spread Test (ASTM E84; 0 smoke, 0 flame)
- 6. Class "A" Flame Spread
- 7. Marine Approvals: American Bureau of Shipping; USCG
- 8. UV & Salt Spray Resistance (ASTM 5894) 5000 hours
- 9. USDA Approved
- 10. Flexibility (ASTM E1737): 180 degree bend passed
- 11. Adhesion ASTM (D4541): 115.2psi, not suitable for films <5 mils
- 12. Perm Rating (ASTM d1653-13): 10 dry mils=8perms; 12 dry mils=4perms
- 13. Abrasion Resistance (ASTM D4060): 3,000 cycles
- 14. Resistance to Salt Spray: 2,000 hours
- 15. Resistance to Wind Driven Rain (ASTM D6904)
- 16. Airforce Canopy: MIL-PRF-6799

PHYSICAL DATA

- Solids: By weight 70% / By Volume: 60% (+/-2%)
- 30-60 minutes to tack free at 70°F (21°C)
- Overcoat: 2 hours when 70°F (21°C) at 40% Relative Humidity
- Full Cure: 21 days
- Lead-, chromate-, and asbestos-free
- Cures by evaporation
- Weight: 11.72 lbs. per gallon
- Vehicle Type: Urethane/Acrylic blend
- Shelf Life: Up to 5 years if unopened under appropriate storage conditions (See MSDS).
- VOC Level: 67.2 grams/liter, 0.561 gal/lbs.
- Viscosity: 105 110 KU; 25,000 Centipoise
- ♦ pH: 8.5 9.5
- 95 sq.ft./gallon (8sqm): 17 mils (425 microns) wet / 10.0 mils (250 microns) dry
- Maximum Surface Temperature when applying: 150° F (65°C)
- Minimum Surface Temperature when applying: 40°F (5°C)
- Maximum Surface Temperature after curing: 300°F (149°C)
- Do not apply over 18 mils wet per application. Allow to dry down before adding additional thickness.
- MEETS MIL SPEC: MIL-PRF-6799L

SAFETY PRECAUTIONS

Do not use this product without first taking all appropriate safety measures to prevent property damage and injuries. These measures may include, without limitation: proper ventilation, use of proper lamps, wearing of protective clothing and masks, tenting, and proper separation of application areas. For more specific safety procedures, please refer to the SUPER THERM® Material Safety Data Sheet. KEEP OUT OF REACH OF CHILDREN.

LIMITATION OF LIABILITY: The information contained in this data sheet is based upon tests that we believe to be accurate and is intended for guidance only. All recommendations or suggestions relating to the use of the products made by SPI, whether in technical documentation, or in response to a specific enquiry, or otherwise, are based on data which to the best of our knowledge is reliable. The products and information are designed for users having the requisite knowledge and industrial skills, and the end-user has the responsibility to determine the suitability of the product for its intended use.

SPI has no control over either the quality of condition of the substrate, or the many factors affecting the use and application of the product. Therefore, SPI does not accept any liability arising from loss, injury, or damage resulting from such use or the contents of this data sheet (unless there are written agreements stating otherwise).

The information contained in this data sheet is subject to modification as a result of practical experience and continuous product development. This data sheet replaces and annuls all previous issues and the user has the responsibility to ensure that this sheet is current prior to using the product.

Superior Products International II, Inc. • 10835 W. 78th Street • Shawnee, KS 66214 Website: www.spicoatings.com • Email: sales@spicoatings.com



Application Instructions (2/28/19)

SUPER THERM® is a water-borne combination of highperformance aliphatic urethanes, elastomeric acrylics, and resin additives which produces a tough, yet flexible coating film. Designed for performance and durability. SUPER THERM® contains 4 unique ceramics to block up to 95% of Solar Heat entering a structure due to Visual Light, Ultra Violet (UV), and Infrared (IR). SUPER THERM[®] is a flexible membrane with low permeability that can greatly reduce expansion and contraction of a roof, and prevents corrosion and surface deterioration. SURFACE PREPARATION

Surface must be clean from oil, tar, rust, grease, salts, and films.

- Use general degreaser if needed. 1)
- Clean surface using TSP (tri-sodium-phosphate) or a citrus 2) cleaner to release dirt and degreaser residue.
- 3) Pressure-wash if possible @ 3500 psi.
- Salt contamination on a surface can come as a result of salt 4) water, fertilizers, and car exhaust. Use Chlor-Rid or equivalent to decontaminate surface if salts are present. Acceptable levels: Nitrates: 5-10 mcg/cm², Sulfates: 5-10 mcg/cm², Chlorides: 3-5 mcg/cm²

Surface must be completely dry before applying.

- SUPER THERM must be applied during proper 1) temperatures (below) and the prescribed overcoat window of the coating over which it will be applied.
- Maximum Surface Temperature when applying: 150°F 2) (65°C)
- Minimum Surface Temperature when applying: 40°F (5°C) 3)
- Maximum Surface Temperature after curing: 300°F (149°C) 4)
- NOTE: Use Rust Grip® as a primer when needed. Refer to Rust Grip technical data sheet for overcoat window.
- NOTE: If pack rust or mill scale exist, it must be removed by grit blast, power tool or needle gun. Once removed, begin with Step 1 (power wash).
- NOTE: Harsh environments where color is desired, or where pooling may occur: SUPER THERM® should be over coated with ENAMO GRIP (solvent based) over metal or concrete, and SP SEAL COAT over flexible surfaces (foam, tar, rubber and wood).

Modified bitumen, asphalt roofing, PVC, TPO and NOTE: single-ply membranes must be primed with the appropriate primer (i.e. Super Base/HS or SP Single-Ply Primer).

MIXING

SUPER THERM® should be mechanically mixed or mixed by hand (boxing) for three minutes, then applied.

APPLICATION

SUPER THERM® can be applied by brush, roller or spray; however, the preferred method is by air or airless sprayer. It should never be applied directly over rust, nor should it ever be diluted or thinned.

