

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

AUG 31 2022

DAVID H. YAMASAKI, Clerk of the Court

BY: LM, DEPUTY

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE**

JAMES FOTI, an individual; MARC
LEBLANC, an individual; PATRICIA
LISCO, an individual; JEFF SWOBODA,
an individual; LUCIANA SWOBODA, an
individual, on behalf of themselves and all
others similarly situated,

Plaintiffs,

v.

JOHN LAING HOMES (CALIFORNIA),
INC., a Corporation; WL HOMES, LLC dba
JOHN LAING HOMES, a Limited Liability
Company; PLUMBING CONCEPTS, INC.,
a Corporation; MUELLER INDUSTRIES,
INC., a Corporation; and DOES 1-100,

Defendants.

Case No. 30-2013-00649415-CU-CD-CXC

Assigned for all purposes to:
Hon. Glenda Sanders
Dept: CX-101

**ORDER GRANTING PRELIMINARY
APPROVAL OF SETTLEMENT**

Hearing Date: July 29 and August 19, 2022
Time: 1:30 p.m.
Dept.: CX-101

Complaint Filed: May 9, 2013

WHEREAS, Plaintiffs in the above-captioned action, JAMES FOTI, JEFF SWOBODA
AND LUCIANA SWOBODA (“Plaintiffs”), and Defendants JOHN LAING HOMES
(CALIFORNIA), INC. and WL HOMES, LLC dba JOHN LAING HOMES LLC (collectively
hereinafter “Defendants”) have reached a proposed settlement and compromise of the disputes
between them in the above actions, which is embodied in the Settlement Agreement filed with the
Court, as amended;

1 WHEREAS, the Parties have applied to the Court for preliminary approval of the proposed
2 Settlement of the Action, the terms and conditions of which are set forth in the Settlement
3 Agreement, as amended (the "Settlement Agreement");

4 WHEREAS, the Court has preliminarily considered the Settlement to determine, among
5 other things, whether the Settlement is sufficient to warrant the issuance of notice to members of
6 the Settlement Class (as defined below);

7 AND NOW, the Court, having read and considered the Settlement Agreement and
8 accompanying documents and the motion for preliminary settlement approval and supporting
9 papers, and the Parties to the Settlement Agreement having appeared in this Court for hearings on
10 Preliminary approval of the Settlement on July 29, 2022, IT IS HEREBY ORDERED AS
11 FOLLOWS:

12 1. The Court has jurisdiction over the subject matter of the Action, the Settling
13 Parties, and all Settlement Class Members.

14 2. The Court preliminarily finds that the terms of the Settlement Agreement
15 appear to be within the range of reasonableness of a settlement that could ultimately be finally
16 approved by this Court. The Court grants preliminary approval of the terms and conditions
17 contained in the Settlement Agreement (Exh. A to Kellner Decl., ROA 363), as amended on
18 August 1, 2022 (Exh. A to Kellner Decl., ROA 397) (hereinafter referred to as "Settlement
19 Agreement").

20 3. The Court preliminarily finds that the Settlement Agreement was the
21 product of serious, informed, non-collusive negotiations conducted at arms' length by the parties.
22 In making this preliminary finding, the Court considered the nature of the claims, the amounts and
23 kinds of benefits paid in settlement, the allocation of settlement proceeds among the class
24 members, and the fact that a settlement represents a compromise of the Parties' respective positions
25 rather than the result of a finding of liability at trial. The Court has also considered the unique
26 situation that Plaintiffs' recovery in this Action is limited to the amounts recoverable from
27 Defendants' insurer (Zurich American Insurance Company) by virtue of the October 28, 2015
28

1 Order in the bankruptcy proceeding entitled *In re WL Homes LLC, et al.* in the United States
2 Bankruptcy Court for the District of Delaware, Case NO. 09-10571 (BLS), which modified the
3 automatic bankruptcy stay to allow Plaintiffs to pursue the Action in the Orange County Superior
4 Court, “but to collect any settlement or judgment exclusively from the proceeds of any applicable
5 insurance policies and not from the Debtor’s estate . . .”

6 4. The Court further preliminarily finds that the terms of the Settlement
7 Agreement have no obvious deficiencies and do not improperly grant preferential treatment to any
8 individual class member.

9 5. The Court finds on a preliminary basis that (a) class members are
10 ascertainable and so numerous that joinder of all class members is impracticable; (b) there are
11 questions of law and fact common to the class that predominate over any questions affecting only
12 individual class members; (c) Plaintiffs’ claims are typical of the class’ claims; (d) class
13 certification is a superior method for implementing the Settlement and adjudicating this Action in
14 a fair and efficient manner; (e) the class representatives can fairly and adequately protect the class’
15 interests; and (f) class counsel (identified below) are qualified to serve as counsel for the class. .
16 Accordingly, for purposes of the proposed Settlement only, and conditioned upon the Agreement
17 receiving final approval following the final approval hearing, the Court conditionally certifies the
18 Settlement Class as follows:

