Notice of Pendency and Proposed Settlement of Class Action

Relating to Vanguard and Viega-brand brass plumbing components

Your rights may be affected by the Litigation and proposed settlement discussed in this court-authorized Notice. This Notice is to inform you of the conditional certification of a Settlement Class, the nature of the claims at issue, rights to participate in or not participate in the Settlement Class, and the effect of exercising your various options. Settlement Class Members are not being sued.

YOUR RIGHTS AND OPTIONS AS A SETTLEMENT CLASS MEMBER	
DO NOTHING	If you do nothing, you can participate in the settlement and will be bound by its terms, if it is approved.
FILE A CLAIM	Review the Settlement Claim Form to see if you are eligible to make a claim.
EXCLUDE YOURSELF	Write to the Claims Administrator if you do not want to benefit from or be bound by this settlement.
OBJECT	File an objection with the Claims Administrator if you are not satisfied with the settlement.
GO TO A HEARING	Ask for permission to speak in Court about the fairness of the settlement.

Your legal rights and options --- and the deadlines to exercise them --- are explained in this Notice. Your legal rights may be affected whether you act or do not act. Please read this Notice carefully. Capitalized terms in this Notice have the same meaning as provided in the "Definitions" section of the Class Action Settlement Agreement and Release on file with the Court.

1. Why did the Court issue this Notice?

This Notice is given to inform you that (1) a class action lawsuit is pending in the Superior Court of the State of California, County of Los Angeles before the Honorable William F. Highberger entitled *Verdejo v. Vanguard Piping Systems, Inc.*, Case No. BC448383 ("the Litigation"); (2) you may be a Settlement Class Member; (3) the parties have proposed to settle the Litigation; (4) the proposed settlement may affect your legal rights; and (5) you have a number of options.

2. What is this Litigation about?

Plaintiffs and Useful Life Subclass Representatives Don Verdejo, Noreen Verdejo, Christina Anderson, Davey Hernandez, William Martinez, Corinne Martinez, Karen Michaud, Takashi Nishida, Kristin Nishida, Rodney Pyle, and Kim Pyle, and Clark County Subclass Representatives and Useful Life Subclass Representatives Andrew L. Proclivo, Nancy H. Proclivo, Lawrence Ng, Koren J. Chin-Ng, Talia LaQuintara, Michael Connolly, and Gloria Connolly allege they have suffered injuries and damages arising out of alleged defects in certain potable water plumbing system fittings or other components and sub-components made from UNS C36000, UNS C37700, UNS C36500 brass, or similar copper alloys with a zinc content of 15+% manufactured and/or distributed by Vanguard Piping Systems, Inc., VG Pipe LLC, Viega LLC, or any and all of their current or former related subsidiaries, parent companies, sister companies, and affiliates ("Viega Brass Fittings").

Plaintiffs, the Useful Life Subclass Representatives, and the Clark County Subclass Representatives allege the Viega Brass Fittings are inadequate or of poor or insufficient quality or defective. They further allege such Viega Brass Fittings were distributed or sold by Vanguard or Viega (collectively, "Viega").

Viega denies all of the material allegations made by Plaintiffs, the Useful Life Subclass Representatives, and the Clark County Subclass Representatives and denies any wrongdoing or liability of any kind. Among other things, Viega maintains that the Viega Brass Fittings are of high quality and do not violate any standard or law. Viega asserts it has, at all times, complied with all applicable federal and state laws.

Accordingly, neither this Notice nor the proposed settlement reflects an admission by Viega that there is a defect in any of the Viega Brass Fittings or that it violated any law or the rights of any person covered by this Notice.

3. I received a similar Notice in September or October of 2013 regarding Vanguard and Viega-brand brass plumbing components. Is this Notice the same as or different than the prior Notice?

You may have received a prior notice in September or October 2013, issued as part of the *Verdejo* litigation in connection with a prior proposed settlement. After the December 2, 2013 Fairness Hearing in connection with the prior proposed settlement, Plaintiffs withdrew their request for final approval of that settlement to allow the parties to address some matters raised by the Court. The parties reached agreement on a new proposed settlement. This Notice relates to the new proposed settlement.