- If application is by brush, use a soft bristle brush. 1)
- If application is by roller, use a 3/4 inch nap roller. 2)
- 3) If application is by spray, use a standard airless sprayer (2 gallons/minute at 3,300 psi.) with a .029-.033 tip according to fan width spread of application and pump pressure. To achieve proper thickness, temperature and humidity must be considered by applicator.
 - NOTE: The number of applications and the thickness of each should be in accordance with the job specifications.
 - NOTE: All filters should be removed from both the gun handle and spray machine prior to application, as they will trap the ceramics.
 - NOTE: Temperatures must always be a minimum of 5 degrees above the dew point during application.
 - NOTE: If SUPER THERM® is applied during a period of extremely high humidity or if there is rain soon after the application, bubbles may appear on the surface. Do not puncture these bubbles. This is normal and the coating will continue to cure with no effect on the performance or appearance of the coating. Bubbles will dry down tight and disappear without a trace or imprint.
 - NOTE: 2" corrugation = roof size x 135%; 2.5" corrugation = roof size x 145%; 3" corrugation = roof size x 160%

MINIMUM SPREAD RATES (mil thickness)

SUPER THERM® will be applied at no less than a total of 17 mils wet (425 microns)/10.1 mils dry (250 microns) for each application. Spread Rate is 95 sq ft per gallon. (8.8 sq meter per gallon)

CURE TIME

- 30-60 minutes to tack free at 70°F (21°C) 1)
- 2) Overcoat: 2 hours when 70°F (21°C) at 40% Relative Humidity
- Full Cure: 21 days 3)

TEMPERATURE

- 1) Apply between 40°F. and 150°F.
- Store between 40°F. and 100°F. 2)

CLEAN-UP EQUIPMENT

After completion, spray system should be cleaned with 1) soap and water; cleaned brushes and rollers can be reused.

SAFETY DATA SHEET (ST/11/00) pg 1 of 2 SECTION I - IDENTIFICATION OF THE PRODUCT AND THE COMPANY: (UPC#851207002003, SKU#768399, Part#0311) PRODUCT NAME: Super Therm GHS PRODUCT IDENTIFIED: Global Harmonized System #3209.10.000 CHEMICAL TYPE: Waterbased coating MANUFACTURER: Superior Products International II, Inc. ADDRESS: 10835 W. 78th St., Shawnee, KS 66214 USA PRODUCT USE: Insulation coating to create thermal barrier on substrates EMERGENCY TELEPHONE NUMBER: 800/424-9300; 202/483-7616 **SECTION II - HAZARD IDENTIFICATION:** This product is water-based and not classified as dangerous for supply or conveyance. The ingredients are water-reduceable. This product has been analyzed for use in and around food manufacturing and found to be safe for use on non-contact surfaces. No toxics nor toxic off-gassing are present. **SECTION III - HAZARD INGREDIENTS:** Hazardous Ingredients % LD-50 (species/route) CAS/PIN LC50 (species) 25265-77-4 3200 mg/kg (oral, rat) 0.5 NAV texanol 14.0 12001-26-2 NAV NAV mica/additives This material does not pose a potential risk of inhalation in the solution mixture contained herein. waterborne 10.0 58043-05-3 NAV NAV polyurethane SECTION IV - FIRST AID MEASURES: EYES: Flush with water for at least 15 minutes; consult physician if irritation continues. INGESTION: Do not induce vomiting. Drink 1-2 glasses milk/water. Seek medical attention according to amount of product ingested. SKIN: Wash with mild soap and water. INHALATION: Remove to fresh air. SECTION V - FIRE FIGHTING MEASURES: CONDITIONS OF FLAMMABILITY: Not flammable; water-based product HAZARDOUS COMBUSTION PRODUCTS: Carbon monoxide, methacrylate and other noxious gases AUTOIGNITION TEMP.: NAP MINIMUM IGNITION ENERGY: NAV FLAMMABLE LIMITS: (Lower) NAP% (Upper) NAP% FIRE POINT: NAV FLASH POINT & METHOD: NAP SENSITIVITY TO MECHANICAL IMPACT? No SENSITIVITY TO STATIC DISCHARGE? No SPECIAL PROCEDURES: Firefighters should wear full-body protection & SCBA MEANS OF EXTINCTION: Water, water fog, dry chemical, foam or C02 SECTION VI - ACCIDENTAL RELEASE MEASURES: Use kitty litter, sand or other to control spread and absorb liquid. SECTION VII - HANDLING AND STORAGE: STORAGE REQUIREMENTS: Keep from freezing. Store below 50C. degrees. Keep container closed tightly to prevent drying out. HANDLING PROCEDURES/EQUIPMENT: Treat as paint product. Use ventilation and protective equipment to suit conditions of use. Use soap and water for clean-up.