- 19
- 20 (1) *All present owners of residential homes in the St. Mays Road and*
21 *Potters Bend projects constructed by John Laing Homes (California), Inc.*
22 *and WL Homes, LLC dba John Laing Homes, LLC in Ladera Ranch,*
23 *California as set forth in the Class Home List attached to the Settlement*
24 *Agreement as Exhibit A (the “PROJECTS”) whose copper pipes have not*
25 *been replaced with PEX or epoxy coating by prior owners of the homes; or*
26 (2) *prior owners of homes in the PROJECTS who replaced their copper*
27 *pipes with PEX or epoxy coating.*

28 6. Plaintiffs and Class Counsel are authorized to act on behalf of the

1 Settlement Class with respect to all acts required by the Settlement Agreement or such other acts
2 which are reasonably necessary to consummate the proposed Settlement set forth in the Settlement
3 Agreement.

4 7. The Court approves ILYM Group Inc. (“ILYM”) as Class Administrator to
5 administer the notice and claims procedures of the Settlement for the purpose of administering the
6 proposed Settlement and performing all other duties and obligations of the Settlement
7 Administrator as defined in the Settlement, this Preliminary Approval Order, and/or as may
8 otherwise be ordered by the Court, with the understanding that ILYM’s compensation will be
9 capped at \$35,000.00.

10 8. The Court appoints the law firms of Bridgford, Gleason & Artinian;
11 Kabateck LLP; and McNicholas & McNicholas as counsel for the proposed settlement class.

12 9. The Court appoints named Plaintiffs JAMES FOTI, JEFF SWOBODA and
13 LUCIANA SWOBODA as Class Representatives of the proposed settlement class;

14 10. The Court approves, as to form and content, the Full Notice attached as Exh.
15 C to Kellner Decl. (ROA 397, and hereto as Exhibit A. The Court hereby instructs the Settling
16 Parties to proceed with Class Notice in the manner and on the schedule set forth in the Settlement
17 Agreement as follows:

18 a. The Class Administrator shall serve by U.S. Mail the Class Notice, Opt-
19 Out Form and Prior Owner Verification Form on all individuals within
20 the chain of title of the Class Homes listed on Exhibit “A” to the
21 Settlement Agreement;

22 b. For a Prior Owner to be included as a Class Member, that Prior Owner
23 must submit by mail or electronic means a Prior Owner Verification
24 Form to the Class Administrator by September 7, 2022 that verifies that
25 the Prior Owner replaced the copper pipes in the Class Home with PEX
26 or epoxy coating of the pipes.

27 i. In the event a prior owner submits a Prior Owner Verification
28

1 Form stating that the prior owner has replaced the homes' copper
2 pipes with PEX or epoxy coating, then the Class Administrator
3 shall provide the present owner with written notice: (a) that a
4 prior owner has submitted a Prior Owner Verification stating
5 that the prior owner replaced the homes' copper pipes with PEX
6 or epoxy coating; and (b) the present owner has 30 days within
7 which to submit a written verification to the Class Administrator
8 that the home had copper pipes (without any epoxy coating) at
9 the time the present owner obtained title to the home. In the
10 event that there is a dispute between a prior and present owner
11 as to whether a prior owner had replaced the copper pipes with
12 PEX or epoxy coating, then the two homeowners shall submit
13 proof supporting their claims to the Class Administrator who
14 will forward such documentation to Ross Feinberg, Esq. of
15 JAMS who: (a) shall serve as arbitrator of the dispute; and (b)
16 whose determination of those competing claims shall be
17 binding. The costs for Ross Feinberg's services shall be deemed
18 a "cost" that shall be deductible from the Settlement Fund.

19
20 c. For a Present Owner to be included as a Class Member, the Present
21 Owner must not submit an Opt-Out Form and there must not be a Prior
22 Owner Verification Form submitted by a Prior Owner for the subject
23 Class Home.

24 d. For all Notice papers returned as undeliverable or changed address, the
25 Class Administrator shall re-send the Notice documents after a skip-
26 trace.

27 11. In order to facilitate printing and dissemination of the Settlement Notice,
28 the Settlement Administrator and Parties may change the format, but not the content, of the

1 Settlement Notice, without further Court order, so long as the legibility is not adversely
2 impacted. The Settlement Administrator and Parties may also, without further Court order,
3 insert the information specified in the blank places provided in the Settlement Notice.

4 12. Within ten (10) business days of Preliminary Approval, the Parties shall
5 provide the Class Administrator with the addresses of all homes that are included within the
6 definition of the Settlement Class.

7 13. The Class Administrator must complete the notice mailing within thirty (30)
8 calendar days of preliminary approval being granted, in envelopes marked "Personal and
9 Confidential."

10 14. By the time of filing of the final settlement approval motion, the Settlement
11 Administrator shall provide, and Plaintiff shall file proof, by affidavit or declaration, of the mailing
12 of the Settlement Notice in the form and manner provided in the Agreement and in this Preliminary
13 Approval Order.