The new proposed settlement is different in a number of ways summarized in this Notice. For example, there are additional benefits to the class that go beyond the benefits afforded in the prior proposed settlement. Among other things, Settlement Class Members now receive the benefit of a 16-year (as opposed to a 13-year) limited warranty, a longer period in which to make both past and future claims, Settlement Class Members who are also members of the Clark County Subclass receive the benefit of a 19-year limited warranty, and Settlement Class Members who are also members of the Useful Life Subclass may receive a cash payment, as set forth in greater detail below and in the new Agreement. Settlement class definitions, releases, and other provisions also are different, as summarized here and detailed in the settlement documents available at www.verdejosettlement.com.

Any attempt to exclude yourself from the prior proposed settlement does not affect your participation in the new proposed settlement. If you wish to exclude yourself from the new proposed settlement, you must do so in the manner set forth in Sections 10 and 11 below. You *cannot* rely on a previous request for exclusion, as the consideration under this new proposed settlement is substantially enhanced.

If you submitted a claim under the prior proposed settlement you *do not* need to resubmit the claim. The claim will be reviewed under the terms of the new proposed settlement. To the extent you may be entitled to additional benefits not afforded by the prior proposed settlement, however, you *must* submit a new Claim Form to obtain such benefits. The Claims Administrator mailed a letter to all claimants who have filed claims under the prior proposed settlement that provides greater detail.

4. How do I know if I am part of the Settlement Class?

The Court has conditionally certified a Settlement Class and Subclasses (identified in greater detail below), INCLUDING: All Persons that own or have owned buildings, homes, residences or any other structures located in the United States that contain or have ever contained Viega Brass Fittings. Also included in this class are all such Persons' spouses, joint owners, heirs, executors, administrators, mortgagees, tenants, creditors, lenders, predecessors, successors, subsequent owners or occupants, lessees, trusts and trustees, attorneys, agents, and assigns and all Persons who have vested legal rights

such that they have legal standing and are entitled to assert a claim on behalf of such Settlement Class Members. Insurance carriers are members of the Settlement Class if they paid insurance claims for a Failure prior to the date of the Preliminary Approval Order, June 20, 2014, and thereby obtained legally vested subrogation rights.

Settlement Class Members who own or have owned buildings, homes, residences or any other structures located in Clark County, Nevada that contain or have ever contained Viega Brass Fittings are also members of the "Clark County Subclass." Also included in this subclass are all such Persons' spouses, joint owners, heirs, executors, administrators, mortgagees, tenants, creditors, lenders, predecessors, successors, subsequent owners or occupants, lessees, trusts and trustees, attorneys, agents, and assigns and all Persons who have vested legal rights such that they have legal standing and are entitled to assert a claim on behalf of such Clark County Subclass Members.

Settlement Class Members who currently own residential property located in the following twelve (12) states: Arkansas, Arizona, California, Delaware, Hawaii, Kansas, Louisiana, Nevada, New Hampshire, Oklahoma, West Virginia and Wyoming, are also members of the "Useful Life Subclass."

The Settlement Class and/or the Clark County Subclass include insurance carriers if their insured otherwise fall within the foregoing definitions and the insurance carrier paid insurance claims for a Failure prior to the date of the Preliminary Approval Order and thereby obtained legally vested subrogation rights.

Persons who seek contribution or indemnity from Viega based on past settlements of, or judgments on, claims with Settlement Class Members, Clark County Subclass Members, or Useful Life Subclass Members also are members of the Settlement Class and the respective subclass(es), if applicable, if they paid those settlements prior to the date of the Preliminary Approval Order and thereby obtained vested legal rights to pursue such contribution or indemnity claims. To the extent there may in the future be subrogated insurance carriers or Persons who seek contribution or indemnity from Viega because of vesting of legal rights that occurs after the date of the Preliminary Approval Order, they shall not be Settlement Class Members or members of any subclass, but the rights that they take through a Settlement Class Member, a Clark County Subclass Member, or a Useful Life Subclass Member shall be limited by all of the terms, time periods, releases, caps, prohibitions on overlapping or double recoveries, and other provisions of this Agreement.

You are EXCLUDED from the Settlement Class, Useful Life Subclass and Clark County Subclass and *not* covered by this settlement if you: (a) validly and timely exclude yourself, using the procedure set forth below in Sections 10 and 11; (b) have settled with, released, or otherwise had claims adjudicated on the merits against Viega that are substantially similar to those alleged in this matter; (c) have only personal injury claims as a result of the defects alleged; (d) except as expressly included, are an insurer or other provider of extended service contracts or warranties for the Settlement Class Structures; or (e) are the Honorable William F. Highberger or a member of his family.