NAP = Not Applicable

NAV = Not Available

PRODUCT NAME: Super Therm	pg 2 of 2				
SECTION VIIL EVENSUDE CONTROL	SANDDEDSONAL DEOTECTION				
DEDSONAL DROTECTIVE EQUIDMENT: Areid	inholotion of liquid when emplying . Use				
PERSONAL PROTECTIVE EQUIPMENT: Avoid	innalation of liquid when applying. Use				
ENCINEERING CONTROL S. Use mechanical s	contilation to control corocal or mist if				
ENGINEERING CONTROLS: Use mechanical v	rentilation to control aerosol of mist in				
product is sprayed.	CHEMICAL DRODEDTIES.				
BUVSICAL STATE, Linuid SOLU	<u>CHEMICAL PROPERTIES</u> .				
ADDEAD ANGE AND OD OD and the share wild	SILITY IN WATER: Soluble/miscible				
APPEARANCE AND ODOR: white color, mild	acrylic odor				
FREEZING POINT: 30F. degrees BOILIF	VG POINT: 1920 degrees pH:8				
SPECIFIC GRAVITY: 1.4 ODOR	THRESHOLD: 0.08-25ppm				
COEFF. WATER/OIL: NAV VAPOU	JR PRESSURE: 17 mmHg @ 20C degrees				
VAPOUR DENSITY (Air = 1): 2.1					
EVAPORATION RATE: slow% VOLA	TILES: less than 5				
SECTION X-STABILITY A	ND REACTIVITY DATA:				
CONDITIONS OF REACTIVITY: stable	CONDITIONS OF INSTABILITY: stable				
CHEMICAL INCOMPATIBILITY: strong acids o	r bases CORROSIVEBEHAVIOR? no				
HAZARDOUS DECOMPOSITION PRODUCTS: r	one known, no hazardous polymerization				
<u>SECTIONXI-TOXICOLO</u>	GICAL PROPERTIES:				
ROUTES OF ENTRY:SKIN CONTACT SKIN	ABSORPTION EYE CONTACTX				
INHALATION INGESTIONX_ SYNERG	ISTIC PRODUCTS None Known				
EXPOSURE LIMITS: mica 3 mg/m3 (ACGIH)					
EFFECTS OF ACUTE EXPOSURE: liquid splash	1 could result in eye or nose irritations				
and/or headache					
EFFECTS OF CHRONIC EXPOSURE: excessive	exposure to liquid product may result				
in minor irritations					
MUTAGENICITY:NAP TERAT	OGENICITY: NAP				
REPRODUCTIVE TOXICITY: NAP CARCI	NOGENICITY: ingredients not listed				
SENSITIZATION: not expected					
IRRITANCY: possible skin or eye irritation if a	not washed off				
SECTION XII - ENVIRONMENTAL INFORMATION:					
Air -this product is environmentally-friendly and poses no threat to the air.					
Water-the resins will be diluted and dissipate when flushed with water.					
Soil -the resin contents are biogradeable in ground acids over a period of time.					
No ecological hazards are known to exist.					
<u>SECTION XIII - WASTE DISPOSAL</u> :					
Product spill should be contained by previous	ly described absorption methods, and				
dried product disposed of as normal industri	al waste according to all lederal, state or				
governmental regulations.					
SECTION XIV - I RANSPO	DRIINFORMATION:				
The only restriction to carriage is for protect	on against freezing. Contents are wa-				
ter-based.	ODVINEODWATION.				
SECTION AV-REGULAT	UKI INFUKIMATION:				
Regulatory agency controls and restrictions are minimal regarding conveyance of use					
or water-based products other than what has been specifically addressed.					
SECTIONAVI-VITERINFURMATION.					
DDEDADED DV. I Dritchatt Symposic Ducdy at Intil II	Inc. $DATE 0/11/19$				
rkeraked B1: J. Frichen, Superior Products Int'll,	Inc. DATE, 9/11/16				

EXHIBIT B

SUPER THERE

When it comes to insulating and weatherizing, nothing rates higher than Super Therm®.



- Blocks 95% of Heat Load (blocks the absorption and transfer of heat)
 - 99% of Ultra Violet Radiation (UV)
 - 92% of Visual Light (Short Wave Radiation)
 - 99.5% of Infra Red (Long Wave Radiation)
- Blocks Water and Moisture Penetration—certified and tested water barrier
- Blocks Mold, Mildew, Wood Rot
- Blocks Air Infiltration—permanently flexible windbreaker and wind barrier
- Blocks 68% of All Sound Waves—sound deadening
- Blocks Flame Spread and Smoke—Class "A" Fire Rating ("0" Flame Spread and Smoke)
- Interior insulation by emissivity (0.91), moisture block and air block to hold convective heat inside a room

SUPERIOR PRODUCTS International II, Inc.® **Challenge:** No other insulation or weatherization material in the market has the facts, tests results and field studies to compare with SUPER THERM[®]. There is no product in the world market with the proof of performance equal to SUPER THERM[®]. Forget the pretty brochures and advertising media and look at the facts to see the real value of SUPER THERM[®].

1. High Reflectivity of Radiation Heat Transfer (sum of all three radiation waves) is 95% to block the loading of heat onto the surface.

a. UV represents 3% of heat load SUPER THERM blocks 99% of heat generated by UV.

b. Visual Light (short wave radiation) represents 40% of heat load-SUPER THERM blocks 92% of heat generated by Visual Light.

c. Infrared (long wave radiation) represents 57% of heat load-SUPER THERM blocks 99% of heat generated by Infrared.

2. High Thermal Emmitance to throw off heat that has loaded onto it's surface. SUPER THERM has a thermal emittance of 0.91.

REGISTRATIONS AND CERTIFICATIONS:

3. American Bureau of Shipping (ABS) a. Passed SOLAS 1974 (as amended) requirements for paints/finish materials requiring compliance with Parts 2 (Smoke & Toxicity) and 5 (Surface Flammability) of the IMO FTP Code, Res.MSC.61(67).

b. U.S. Type Approval Certificate No. SL520997-a

c. E.C. Type Approval Certificate No. 04-CH 468315-MED1

d. U.S. Coast Guard Product Approval No. 164.112/EC1347/4368315/EC0729

4. Energy Star Program

Approved Partner/ Approved Product **a.** Only 0.6% drop in reflectivity over a 3 year roof test period (2% over 10 years).

- 5. ICC (International Code Council) BOCA Legacy Report.
- 6. USDA (United States Dept. of Agriculture)
 a. USDA approved product for use inside food facilities.
- 7. Marine Approvals of World-wide Salt Water and Maritime Use a. DNV (Det Norske Veritas)
- 8. Factory Mutual Approval a. Tested and approved for Metal Roofing
- 9. GSA Approval for Federal Uses 10. UL (Underwriters Laboratory, Inc.)
- approval
- 11. ECAP Report: Energy Conservation Assistance Program Department of Energy-United States of America-Florida Energy Office

- 12. State of California Cool Roof Program a. Approved and listed
- 13. State of California Bureau of Home Furnishings and Thermal Insulation a. License Number TE 1392
- 14.State of Florida Energy Rebate Program

a. Qualifies for a percentage reduction from cost of coating substrates

- 15. Superior Products International II, Inc. is an active member of the NRCA (National Roofing Contractors Assoc)
- **16. A S T M TEST LISTINGS**: **a.** B117/D 1654 Salt Fog (400 hours and 2000 hours)–*passed*

b. C 2 3 6 - 8 9 (9 3) Thermal Transmittance/Conductance **i.** Fiberglass 0.52 K

ii. SUPER THERM in one coat 0.31 Kiii. SUPER THERM in two coats 0.21 Kc. C411 High-Temperature Surface Performance

20th Century Insulation Theory: "R" value – load heat and then resist heat transfer through the material.