14 15. The Class Administrator must also create a dedicated website for this
15 Settlement, which will provide a portal for electronic submission of Opt-Out Forms, Prior Owner
16 Verification Forms and any Objections to the Settlement. The dedicated website shall also make
17 available the Settlement Agreement, the pleadings submitted in support of preliminary approval,
18 approval of attorneys' fees, costs and class representative enhancements, and final approval. The
19 dedicated website shall also make available all Orders by this Court with respect to aforesaid
20 motions.

21 16. The Court finds that the Parties' plan for providing notice to the Settlement
22 Class as described in the Settlement Agreement is the best notice practicable in the circumstances
23 and that it complies with the requirements of due process and all other applicable provisions of
24 law, including *California Code of Civil Procedure* §382, *California Civil Code* §1781, *California*
25 *Rules of Court*, Rules 3.766 and 3.769 and the Constitutions of California and the United States.

26 17. Any member of the Settlement Class who desires to be excluded from the
27 Settlement Class, and therefore not be bound by the terms of the Settlement Agreement, must
28

1 submit to the Class Administrator, pursuant to the instructions set forth in the Notice, a timely and
2 valid written Request for Exclusion (attached as Exhibit "D" to the Settlement Agreement).

3 18. Members of the settlement class shall have sixty (60) days from the Notice
4 Date to submit objections and/or requests for exclusion. The Class Administrator shall prepare and
5 deliver to Class Counsel, who shall file with the Court, a final report stating the total number of
6 Class members who have submitted timely and valid Requests for Exclusion from the Settlement
7 Class, and the names of such individuals. The final report regarding the Claims Period shall be
8 filed with the Court within seven (7) business days of the expiration of the deadline to submit
9 objections and/or requests for exclusion.

10 19. The deadline to file the motion for final approval of the Settlement and Class
11 Counsel's fee application shall be twenty-four (24) calendar days prior to the Final Approval
12 Hearing date of December 16, 2022.

13 20. Responses to any objections received shall be filed with the Court no later
14 than twenty-four (24) calendar days prior to the Final Approval Hearing, and Plaintiffs' responses
15 may be included in their motion for final approval.

16 21. Any member of the Settlement Class who elects to be excluded shall not be
17 entitled to receive any of the benefits of the Settlement Agreement, shall not be bound by the
18 release of any claims pursuant to the Settlement Agreement, and shall not be entitled to object to
19 the Settlement Agreement or appear at the Final Approval Hearing. The names of all persons
20 timely submitting valid Requests for Exclusion shall be provided to the Court.

21 22. Any member of the Settlement Class may appear at the Final Approval
22 Hearing, in person or by counsel, and may be heard, to the extent allowed by the Court, in support
23 of or in opposition to, the fairness, reasonableness, and adequacy of the Settlement, the application
24 for an award of attorneys' fees, cost, and expenses to Class Counsel, and any compensation to be
25 awarded to the Settlement Class Representatives.

26 23. Pending the final determination of whether the Settlement should be
27 approved, all pre-trial proceedings in the instant case are stayed. If the Settlement is terminated or
28

1 final approval does not for any reason occur, the stay shall be immediately terminated.

2 24. A Final Approval Hearing shall be held before this Court at **1:30 p.m. on**
3 **December 16, 2022** in Dept. CX-101 of the Orange County Superior Court, to address: (a) whether
4 the proposed Settlement should be finally approved as fair, reasonable and adequate, and whether
5 the Final Approval Order and Judgment should be entered; and (b) whether Class Counsel's
6 application for attorneys' fees, costs, expenses and incentive awards should be approved. The date
7 and time of the Final Approval Hearing shall be set forth in the Class Notice. The Court retains
8 jurisdiction to consider all further applications arising out of or in connection with the Settlement
9 Agreement.

10 25. If the Settlement is finally approved by the Court, the Court shall retain
11 jurisdiction over the Settling Parties, the Settlement Class Members, and this Action, only with
12 respect to matters arising out of, or in connection with, the Settlement, and may issue such orders
13 as necessary to implement the terms of the Settlement. The Court may approve the Settlement,
14 with such modifications as may be agreed to by the Settling Parties, without further notice to the
15 Settlement Class Members.

17 **IT IS SO ORDERED.**

18
19
20 Dated:

August 31, 2022



Hon. Glenda Sanders

JUDGE OF THE SUPERIOR COURT OF CALIFORNIA

EXHIBIT A

**Notice of Proposed Class Action Settlement
And Fairness Hearing Date for Court Approval**

James Foti, et al. v. John Laing Homes (California), Inc., et al.
Case No. 30-2013-00649415-CU-CD-CXC

**THIS NOTICE MAY AFFECT YOUR RIGHTS -- PLEASE READ IT
CAREFULLY.**

You May be Entitled to Receive Compensation Under a Proposed
Class Action Settlement.