5. What are the reasons for the settlement?

The Court did not decide in favor of the Plaintiffs, Useful Life Subclass Representatives, Clark County Subclass Representatives or Viega. Instead, the parties agreed to a settlement that they believe is a fair, reasonable, and adequate compromise of their respective positions. The parties reached this Agreement only after very long negotiations, many exchanges of information, and independent consideration of the risks and benefits of settlement through the assistance of several different experienced Mediators.

Class Counsel, Counsel for the Useful Life Subclass, and Counsel for the Clark County Subclass have considered the substantial benefits from the settlement that will be given to the Settlement Class Members and Subclasses and balanced these benefits with the risk that a trial could end in a verdict for Viega. They also considered the value of the immediate benefit to Settlement Class Members versus the costs and delay of litigation through trial and appeals and the risk that a nationwide class would not be certified. Even if Plaintiffs were successful in these efforts, Settlement Class Members would not receive any benefits for years.

6. What does the settlement provide?

Benefits. If the proposed settlement is ultimately approved by the Court, it will provide several forms of relief to the Settlement Class and Subclasses. In return for the relief described below, the Settlement Class Members and Members of the Subclasses release their rights to pursue any claims against Viega and related entities relating to the claims at issue in this Litigation.

A. ESTABLISHMENT OF LIMITED WARRANTY FOR DEZINCIFICATION-RELATED FAILURES

Viega has agreed to provide a "Limited Warranty" covering certain Failures of Viega Brass Fittings. The Limited Warranty will cover water leaks from a Viega Brass Fitting caused by dezincification or a drop in water flow capacity of a fixture due to zinc oxide build-up as a result of dezincification in a Viega Brass Fitting that causes the water flow rate to drop below the minimum requirements as set forth in Section 604, Table 604.3 of the International Plumbing Code (IPC) (2012), but for unrestricted flow measured via a flow meter ahead of the fixture in question. The Limited Warranty shall run through 16 years from the Date of Installation of the Viega Brass Fittings for all Settlement Class Members, and 19 years from the Date of Installation of the Viega Brass Fittings for members of the Clark County Subclass.

B. PAYMENT OF COSTS FOR PRIOR OR ANTICIPATED REPAIR/REPLACEMENT AND OTHER MONETARY CONSIDERATION

Viega will also pay claimants for their reasonable costs and expenses related to past eligible Failures falling within the Limited Warranty, which were not otherwise reimbursed to the claimant (whether by Viega's warranties, insurance, or otherwise). Specifically, Viega will pay claimants for (1) the reasonably proven incurred or anticipated costs associated with repairs due to the eligible Failure, (2) the reasonably proven material and proven incurred or anticipated labor costs to repair or replace damage to real property in which the failed Viega Brass Fitting was installed, (3) the reasonably proven incurred or anticipated costs to repair or replace other property damaged by the eligible Failure, and (4) reasonably proven incurred or anticipated costs related to temporary housing caused by the eligible Failure.

C. CASH PAYMENTS TO MEMBERS OF THE USEFUL LIFE SUBCLASS

In addition to providing the Limited Warranty set forth above, Viega shall also make cash payments to members of the Useful Life Subclass upon a submission of a valid claim on or before July 10, 2015. Specifically, Viega shall pay each Useful Life Subclass member \$250 for each residence containing Viega Brass Fittings that the Useful Life Subclass claimant owns, and that otherwise is the subject of a valid claim meeting the requirements set forth in the Agreement and Claim Form. To receive this payment, you must complete the Claim Form per its instructions, include the required documentation, and mail it to the address in the instructions so that it is postmarked timely. A Claim Form is enclosed, but you can obtain additional Claim Forms from the settlement website www.verdejosettlement.com or by written request to: *Verdejo v. Vanguard Piping Systems* Claims Administrator, P.O. Box 43206, Providence, RI 02940-3206. The documentation required to be eligible for payment is detailed in the Claim Form.

Release. If you are a Settlement Class Member and do not exclude yourself from the Settlement Class, approval of this settlement will result in a release by you of all claims against Viega and its related entities that arise out of or are related in any way to claims that the Viega Brass Fittings are inadequate or of poor or insufficient quality or defective, due to corrosion, potential corrosion, or otherwise, which were alleged or could have been alleged in this Litigation or in similar actions. You also will not be able to recover against any third parties, including without limitation manufacturers, suppliers, distributors (including wholesale and retail distributors), builders, developers, contractors, design professionals, plumbers, installers or others (as well as their related entities) responsible for manufacturing, supplying, distributing, selling, installing, or specifying use of Viega Brass Fittings on any claims that the Viega Brass Fittings are inadequate or of poor or insufficient quality or defective, due to corrosion, or otherwise and relinquish the rights described in the Agreement as to such claims.