21th Century Insulation Theory: BLOCK HEAT LOAD. Prevent heat load into the surface to reduce heat that is available for transfer.

d.C412 Tensile Properties–444 psi **e.**D522 Mandrel Bend on metal or rubber materials

f. D1653 Water Vapor Permeability 3% g. D3273-82T/D3274 Fungal Resistance h.D4060 Abrasion Resistance i. E 84/NFPA 255/UL723/UBC42-1/ANSI2.5/FM E 84 – Flame Spread / Smoke-"0" Class A or 1

j. E 84-89 Flame spread/ Smoke Development–Flame "0" and Smoke "0" k. E 96 Water Vapor Transmission– Less than .01

l. E108 Flame Spread on Pitched Roof *-passed*

m.E903-96 Spectral Reflectance 80% and 0.6% loss after three years weathering.

n. E 1269 Heat Capacity by Differential Scanning Colorimeter

o. E 1461 (92) Thermal Diffusivity/ Conductivity by Flash Method-reduced 367.20 BTU conduction to 3.99 **p.** G53 1000 hours UV Exposed **q.** D 7088 (Superseded Federal Specification TT-P-1411A Paint) hydrostatic pressure resistance of a submitted water proof coating over concrete interior surface to prevent exterior rain driven water from penetrating the wall from exterior to interior during construction. **r.** D 6904 resistance to wind driven rain for exterior coatings applied to masonry without block filler in test blocks. Superseded Federal Specification TT-C-555 B. SUPER THERM is a certified water barrier.

s. D-3274 numerical basis for rating the degree of fungal growth or mold and dirt accumulation on paint films. Resist the development of mold and mildew and not allow the growth over it's surface. *Score 9 out of 10.*

t. E90 Standard Method for Laboratory Measurement of Airborne Sound Transmission Loss of Building Partitions u. E413 Standard Classification for Determination of Sound Transmission Class.

17. NASA (National Aeronautics and Space Administration) Testing: a. NASA 8060.1B/C Test 1 Flammability test, Class A, "0" Flame Spread

b. NASA 8060.1C Test 7 Toxic Off-gassing Test, *K rated (no off-gassing).*

18. ABS (American Bureau of Shipping), IMO (International Marine Organization), and US Coast Guard Approval:

a. IMO A. 653 (16) Flame Spread–*passed* **b.** MSC 41 Smoke Toxicity–*passed*

19. Japanese Testing (Japanese Institute of Technology):

a. JIS A 5759 Reflectivity Light and Radiation

i. Visual Light Ration- 92.2%ii. Long Wave Radiation (Infrared)-995%

20. China Center for Technical Testing:
a. National Measurement M0729
b. GB/T 1771-91 Resistance to Salt Fog (2000 hours)-passed

c. GB/T 1866-88 Manual Aging (2000 hours)-*passed*

d. GB/T 10834-88 Resistance to Salt Water (1000 hours)-*passed*

e. GB/T 5219-85 Adhesion (pulling apart method) – 4.07 MPa

f. GB/T 1733.93 Boiling Water Immersion (8 hours)–*passed*

2366 Document 1-3 Filed 07/28/20

21. ECAP Report-Florida Energy Office DENVER COLORADO LOCATION a. Reduction of 202 BTU load over roof

and wall surfaces. **b.** Over the 24 hour test period, total cloud

cover and still produced a 26% savings in energy usage for heat /cool.

c. SUPER THERM sealed and reduced moisture load into the surfaces and therefore into the building.

d. 25% of heating and cooling cost is dehumidification.

e. Standard building constructed and coated with white paint required 1,037 BTU to maintain comfort.

f. SUPER THERM coated building required 766 BTU to maintain comfort – 26-30% savings.

g. SUPER THERM reduces the Heat Island Effects.

22. ECAP Report-Florida Energy Office-Miami Florida Location-only roof was coated for test

a. SUPER THERM reduced solar heat load by 20-30%.

b. Reduced interior ambient temperature of rooms by 2.3° F (with the roof coated). ConEdison reports that a 6° reduction in thermostat will produce a 39% saving in utility cost. Provided full roof coated, this could be a 5-6° drop in ambient inside the home giving the 39% savings.

c. Solar gain on roof: Without SUPER THERM is 206 BTU's. With SUPER THERM is 85 BTU's.

d. UV absorption : Without SUPER THERM is 98.0. With SUPER THERM is 03.0

23. ECAP Report–Florida Energy Office – LaPorte, Texas Location–Metal Shipping Containers

a. Coated containers resulted in 46%-52% reduction in conduction related energy loads.

b. BTU per sq.ft.per hour loads dropped from 606 BTU to 295 BTU or 311 BTU reduction.

c. Interior ambient registered 22° cooler
d. Thermal conductance to outside environment was 50% less

- $e\!$. External surface temperature was 47^o cooler.
- ${\bf f.}$ Internal surface temperature was $37^{\rm o}$ cooler.
- g.UV absorption rate was 92% less.

h. Internal Moisture levels was 28.5% dryer.
i. Uncoated container surface moist ure reading was 68%. Coated Container was 33%.
j. To cool the container coated with SUPER

THERM would require 46%-52% less energy.

k. External Surface Energy Flow Analysis shown by Tons (12,000 BTU) being lost through the external surfaces from inside the container. Without SUPER THERM is 778 and with SUPER THERM is only 3.39 for a savings in tonnage of 4.39 tons of A/C. **l.** "SUPER THERM product concerning load and reductions produced by thermal conduction, convection and absorption WERE SIGNIFICANT"—reported by the Energy Specialist Alexander E. Othmer CEA/CBA/NDE III.

m. As expressed by Mr. Othmer at the conclusion of this report: "This is the third time we have had the pleasure to test SUPER THERM PRODUCTS, it is rare that a single products will show such Repeatable Results in three totally different environments, South Florida, Denver, Colorado and LaPorte, Texas a true testimonial to your products' ENERGY STAR rating."