- A proposed settlement has been reached between defendants, John Laing Homes (California), Inc. and WL Homes, LLC dba John Laing Homes, LLC (collectively, "Defendants") (collectively "Defendants") and plaintiffs James Foti, Jeff Swoboda and Luciana Swoboda, ("Plaintiffs"), on their own behalf and on behalf of the "Settlement Class", as defined in this notice. The underlying lawsuit, entitled *James Foti, et al. v. John Laing Homes (California), Inc., et al. Case No. 30-2013-00649415-CU-CD-CXC* is presently pending in the Superior Court of the State of California, County of Orange.
- Plaintiffs allege that Defendants violated certain statutory standards relating to the copper pipes installed in certain homes. Specifically, Plaintiffs allege that Defendant is liable for the costs of replacing the copper pipes that were originally installed in the homes. Plaintiffs contend that the pipes have corroded and will inevitably leak, so as to impede the useful life of the copper pipes.
- The individuals who may be entitled to participate in this class action are:
 - All present owners of residential homes listed in Exhibit A hereto that were constructed by John Laing Homes in Ladera Ranch whose copper pipes were not replaced by prior owners of the homes with PEX or epoxy coating; or
 - Prior owners of residential homes listed in Exhibit A hereto that were constructed by John Laing Homes in Ladera Ranch and who replaced the home's copper pipes with PEX or epoxy coating.
- Defendants have denied, and continue to deny, liability for any of the claims asserted in this Action.
- The Court has preliminarily approved a proposed settlement of this class action lawsuit as being fair, reasonable, and adequate to the Settlement Class, and falling within the range of possible final approval. The settlement may affect your legal rights and you have certain choices to make now.
- The settlement will provide for a fund of \$1.7 million to cover payments to approximately 138 Settlement Class members, settlement administration expenses, attorneys' fees and litigation expenses, an incentive for the Class Representatives, and any other related expenses which may be approved by the Court. Each Settlement Class member will share equally in the net amount of the settlement fund after deduction of such fees, expenses, and incentive.
- To be a member of the Settlement Class, you must be a present owner of a home listed on Exhibit A hereto whose copper pipes were not replaced by prior owners, or you must be a prior owner of a home listed on Exhibit A hereto who replaced the copper pipes in the home

Questions? Contact Settlement Administrator, _____
Toll Free Telephone (866) 826-2818; [Email Address]

with PEX or epoxy coating. All other individuals in the chain of title for the homes listed on Exhibit A are NOT members of the Settlement Class.

- **If you are a member of the Settlement Class, your legal rights are affected whether you act or don't act. Please read this entire notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
If you are a member of the Settlement Class your options are to:	
DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT	If you do nothing, you will receive your share of the settlement fund, but you will be giving up any rights you may have to separately sue Defendants and the Released Parties for any legal claims released by this Settlement. See Questions 8-9 and 22, <i>below</i> .
EXCLUDE YOURSELF BY [60 DAYS AFTER DATE OF NOTICE],	You will not receive any payment from the settlement, but you will preserve any existing rights you may have to bring your own lawsuit against Defendants based on the same alleged violation of certain statutory standards relating to the copper pipes installed in certain homes. See Questions 13-15, <i>below</i> .
OBJECT BY [60 DAYS AFTER DATE OF NOTICE], 2022,	You may write the Court to say why you do not agree with any aspect of the proposed settlement. If you do submit a written objection, you also may request to speak at the fairness hearing to present your disagreement to the Court. See Questions 18-20, <i>below</i> .

- These rights and options—and the deadlines to exercise them—are explained in this notice. Please review the entire notice to ensure that you understand your rights and options. If you have any questions after reading this notice, please contact the Settlement Administrator, ILYM, at (866) 826-2818, or [email address] or Class Counsel, _____.
- The Court in charge of this case still has to decide whether to provide final approval of the settlement. Settlement Class members who do not opt out will receive a check for a settlement payment only if the Court approves the settlement and after the approved settlement becomes final, including resolution of any possible appeals. Please be patient.

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BASIC INFORMATION

1. Why did I get this notice?

This lawsuit, entitled *James Foti, et al. v. John Laing Homes (California), Inc., et al.* Case No. 30-2013-00649415-CU-CD-CXC, was filed on May 9, 2013 and is presently pending in the Superior Court of the State of California, County of Orange.

You have received this notice because you may be a member of the Settlement Class. The Settlement Class is defined as follows:

(1) All present owners of residential homes in the St. Mays Road and Potters Bend projects constructed by John Laing Homes (California), Inc. and WL Homes, LLC dba John Laing Homes, LLC in Ladera Ranch, California as set forth in the Class Home List attached hereto as Exhibit A (the "PROJECTS") whose copper pipes have not been replaced with PEX or epoxy coating by prior owners of the homes; or (2) prior owners of homes in the PROJECTS who replaced their copper pipes with PEX or epoxy coating.

You have been potentially identified as a member of the Settlement Class because you are in the chain of title for the homes included within this Settlement Class.

The Court has preliminarily determined that the proposed settlement is fair, reasonable, and adequate to the Settlement Class members, and falls within the range of possible final approval. The Court has ordered the parties to mail this notice to the Settlement Class members, to inform you about the lawsuit, the proposed settlement, the Court's fairness hearing to consider final settlement approval, and your legal rights and options.