In addition, Plaintiffs intend to request that the Court award them \$5,000 per home that is owned by the class representatives. The complete terms of the settlement are in the Agreement, which is available on the settlement website www.verdejosettlement.com. You may also obtain a copy of the Agreement by sending a written request to: *Verdejo v. Vanguard Piping Systems* Claims Administrator, P.O. Box. 43206, Providence, RI 02940-3206, or by accessing the public docket for the Court.

7. Do I have a lawyer in the case?

Yes. The Court has appointed the following counsel for the Class: Kenneth Kasdan and Michael Turner of Kasdan Weber Turner LLP, 19900 MacArthur Blvd., Suite 850, Irvine, CA 92612, as well as Graham LippSmith of Girardi Keese, 1126 Wilshire Boulevard, Los Angeles, CA 90017. The Court has appointed the following counsel to represent members of the Clark County Subclass: Scott K. Canepa and Terry Riedy of Canepa Riedy & Rubino, Troy L. Isaacson, Robert C. Maddox and Norberto Cisneros of Maddox, Isaacson & Cisneros, LLP, J. Randall Jones of Kemp, Jones & Coulthard, LLP, Francis I. Lynch and Charles Hopper of Lynch, Hopper, Salzano & Smith, LLP and James D. Carraway of Carraway & Associates, LLC. The Court has appointed the following counsel to represent members of the Useful Life Subclass: Kenneth S. Kasdan and Michael D. Turner of Kasdan Weber Turner LLP and Graham B. LippSmith of Girardi Keese for the Useful Life Subclass members in Arkansas, Arizona, California, Delaware, Hawaii, Kansas, Louisiana, New Hampshire, Nevada (excluding Clark County). Oklahoma, West Virginia and Wyoming, and Scott K. Canepa and Terry Riedy of Canepa Riedy & Rubino, Troy L. Isaacson, Robert C. Maddox and Norberto Cisneros of Maddox, Isaacson & Cisneros, LLP, J. Randall Jones of Kemp, Jones & Coulthard, LLP, Francis I. Lynch and Charles Hopper of Lynch, Hopper, Salzano & Smith, LLP, James D. Carraway of Carraway & Associates, LLC for the Clark County Useful Life Subclass members.

8. How will the lawyers for the Settlement Class be paid?

If the Court approves the settlement, the Court will also determine what amount of attorneys' fees, costs and all other expenses should be paid to Class Counsel, Counsel for the Useful Life Subclass, and Counsel for the Clark County Subclass for their representation of Plaintiffs, the Settlement Class, the Useful Life Subclass, and the Clark County Subclass in this Litigation. Payment of attorneys' fees and expenses to Class Counsel, Counsel for the Useful Life Subclass, and Counsel for the Clark County Subclass will <u>not</u> reduce any benefits available to you as part of the settlement. Viega has agreed to pay Class Counsel, Counsel for the Useful Life Subclass, and Counsel for the Clark County Subclass an amount to be fixed by the Court as reasonable attorneys' fees, costs, and all other expenses, so long as the amounts do not exceed, \$5,000,000 (for Class Counsel and Counsel for the Useful Life Subclass (excluding Useful Life Subclass members from Clark County)) and \$7,000,000 (for Counsel for the Clark County).

9. What happens if I do nothing after receiving this Notice?

If you are a Settlement Class Member, you do nothing and the Court approves the settlement, then you will receive the benefits of the settlement and otherwise be bound by the terms of the Agreement, but you will have to file a claim on time to receive a cash payment (see below). You will not be allowed to pursue a separate claim against Viega relating to the facts at issue in this Litigation.

If you do not request exclusion from the Settlement Class and if you are entitled to the warranty described in Sections 6.A or 6.B, then you need not do anything to activate your rights. For the duration of the warranty, you may make a claim by submitting a Claim Form to: *Verdejo v. Vanguard Piping Systems* Claims Administrator, P.O. Box 43206, Providence, RI 02940-3206, if the settlement is finally approved and becomes effective.