- 24. Reported, shown and discussed as the only insulation material used on container homes being built in Florida by the Bob Vila building show aired in 2006 from Tampa, Florida. Found on BobVila.com.
- 25. SUPER THERM used to glue wall boards to steel studs in steel facility construction and offer fire resistance.
 a. Performed by William B. Gleckman Architect, NY, NY; testing performed by VTEC Labs, Bronx, NY.

26. Japanese Testing results:

a. Sony-Koda Factory: Coated one of their buildings with SUPER THERM and measured against year before. Previous year in month of May used 3767 KW and June used 5647 KW. Following year after coating with SUPER THERM, May used 519 KW and June used 1869 KW. **A** 75% savings on KW or actual cost of energy in real dollars.

b. Hitachi Electric: Roof–Uncoated temp was 82° C facing sun, after coated temp was 47° C **c.** Sekisui : Actual room temp changes: Uncoated: 43° C After coating: 31° C on interior ambient.

d. Yokohama Tire-Rubber: Actual interior room temp changes: Uncoated: 47° C and after coated: 28° C.

e. Kirin Brewery: Actual interior room temp changes: Uncoated:63°Candafter coated:48°C. f. Panasonic–Matsushita Electric: Roof surface temp changes: Uncoated: 70° C and coated 46° C.

- 27. SUPER THERM has been applied over 70,000,000 sq.ft.of roofing in Japan and all of the 70 million sq.ft. has been data logged to check performance (before and after). No other insulation type material has been field tested as extensively as SUPER THERM.
- **28.** Japanese Government in an effort with Sony Corporation did a joint effort with the National Electricity Saving Committee to study SUPER THERM and how it could save energy cost.

a. 40,300 sq.m (434,636 sq.ft.) of manufacturing space is chosen to coat.
b. Currently rockwook is used as insulation.
c. Factory takes 30% of all electrical cost for A/C.

d. Results of Energy Saving Cost Savings was 736,704 kWh/year X 15yen/kWh = 11,050,560 yen/year (\$96,092 USD). e. ROI (Payback period on the cost of the SUPER THERM system) is 1.06 years or 13 months.

- **29. Nissan Plant in Yokohama, Japan** is 2,200,000 sq.ft. and coated with SUPER THERM.
- **30. BTU testing** under test method ASTM E 1461-92, Thermal diffusivity and E1269, differential scanning calorimeter. **a.** Standard metal test plate allowed 367.20 BTU to load and conduct through. **b.** Standard metal test plate with single coat of SUPER THERM allowed 3.99 BTU to load and conduct through.
- 31. Wal-Mart Testing performed at their own corporate facility on their own trailers.a. One trailer was the control with nothing over the roof to block heat.

b. One trailer was coated with white paint.c. One trailer was coated with SUPER THERM at 8 mils.

d. One trailer was fitted with 3 inches of Low E (foil/bubble pack).

e. One trailer was fitted with 3 inches of fiberglass.

f. Measurements were taken over the last full week of August in 2001. **g.** These were 53 foot trailers and the back doors were left open during the testing and placed side by side.

h. Data loggers were used to record the ambient temperatures inside the trailers each day.

i. Result: SUPER THERM outperformed consistently the other trailer ambient temps by a minimum of 6° F and as much as 11° F.

j. White paint could not throw off loading heat even though it had good emissivity of .70.

NA A Antopological State

k. The Low E and fiberglass, due to their characteristics, load heat and then hold this heat which develops and loads into the ambient interior temperature by the end of the day.

l. As a measure of the importance of making a 6° F drop in temp inside the trailers, a study and report from ConEdison on moving the thermostat 6° F in a home would make a 39% savings in energy bill expense.

32. Condensation control

a. Not only does SUPER THERM cover and control the loss and gain of heat and protecting cold in ducting, due to the ability to control the surface temperatures, it controls the condensation that would normally develop due to the dew point occurring. SUPER THERM is a tested and certified w a t e r barrier as well as an insulation material therefore blocking the normal effect that relative humidity has with the ambient temperature in developing the dew point and condensation.

- 33. As reported by the ASHRAE (American S ociety of Heating, Refrigerating and Air-Conditioning Engineers, Inc) in their 90.1 Code for wrapping metal ducting and other metal structures. The R19-R 21 Fiberglass wrap, as shown on a chart in the cod e, is effectively only a R 7.4 due to the inability of fiberglass to seal the surface and cover effectively. If this wrap is compressed into position as is normally the case when installed. the compression will reduce the R value by 40% or more again and thereby having an effective R value of only 4.4 for the 6 to 8 inches used. a. SUPER THERM covers 100% of the area including supports and configurations. Not affected by compression nor moisture. Since fiberglass is designed to load the heat and absorb it, this is a major problem with heat transfer and loss as compared to SUPER THERM that is designed to prevent the "loading of heat" as the insulation method. If one blocks the loading of heat, then there is no heat to absorb, transfer and lose.
- 34. SUPER THERM covers all surfaces of a wall, roof or surface, which includes

the studs, braces and joist. Transfer of heat either being lost or gained is blocked through these areas. Unlike all the standard insulation materials that are applied between studs, braces and joist and allows heat transfer through these areas.

35. SUPER THERM applied over air ducts and A/C boxes on the tops of roofs will maintain the temperature inside the box to ambient instead of the 160° F it now experiences. Inside the box is where the coils are trying to unload heat. Makes the system work more efficient.

> No other insulation type material has been field tested as extensively as SUPER THERM.

- 36. SUPER THERM covered over the exterior concrete surfaces of walls in a nine story apartment in Munich, Germany dropped the heating cost by 30%. SUPER THERM seals the concrete from air flow and moisture gain which are two of the problems with concrete surfaces and insulation.
- **37.** Durability: SUPER THERM rechecked by an architectural firm in Tokyo. **A roof ten years old was rechecked for performance and found to be identical to the heat blocking ability when new.** The four ceramics in SUPER THERM are designed to block the loading of heat. This means that it is not just a reflector of heat but will not allow the loading of heat even when the surface becomes dirty as happened on the roof in an industrial area.

a. Later a section of roofing where SUPER THERM had been applied 15 years earlier was retested by the Japanese Institute of Technology and found Solar reflectance maintained at 84.1% after 15 years in a harsh environment.

b. ENERGY STAR testing on SUPER
THERM: Beginning was 80%. After
three years, it was 79.4%. Most reflective
coatings and materials listed on the tested
product listing had dropped by 10%
to 40% in the three year period.
c. Independent testing performed in
Japan on 21 reflective coatings and the

average beginning solar reflectance was 80.8%. After only 571 days (1.5 years), the solar reflectance of their surfaces had dropped to 54.8%. This is typical of reflective coatings in the world market.