2. What is the lawsuit about?

The lawsuit that is being settled is entitled *James Foti, et al. v. John Laing Homes (California), Inc., et al.* Case No. 30-2013-00649415-CU-CD-CXC is presently pending in the Superior Court of the State of California, County of Orange. The case is a "class action." That means that the "Named Plaintiffs," James Foti, Jeff Swoboda and Luciana Swoboda, are individuals who are acting on behalf of all persons who currently own homes built by John Laing Homes in the St. Mays Road and Potter Bends projects in Ladera Ranch, California between [REDACTED] and the present (this group is called the "Class Members.") Named Plaintiffs claim that they and all other Class Members own Class Homes that contain copper pipes that purportedly are inadequate and defective for the water conditions in Ladera Ranch, California. Named Plaintiffs have claims for violations of standards of residential construction enumerated in California Civil Code § 895, et seq., and various other claims.

Defendants deny all allegations of wrongdoing and of liability, and deny that Plaintiff and the Settlement Class are entitled to any recovery. There has been no finding of any violation or wrongdoing by Defendants by any court. The Court has not yet determined whether this action may proceed as a class action.

3. Why is this a class action?

In a class action, "Class Representatives" (in this case, James Foti, Luciana Swoboda and Jeff Swoboda) sue on behalf of people who have similar claims. All of these people are a "class" or "class members." One court resolves the issues for all class members, except for those who exclude themselves from the class. A "settlement class" is a class proposed for purposes of a settlement only.

4. Why is there a settlement?

The Court did not decide this lawsuit in favor of the Plaintiff or Defendants. Instead, both sides agreed to the settlement. That way, they avoid the cost and risk of further litigation and the people claimed to have been affected will get prompt and certain compensation.

In addition, the defendant developer John Laing Homes has obtained Chapter 11 Bankruptcy protection and the only proceeds that are permitted to be used to settle this case are from insurance that John Laing Homes had for the properties. The class's potential recovery is further limited by what is called Self-Insured Retention in the insurance policies - which are essentially deductibles of either \$250,000 or \$1,000,000 for each project and each year of coverage. This Self-Insured Retention could also potentially reduce the damages that the Class could recover in the action.

The Class Representatives and their attorneys believe that a class-wide settlement is in the best interests of the Settlement Class. The Court has preliminarily determined that the proposed settlement is fair, reasonable, and adequate to the Settlement Class members, and falls within the range of possible final approval.

WHO IS IN THE SETTLEMENT?

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

If you have received this notice, you may fall within the Settlement Class definition, as preliminarily approved by the Court, which is:

(1) All present owners of residential homes in the St. Mays Road and Potters Bend projects constructed by John Laing Homes (California), Inc. and WL Homes, LLC dba John Laing Homes, LLC in Ladera Ranch, California as set forth in the Class Home List attached hereto as Exhibit A (the "PROJECTS") whose copper pipes have not been replaced with PEX or epoxy coating by prior owners of the homes; or (2) prior owners of homes in the PROJECTS who replaced their copper pipes with PEX or epoxy coating.

You have been preliminarily identified as a potential member of the Settlement Class, based upon the fact that you are in the chain of title for the homes listed in Exhibit A.

Based upon the class definition:

- If the copper pipes in a home listed in Exhibit A were not replaced with PEX or epoxy coating by a prior owner, the present owner is a member of the class – and all prior owners are NOT members of the Settlement Class.
- If a prior owner replaced the copper pipes with PEX or epoxy coatings, that prior owner is a member of the class – and all other owners in the chain of title are NOT members of the Settlement Class.

6. Are there exceptions to being included?

Yes. The Settlement Class does not include persons who opt-out or exclude themselves from the settlement in a timely and correct manner by submitting a written request for exclusion. Questions 13-15 below describe how to opt-out of the Settlement Class and settlement.

7. If I am a prior owner who replaced the copper pipes in my home, how can I be included in the Settlement?

If you are a prior owner of a home listed in Exhibit A and you replaced your copper pipes with PEX or epoxy coatings, you must fill out and submit a Prior Owner Verification Form attached hereto and submit it to the Class Administrator on or before _____.

8. If I am a prior owner who did NOT replace the copper pipes in my home, am I included in the Settlement?

No. The Settlement Class Members are only those individuals who: (a) presently own a home listed in Exhibit A and whose copper pipes were not replaced with PEX or epoxy coating by a prior owner; or (b) previously owned a home listed in Exhibit A and replaced the copper pipes in the home with PEX or epoxy coatings.

THE SETTLEMENT BENEFITS—WHAT DO I GET?

9. What does the settlement provide?

Defendants will establish a settlement fund totaling \$1,700,000.00. The settlement fund will provide payment for the following: (a) payments to the Settlement Class members who have not opted out of the settlement, (b) the expense of administration of the settlement incurred by the Settlement Administrator, (c) any incentive awarded to the Class Representative, and (d) any attorneys' fees and litigation expenses awarded to Class Counsel. After payment of settlement administration expenses, the Class Representatives' incentives, and Class Counsel's attorneys' fees and expenses, the entire remainder of the settlement fund will be distributed to the Settlement Class members who did not opt out, in equal shares. Any payments which are not negotiated by the Settlement Class members, after reasonable and diligent efforts by the settling parties and Settlement Administrator, will be treated as Unclaimed Property under California's Unclaimed Property Law and will be deposited with the California State Controller.