- **38. WINTER: SUPER THERM holds heat inside the room in the winter** by not loading the heat which would be absorbed into the wall to be transferred and lost to the cold. The ceramics will not load the heat and allow the normal transfer.
- **39. Stops mold and mildew development** over its surface. Tested and field uses over concrete surfaces in car wash on bottom section of parking garage in the Munich Airport.
- 40. Sound Proofing: STC testing conducted by VTEC labs in NY found a rating of 50 at 800 to 1300 Hz. SUPER THERM applied at the standard thickness of 10 mils.
 a. Typical STC Ratings: 2x4 or 24" centers, 3/8-5/8 inch wallboard, rock wool or fiberglass batting is 30-42.
 b. National Building Code requires that part itions separating dwelling units meet an STC 50.
- 41. Certified as Environmentally Safe and Healthy and Energy Efficient with Eco-Effective Design a. Cradle to Cradle Design Certification "Gold" by MBDC LLC, which is a product and process design firm dedicated to revolutionizing the design of products and services worldwide that was founded by William McDonough and Dr. Michael Braungart to promote and shape the "Next Industrial Revolution" through the introduction of a new design paradigm called Cradle to Cradle Design and the implementation of eco-effective design principles.

b. Qualifies for LEEDS Points (Platinum Rating) under the The Leadership in Energy and Environmental Design (LEED) Green Building Rating System[™] - the nationally accepted benchmark for the design, construction, and operation of high performance green buildings.

SUPER THERM® International test listings and approvals

MEETS THE HIGHEST STANDARDS

SUPER THERM[®] has been rigorously field tested and meets the highest standards. The unique formula is UL, FM, ABS, IMO and Coast Guard approved and a VOC Compliant water-based coating. SUPER THERM[®] has a Class A Fire Rating against flame and smoke. Plus, it is USDA approved for use in and around food preparation areas.

SUPER THERM[®] outperforms traditional insulation. It counters all three forms of heat radiation, convection and conduction. Traditional insulation only controls conduction. Experience the insulating power of SUPER THERM[®].



SOLAR REFLECTANCE TEST AFTER 15 YEARS

The test piece was taken from a roof in January 2006 where SUPER THERM® was applied in 1989, and tested at Building Material Test Center in Japan.

The climate is very severe in this area with 38° C (100° F) in the summer, sand storms, very strong sun radiation, and -21° C (-5° F) in the winter with snow and ice.

The reflectance of near infrared is 67.1%, but this is because the SUPER THERM® at that time did not contain the fourth ceramic, which was introduced in 2000 and designed to block infrared rays. Therefore, the result with the current SUPER THERM® will be better.

In Japan, university testing was performed on twenty one reflective coating in the market. Their average beginning reflectivity was 80%. After 591 days (1.5 years), reflectivity was reduced to 58%. This is an accurate view of most all reflective coatings in the world market.

SUPER THERM®'s solar reflectivity at the new stage was 92.2%, so the reduction in 15 years was less than 20%. (92.2-73=19.2) This result proves that SUPER THERM®'s durability in reflectivity is by far excellent.

SUPER THERM®'s solar reflectance after 15 years was 73%. The reduction of solar reflectance in 3 years tested for the Energy Star Program by the EPA was only 0.01%.





11 21 31 41 51

APPLY A R-19 EQUIVALENT RATING TO YOUR FACILITY WITH A SINGLE COAT! With the ability to protect from all 3 methods of heat transfer, SUPER THERM[®] is proven to outperform

traditional fiberglass insulation. In fact, a layer of SUPER THERM® no thicker than a single business card provides the same protection as 6 inches of fiberglass. And while a moisture content of 1.5% in fiberglass reduces its effectiveness by 35%, SUPER THERM® is specifically formulated to prevent moisture absorption.

SUPER THERM® is durable and versatile, with a 20-year lifespan under normal conditions. Neither temperature nor moisture will compromise its performance. SUPER THERM® outperforms and outlasts traditional insulation in lab tests and on the field.

SUPER THERM[®] is the most unique and effective insulation and weatherization material in the market.



Superior Products International II, Inc[®]. sales@spicoatings.com www.spicoatings.com

The right coating for ultimate protection.™

EXHIBIT C



Case 2:20-cv-02366 Document 1-4 Filed 07/28/20 Page 2 of 5 Ce mic Co tings fo Inc e wed Insul tion - Bob Vil w

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Majo Systems

Ceramic Coatings for Increased Insulation w

Aided by ceramic coating, new insulating paint products bring huge energy savings to the **w** market. **w**

By Benj min H dy w



Photo: isbu-info.o g

Cew mic co ting h s been ound fo Imost 20 ye s nd is highly effective in w p ewenting unnecess y he t loss o g in in esidenti I nd comme ci I st uctu es. w Inspi ed in p t by the ce mic tiles th t NASA uses on the Sp ce Shuttle, ce mic w co ting is p int mixed ith one o mo e ce mic compounds fo pplic tion vi sp y w o olle to exte io nd inte io su f ces. Depending on the ce mic compounds used (the e e hund eds of v ieties), this insul ting p oduct h s the bility to p event he tw t nsfe nd he t lo ding onto st uctu e. This me ns he t ill not t nsfe into o out w of building. w

Insulation and Emissivity w

Unlike fibe gl ss insul tion, hose R-v lue ting ssumes he t lo ding by building w nd simply me su es the te t hich th t he t is t nsfe ed, ce mic co tings e not given n R-v lue ting. Inste d, they e ted by "emissivity." me su e of both w thei bility to eflect he t nd the mount of he t th t is lo ded onto su f ce. w "The t ue key to insul tion is p eventing he t lo d," s ys J.E. P itchett, founde nd w develope of Supe The m, ce mic co ting p oduct p oduced by Supe io P oducts w Inte n tion I. The concept is simple: Why use fibe gl ss insul tion to slo the t nsfe w of he t into building hen you c n just p event th t he t f om eve lo ding onto the building in the fi st pl ce? If he t is kept off the st uctu e to begin ith, th t fibe gl ss w insul tion becomes unnecess y. It's ch nge in the y e think bout insul ting w ou homes g inst ene gy lost. "R ting is fo the 20th centu y," s ys P itchett.





4/12/2019ww

Case 2:20-cv-02366 Document 1-4 Filed 07/28/20 Page 3 of 5 Ce mic Co tings fo Inc e wed Insul tion - Bob Vil w

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Blocking Heat Buildup w

Blocking he t buildup is complic ted t sk. He t comes in the e forms: ult -violet w (UV), visible light, nd inf ed (IR). A qu lity ce mic co ting ill block II thee, w especi Ily IR, hich is esponsible fo oughly 57 pe cent of he t lo d on building. w "Some ce mic p ints cl im to block II he t c used by UV," s ys P itchett, "but UV w only ccounts fo the pe cent of he t lo d on building." w

Consume s should be c eful to distinguish bet een pu ely eflective co tings nd w t ue insul ting co tings. Reflective co tings only pe fo m hen cle n nd ill not w block II fo ms of he t, but co ting ith insul tive nd eflective qu lities ill block w mo e th n one fo m of he t. "Supe The m uses fou ce mic compounds to block w sho t- ve di tion, IR, nd to block the conductivity of he t th ough the su f ce," w cl ims P itchett. "It's not just eflective co ting." w

Blocking Heat Transfer w

As n exte io su f ce co ting, insul ting ce mic p ints o co tings c n be pplied to w the oof nd sides of building. This includes oofing su f ces such s met I, felt, w sph It, luminum, nd sidings made of ubbe, vinyl, nd luminum. Ce mic w co tings c n be used on the inte io of home, too.

"Since most of mech nic I he t is IR he t, ce mic co tings c n be used to p event w he t loss f om inside building," P itchett s ys. A home inte io co ted in ce mic w p int c n the efo e educe ene gy costs due to he t loss in the colde months. "We w estimate th t home c n s ve up to 40 to 50 pe cent in ene gy costs using ou w p oduct," P itchett s ys. P yb ck on p oduct like Supe The m, hich et ils fo w bout \$100 pe g llon, c n come in s little s t o ye s.

Some ce mic co tings fe tu e ddition I p ope ties, like p eventing moistu e w mig tion. Some st uctu es see up to 25 pe cent of HVAC costs coming f om w dehumidific tion needs, but ce mic co ting c n Iso b ing s vings th ough w moistu e m an gement. Addition I fe tu es c n include mold nd milde cont ol, w sound ttenu tion p ope ties, nd fi e esist nce. w

Ceramic Coatings vs. Fiberglass Insulation w

Fibe gl ss is the gi nt in the insul tion indust y, nd the R ting to hich it confo ms w is ing ined in the minds of cont cto s, builde s, nd code inspecto s. Insul ting w ce mic co tings offe n Ite n tive to t dition I b tt insul tion. "Fibe gl ss insul tion w is tested nd ted t 73 deg ees F h enheit, hich is the ide I tempe tu e fo w fibe gl ss," s ys P itchett. Unde h she conditions, P itchett suggests th t fibe gl ss w doesn't pe fo m s ell s its tings p edict.w

Fibe gl ss is lso ted in te ms of thickness. "Six inches of fibe gl ss insul tion might w get n R-19 ting," s ys P itchett, "but ho many builde s ill c m th t six inches of w insul tion into fou inches of stud II? Th t R-19 ting doesn't ccount fo w comp ession of the p oduct." Supe The m chieves n R-19 ting ith one co tw

pplied, nd ting of R-28.5 hen the suf ce is co ted on the exterior nd interior. w Ce mic co tings h ve yet to become code- pp oved nd ccepted s sole me ns of insul ting home, but the demand for incle sed energy efficiency is likely to push w these p oducts to the f ont of the consumer market. w

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EXHIBIT D

SUPER THERM[®] Protecting industries with premium coatings

2366 Document 1-5 Filed 07/28/2

Achieve optimum cooling with a coating that blocks and repels radiational heat.



Super Therm®

Experience Innovative Insulation





When it comes to extreme temperatures, Super Therm[®] redefines the science behind insulation and weatherization. Super Therm[®] features a blend of ceramic compounds that will reflect radiational heat away from protected areas when applied to a surface. By allowing only 5% heat





load on the surface facing the radiational heat source, Super Therm⁸ achieves innovative heat reflection. These core properties of Super Therm⁸ continue to attract industries needing premium insulation solutions that yield cost-saving, long-term energy efficiencies. From marine and aviation to oil and gas, transportation, and residential, Super Therm[®] is being accepted and applied by the most competitive industries in the world. This widespread use is just one more way that SPI Coatings remain an obvious and trusted choice for real world coating solutions.

Heat Blocking, Not Reflection

The measurement of how fast beat loads or is absorbed and then the speed at which it transfers through the material is called the "R" value. This resistance factor slews but does not prevent the heat load and transfer. This is why these materials "must have more thickness" to provide any hencht.



99% Infrared
 Visual Light
 Ultra Violet

Super Therm® does not absorb solar heat and does not require thickness effectively eliminating a measurement of (R) value.

Super Therm® has four (4) ceramic compounds. Three of these compounds match the wave size of each of the solar radiation waves to block the heat load. The fourth ceramic has such low density that the heat cannot load into the surface of Super Therm® and therefore cannot be absorbed and transferred. This is why the surface of Super Therm® is not likely to be more than 2-10 degrees F over ambient air temperature in any climate. If heat load is blocked, there is no heat to be absorbed and transferred even when the surface becomes dirty. Field documentation shows no change in the performance of Super Therm® after 10 years, and only an 8% drop in blocking heat load after 15 years.

Superior Products International II, Inc.

spicoatings.com



Super Therm® passed NASA testing with Best Test Result.