The parties will request Court approval for the payment of expenses actually incurred by the Settlement Administrator from the settlement fund, up to a maximum of \$35,000.00. An incentive award on behalf of the Class Representatives will be requested in an amount not to exceed \$10,000.00 each for James Foti and for the Swobodas for their efforts on behalf of the Settlement Class. Class Counsel will request an award of attorneys' fees not to exceed 30% of the Settlement Fund (i.e. \$510,000.00) and litigation expenses not to exceed \$20,000.00. Any such amounts to be paid from the settlement fund must first be approved by the Court as being fair and reasonable to the Settlement Class, and will not exceed these maximum amounts.

The following example is provided for demonstration purposes, based upon the maximum permissible requested amounts for settlement administration expenses, the Class Representative incentives, and Class Counsel's attorneys' fees and litigation expenses. It must be emphasized, however, that the Court will make the final determination of such amounts:

The proposed settlement fund is \$1,700,000. There are 138 estimated Settlement Class members. If the Court approves the maximum permissible request for settlement administration expenses (\$35,000.00), the Class Representatives' incentives (\$20,000.00), and Class Counsel's attorneys' fees and litigation expenses (\$530,000.00), the net settlement fund amount would be \$1,115,000. Each of the approximately 138 Settlement Class members would receive approximately \$8,079.71. The funds allocated to Settlement Class members who opt-out will be returned to Steadfast Insurance Co.

These figures could change depending on the Court's approval of each portion of the Settlement.

The complete terms of the settlement are set forth in the Settlement Agreement. The Settlement Agreement can be viewed on the Settlement Administrator's website, www.____.com. You may also obtain a copy of the Settlement Agreement, free of charge, by contacting the Settlement Administrator at _____, toll-free, or by e-mail at [email address].

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

If the settlement becomes final, each Settlement Class member who did not opt out will be releasing Defendants from all claims, demands, rights, liabilities, suits, matters, obligations, damages, losses, costs, actions and causes of action of every nature and description whatsoever, in law or equity, known or unknown, by the Releasing Parties against Defendants and its insurers, including claims for penalties, attorneys' fees and costs of such, that arise from the installation or use of copper pipes in the Homes and any alleged violations of California Civil Code § 895 et seq. arising from the installation of copper pipes. Without limiting the foregoing, and for clarification, excluded from the Settled Class Claims are any *other* construction defects or *other* claims relating to the construction of the homes identified in Exhibit A, against any parties, including Defendants, which are not alleged in the Action.

The precise terms of the settlement's "release," which defines the claims given up by the Settlement Class in exchange for payment of settlement benefits, are set forth in the Settlement Agreement. The Settlement Agreement can be viewed on the Settlement Administrator's website, www.____.com. You may also obtain a copy of the Settlement Agreement, free of

charge, by contacting the Settlement Administrator at _____, toll-free, or by e-mail at [email address].

Unless you exclude yourself, all of the Court's orders will apply to you and will be legally binding on you, including the Court's decision whether to finally approve this settlement and the judgment entered in the lawsuit.

HOW TO GET A PAYMENT

11. How can I receive my settlement payment?

If you are a prior owner who has replaced the copper pipes with PEX or epoxy coatings, you must submit the Prior Owner Verification Form to the Settlement Administrator by _____.

If you are a present owner and no prior owner submits a Prior Owner Verification Form, you do not need to do anything to participate in the settlement. You will then receive your settlement payment if you do not opt out, the Court grants final approval of the settlement, and that approval becomes final.

In the event a prior owner submits a Prior Owner Verification Form stating that the prior owner has replaced the homes' copper pipes with PEX or epoxy coating, then the Class Administrator shall provide you with written notice: (a) that a prior owner has submitted a Prior Owner Verification stating that the prior owner replaced the homes' copper pipes with PEX or epoxy coating; and (b) the present owner has 30 days within which to submit a written verification that the home had copper pipes (without any epoxy coating) at the time the present owner obtained title to the home.

In the event that there is a dispute between the prior and present owner as to whether a prior owner had replaced the copper pipes with PEX or epoxy coating, then the two homeowners shall submit proof supporting their claims to the Class Administrator who shall forward such writings to Ross Feinberg, Esq. of JAMS who: (a) shall serve as arbitrator of the dispute; and (b) whose determination of those competing claims shall be binding. The costs for Ross Feinberg's services shall be deemed a "cost" that shall be deductible from the Settlement Fund.

Please contact the Settlement Administrator at the telephone number or email address on the bottom of each page of this notice if this notice was not mailed to your current address, or if you currently have any plans to move, to ensure that your current address is used.

12. When will I get my payment?

Settlement payment checks will be mailed to the Settlement Class members only after the Court grants "final approval" of the settlement, and, in some cases, after the time for any appeal has ended and any appeal has been resolved. The earliest possible date that settlement payment checks can be mailed is _____, or _____ days after the date presently set for the fairness hearing.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep the right to sue or continue to sue the Defendants over the legal issues in this case, or if you do not wish to participate in the settlement for any other reason, you must take steps to exclude yourself from the settlement. This is sometimes called “opting-out” of the settlement.

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

No. If you opt out of the settlement you will not receive any settlement payment and you cannot object to the settlement or appear at the fairness hearing. By opting out of the settlement, you will not release any claims which otherwise would be released by the settlement and you will not be bound by any judgment or orders of the Court in approving the settlement. You will retain whatever rights or claims you may have, if any, against Defendants, and you will be free to continue or pursue your own lawsuit against Defendants, if you choose to do so.

Please be advised that your ability to obtain a recovery against the Defendants might be limited by the fact that it has filed for bankruptcy protection. If you wish to exclude yourself from the settlement, you are strongly advised to obtain the advice of counsel.

14. If I don't exclude myself, can I sue later?

No. Unless you timely and validly exclude yourself from the settlement by the deadline of **[60-day deadline]**, 2022, you will give up the right to sue Defendants for the claims that this Settlement releases and resolves.

15. How do I get out of the settlement?

To exclude yourself from the settlement, you must fill out and sign the attached Request For Exclusion From Class Action form and mail it to the Class Administrator with a postmark no later than **[60-day date]**, 2022, addressed to:

SETTLEMENT ADMINISTRATOR
ILYM

You cannot exclude yourself from the settlement by telephone, electronic mail, or any other method except by mail, in the manner described in this notice.

Requests for exclusion that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective. If you submitted a timely yet insufficient request for exclusion, the Settlement Administrator will contact you. We ask that you cooperate with the Settlement Administrator to achieve your desired result in connection with this settlement.

Settlement Class members who fail to submit a valid and timely request for exclusion shall be bound by all terms of the settlement and any final judgment and orders of the Court entered in this lawsuit if the settlement is approved, regardless of whether they ineffectively or untimely requested exclusion from the settlement.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in the case?

Yes. The Court has designated the law firms of Bridgford, Gleason & Artinian, Kabateck LLP and McNicholas & McNicholas LLP to represent the Settlement Class as "Class Counsel." Except for any attorneys' fees and litigation expenses which may be approved and awarded by the Court, to be paid exclusively from the settlement fund, you will not be charged for these lawyers. These lawyers will not seek to recover any fees or expenses except from the settlement fund, as described in this notice. If you want to be represented by another lawyer with respect to this lawsuit or settlement, you may hire one at your own expense.

17. How will the costs of the lawsuit and settlement be paid?

Class Counsel will make an application to the Court for an award of attorneys' fees and litigation expenses in a combined amount not to exceed \$530,000.00, for their efforts and expenses incurred in litigating this action and obtaining the settlement. Class Counsel have agreed to divide the fees awarded by the Court based upon their agreement.

Class Counsel will also make an application to the Court for an incentive award for the Class Representatives, in an amount not to exceed two \$10,000.00 payments (i.e. one for each of the two households), for their personal efforts and contributions on behalf of the class in litigating this action and obtaining the settlement.

Class Counsel will also make an application to the Court for approval of the costs of settlement administration to be paid to ILYM for its work administering the settlement, up to a maximum amount of \$35,000.00.

The actual amount of any such fees, expenses, and incentives, whether in the full amounts requested or in some lesser amounts, will be determined by the Court. The Court must approve the amounts as being fair and reasonable to the Settlement Class, and cannot exceed the foregoing maximum amounts. Class Counsel's fees and expenses, the Class Representative's incentive, and the costs of settlement administration, all as may be approved and awarded by the Court, shall be paid out of the settlement fund.

OBJECTING TO THE SETTLEMENT

If you do not request to be excluded (opt out), you can tell the Court if you don't agree with the settlement or any part of it.

18. How do I tell the Court if I don't agree with the settlement?

If you are a Settlement Class member and you did not opt out of the settlement, you can object to the settlement if you don't agree with any part of it and don't think the settlement should be approved. You must give reasons why you think the Court should not approve it.

To object, you must submit a written letter to the Settlement Administrator by mail, postmarked by the deadline below, stating that you object to the settlement in *James Foti, et al. v. John Laing Homes (California), Inc., et al. Case No. 30-2013-00649415-CU-CD-CXC*, Superior Court of the State of California, County of Orange, and stating the reasons why you think the Court should not approve the settlement. You must also include: (a) your name, address, and telephone number and signature; (b) a detailed statement of your specific objections; and (c) a detailed statement of the grounds for such objections.

If you wish the Court to consider any records in support of your objection, you must enclose copies of such records with the written objection, or if the subject records are not in your possession, custody, or control you must identify those records, and the person(s) whom you believe has possession of them.