Superior Products International II. Inc.

SUPER THERM® VS. TRADITIONAL INSULATION

Super Therm®

Super Therm^{*} has a blend of four unique low-density ceramics that repel solar radiational heat by matching/blocking heat waves. Super Therm^{*} resists the loading of surface heat over the envelope of a building to stop heat load before it starts. Traditional insulation ignores heat transfer through radiation and convection and does not repel heat produced

by the full spectrum of sunlight. With Super Therm[®], you can combat visual, ultraviolet and infrared light to block 95% of radiational heat load.

Super Therm[®]advantages over traditional insulation:

- Combats convection, conduction and radiation
- Repels heat through reflection
- More than 20 years of life expectancy
- Designed and tested under extreme temperatures (minus 60° to plus 140° F ambient air temperature)

- Ease of installation
- Blocks humidity and wind-driven rain
- Blocks wind and air infiltration

Traditional Insulation

Insulations such as cellulose, fiberglass, rock wool and polystyrene foam have remained unchanged for 50 years. These types of insulations allow 100% heat load and absorption and only slow conduction or heat transfer with small pockets of air. All are affected by moisture absorption which kills effective resistance. These inefficiencies are where Super Therm[®] presents innovative solutions for industries.

Disadvantages of traditional insulation:

- Combats only conductive heat
- No capability to repel heat
- Affected by moisture and air infiltration
- Designed and tested only for 75'F for the "R" value
- Loses thickness when compacted into space upon installation
- Positioned between building studs
- Causes corrosion under insulation



spicoatings.com

Temperature of coatings and other materials in sunlight



THERMAL STUDY JUAYMAH NGL SPHEROID TANKS



Super Therm® NG Tank Spheroid 203A





Existing Tank

Saudi Aramco – November 2013

SUPER THERM® IN USE TODAY

Aviation Tucson International Airport Arizona, U.S.



22% overall energy reduction with 40% HVAC savings

Oil and Gas Mitsubishi Oil Terminal Osaka, Japan



Reduced evaporation of finished petrochemicals

Marine

Blue Chip Casino Ship Indiana, U.S.

Offshore GDF Suez North Sea, U.K.

Residential Residential Neighborhood Arizona, U.S.



Super Therm® provides sound dampening and color options

Transportation Pacific Shipping and Trucking

Telecommunications Vodaphone Group PLC

Tourism Address Hotel Dubai, U.A.E.



52°C roof temperature before application, 42°C after completion

PROVEN ENERGY EFFICIENCY

Surface Temperature Performance

- U.S. Department of Energy
- Surface conduction related to energy loads was reduced 46-52%
- Exterior surface temperature 47°F degrees cooler

Interior Temperature Performance

U.S. Department of Energy

- Super Therm[®] out-performed white paint
- 26% 30% increase in energy efficiency

INDUSTRY COMPLIANT AND TRUSTED

- U.S. Green Building Certified
- MASDAR certification in UAE
- VOC compliant
- Class "A" Fire Rating
- DNV and ABS Approved
- USDA Approved

PROTECTING INDUSTRIES WITH PREMIUM COATINGS

Industries cannot rely on temporary efficiencies when delivering their products and systems. That's why SPI Coatings have been selected by numerous corporations and individuals. Our coatings are designed to save you money because of their innovative performance and long-term durability. With an international presence in a wide diversity of markets, SPI continues to bring industries peace of mind when it comes to combating high energy costs and corrosion.

TIME TESTED SOLAR REFLECTIVITY

Super Therm[®] has the ability to endure severe conditions for extended time periods making it an efficient solution for a wide variety of industries. The results below reveal the tested effectiveness of Super Therm[®] after 15 years of performance.

Super Therm® Solar Energy Reflectance Chart



In this study, the solar reflectance of Super Therm[®] after 15 years stood at 84%. By comparison, university testing in Japan was performed on 21 insulation coatings in the market. Their average beginning reflectivity was 80% and after 1.5 years their reflectivity was reduced to 58%. This sampling represents the clear advantage Super Therm[®] brings to the market for industries needing consistent and cost-effective thermal protection. As operational problems become more complex, SPI keeps pushing the boundaries of effectiveness. It's a system of products refined from remarkably conclusive data and forged under the most riororus conditions.

TOP COMPANIES USING SUPER THERM®

- Mitsubishi
- Nissan
- Panasonic
- General Dynamics
- Hoover Dam
- HEB Grocery Company
- Trucking Refrigeration Trailers
- Major Oil Firms Worldwide
- Halliburton Company
- Drydocks World
- Vodafone Group PLC
- Home Builders
- U.S. Army
- U.S. Air Force
- U.S. Navy



40 to 60% of total building energy costs directly relate to air conditioning expense. Beat the heat build-up with Super Therm[®].

Certified Environmentally Safe and Eco-Effective - Cradle to Cradle Certified Product™ (Silver Certificate)

Exhib

SUPERIOR PRODUCTS INTERNATIONAL PRESENCE

Asia	Europe	Middle East	South America	Central	Africa	Australasia	North America
China India Indonesia Japan Korea Malaysia Singapore Taiwan Thailand The Philippines Vietnam	Azerb aijan Belgium France Germany Greece Italy Netherlands Poland Russia Spain Turkey Ukraine	Oman Saudi Arabia UAE	Argentina Brazil Chile Colombia Trinidad & Tobago Venezuela	Dominican Republic Hondugas Panama Puerto Rico	Angola Egypt Nigeria South Africa Tanzania	Australia New Zealand	Canada Mexico U.S.A.

PROTECTING INDUSTRIES WITH PREMIUM COATINGS

Industries cannot rely on temporary efficiency when delivering their products and systems. That's why SPI Costings work for numerous corporations and individuals. Our costings were made to save you money because of their innovative performance and long-term durability. With an international presence in a wide diversity of markets. SPI brings industries peace of mind when it comes to combatting high energy costs and corrosion. As operational problems become more complex, SPI continues to push the boundaries of effectiveness and efficiency. SPI offers a system of products refined from remarkably conclusive data and forged under the most rigorous conditions.



Superior Products International II, Inc. sales@spicoatings.com spicoatings.com