You must mail your objection, and any supporting records, to the Settlement Administrator, postmarked no later than [60-day date], _____, addressed to:

SETTLEMENT ADMINISTRATOR
ILYM

You cannot object to the settlement by telephone, electronic mail, or any other method except by mail, in the manner described in this notice.

An objector is not required to retain an attorney in order to object to the Settlement, but may do so if desired, at the objector's own expense. If the objector submitting the objection is represented by an attorney concerning the objection, the objection must comply with the additional requirements set forth in the Court's Order Granting Preliminary Approval of Class Action Settlement, a copy of which is available without charge from the Settlement Administrator.

If you do not properly submit a timely written objection, your objection will be deemed waived, you will not be permitted to assert your objection at the fairness hearing, and it will not be considered by the Court. If you do not submit or identify all supporting records with your written objection, you will not be able to present such supporting records at the fairness hearing.

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

Objecting is simply telling the Court that you don't agree with something about the settlement. You can object only if you stay in the Settlement Class. If your objection is overruled and that ruling becomes final, you will still: (i) remain a Settlement Class member; (ii) be subject to the orders and judgment of the Court; and (iii) will still participate in the settlement if it is approved by the Court. Excluding yourself is telling the Court that you don't want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a fairness hearing to decide whether to give final approval to the settlement, and to consider any objections to the settlement. If you have properly filed a timely objection, you may attend and you may ask to speak, but you are not required to do so.

20. When and where will the Court decide whether to approve the Settlement?

The Court will hold a fairness hearing at [redacted] pm (PST) on [redacted], 2022, in Department CX101 of the Orange County Superior Court, Civil Complex Center, located at 751 West Santa Ana Boulevard, Santa Ana California 92701. The fairness hearing may be moved by the Court to a different date or time without additional notice. At the fairness hearing, the Court will consider whether the settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. If there are objections, the Court will consider them. The judge will only listen to people who have properly submitted a timely objection, and timely and properly requested to speak at the fairness hearing (*see* Questions 21-22, below). After the hearing, the Court will decide whether to approve the Settlement. We do not know how long it will take after the fairness hearing for the Court to issue a ruling.

21. Do I have to come to the hearing?

No. Class Counsel and counsel for Defendants will answer any questions the judge may have. If you submitted an objection, you do not have to come to the fairness hearing to talk about it. As long as you mailed your written objection on time and in the proper manner, it will be considered by the Court. Although no Settlement Class member is required to attend the fairness hearing, it is open to the public and anyone who wishes is free to attend at their own expense.

22. May I speak at the hearing?

Any Settlement Class member who does not request exclusion may ask the Court for permission to speak at the fairness hearing in support of the Settlement. Any Settlement Class member who does not request exclusion and who timely and properly submits an objection to the settlement may ask the Court for permission to speak at the fairness hearing in support of the objection.

To request to speak at the fairness hearing, either by yourself or through your own attorney, at your own expense, you must send a letter by mail, postmarked by the deadline below, stating that you are requesting leave to appear at the fairness hearing in the matter *James Foti, et al. v. John Laing Homes (California), Inc., et al. Case No. 30-2013-00649415-CU-CD-CXC*, Superior Court of the State of California, County of Orange. You must also include your name, address,

telephone number, and your signature, and (if applicable) the name, address, telephone number, and signature of your attorney. If the Settlement Class member wishes to present the testimony of any witness at the fairness hearing, the request must also identify each such witness. Pursuant to the Court rules that are then in effect, there might be an option to appear by Zoom or other electronic means authorized by the Court.

You must mail your request to speak at the fairness hearing to the Settlement Administrator, postmarked no later than **[60-day date]**, _____, addressed to:

SETTLEMENT ADMINISTRATOR
ILYM

You cannot request to speak at the fairness hearing by telephone, electronic mail, or any other method of communication except by mail, in the manner described in this notice.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you are a Settlement Class member and do nothing, and the settlement is approved and that order becomes final, you will be legally bound by the settlement. You will receive the settlement payment due and you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant about the claims in this case.

GETTING MORE INFORMATION

24. How do I get more information?

This notice is a summary of the settlement. For more information about this case, and to review key documents pertaining to the proposed settlement, you may visit the settlement website, contact the Settlement Administrator, or contact the Class Counsel attorneys, all at no charge to you.

To Visit the Settlement Website:

www.____.com

To Contact the Claims Administrator:

Toll Free Number: _____

Email:

Contact the Attorneys for the Class:

Richard K. Bridgford, Esq.
Michael H. Artinian, Esq.
Bridgford, Gleason & Artinian
26 Corporate Plaza, Suite 250
Newport Beach, CA 92660
mike.artinian@bridgfordlaw.com

Richard L. Kellner, Esq.
Kabateck LLP
633 West Fifth Street, Suite 3200
Los Angeles, CA 90017
rlk@kbklawyers.com

**PLEASE DO NOT CONTACT DEFENDANTS OR THE COURT WITH ANY
QUESTIONS.**

Dated: _____, 2022

Honorable Glenda Sanders
JUDGE OF THE SUPERIOR COURT