If you are eligible for relief under this settlement, you must complete and submit a Claim Form within the Claim Period. For all claims accruing prior to July 10, 2014, Claim Forms must be submitted on or before January 6, 2015. Claims accruing on July 10, 2014, or after must be submitted within one-hundred eighty (180) days of accrual. All Claim Forms that are not timely submitted will be found invalid and denied. As noted in Section 3, if you previously submitted a claim, the claim will be reviewed under the terms of the new proposed settlement. To the extent you may be entitled to additional benefits not afforded by the prior proposed settlement, you must submit a new Claim Form to obtain such benefits. The Claims Administrator mailed a letter to all claimants who filed claims under the prior proposed settlement providing greater detail.

If you do not request exclusion but are entitled to the cash payment described in Section 6.C., you must submit a Claim Form within one (1) year after July 10, 2014.

10. What does it mean to request exclusion from the Settlement Class?

If you come within the Settlement Class definition, you will be a member of the Settlement Class and will be bound by the Agreement if the Court approves it unless you exclude yourself from the Settlement Class (also known as "opting out"). Being "bound by the Agreement" means that you will be precluded from bringing, or participating as a claimant in, a similar lawsuit against Viega. Persons who exclude themselves from the Settlement Class will not be bound by the terms of the Agreement and will not be eligible to receive any benefits from the settlement, but they may retain the right to sue Viega at their own cost. As noted in Section 3, if you sought to exclude yourself from the prior proposed settlement, you *must* submit a separate request for exclusion from this new proposed settlement.

You cannot exclude yourself from the Settlement Class and the proposed settlement if you wish to object to the settlement and/or appear before the Court during the Fairness Hearing (see Section 12), as you need to be a Settlement Class Member affected by the settlement to object or appear.

11. How do I request exclusion?

You may exclude yourself from the Settlement Class provided that your request is made in writing and postmarked on or before August 25, 2014.

Exclusion or "opt out" rights may be exercised by counsel representing you, provided that counsel attests in the exclusion or "opt out" that: (a) counsel signing the opt-out has been retained by you; (b) you have been advised of the consequences of opting out, including that no settlement benefits will be received; (c) counsel signing the opt-out has been authorized by you to exercise the exclusion or "opt out" right on your behalf; and (d) you have been given a copy of the opt-out and attestation. Such

opt-outs also shall include a clear specification of your name and all premises sought to be opted-out (e.g., by address, unit number for units, by designation of boundaries for unnumbered premises).

In any instance of exclusion or "opt out" where there is no single individual or entity that owns the right to make a claim on the Viega Brass Fittings (e.g., where the opt-out is a homeowners association or real estate investment trust), the opt-out shall: (a) be accompanied by proof that the individual/entity opting out has received a valid assignment of the claims sought to be opted out (e.g., by providing the assignment agreement, relevant provision of in-force CC&Rs, or a contract); (b) attest that the opt-out is exercised by the person(s)/entit(ies) validly authorized to do so under the assignment; and (c) attest that the assignee has given notice of its opt-out and the consequences thereof to all persons who might otherwise receive benefits under the settlement, but for the assignee's opt-out (e.g., notice shall be provided to unit owners in a case where a homeowners association exercises the opt-out right granted under a valid assignment). Such opt-outs also shall include a clear specification of all premises sought to be opted-out (e.g., by address, unit number for units, by designation of boundaries for unnumbered premises).

To exclude yourself, you or your counsel must send a letter that includes (a) your name, current address, and telephone number; (b) an identification of the address of the building or structure that you wish to "opt out" and your status as a person who would be a Settlement Class Member but for the "opt-out," if your current address differs from the address for the property for which you have asserted a claim; (c) an identification of the building or structure if you are not the owner of the building or structure; (d) a statement indicating your election to be excluded from the Settlement Class; and (e) your signature. If your counsel opts out on your behalf, your counsel must meet the additional requirements set forth above in this section. The written request to exclude yourself from the settlement must be sent to: *Verdejo v. Vanguard Piping Systems* Claims Administrator, P.O. Box 43206, Providence, RI 02940-3206.

You will only be excluded from the settlement if your request is *postmarked* on or before August 25, 2014, and includes the required items. The date of the postmark on the return-mailing envelope shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. If you fail to submit a valid and timely request for exclusion on or before August 25, 2014, you will be bound by all terms of the settlement and the Final Order and Judgment, regardless of whether you have requested exclusion from the settlement.

In determining whether you want to exclude yourself from the settlement, you are advised to consult your own attorney, as there may be issues particular to your circumstances that require consideration.

12. What if I do not like the Settlement?

If you are a Settlement Class Member, you can object to the settlement. To object, you must send a letter to the Claims Administrator and: (a) set forth your full name, current address, and telephone number; (b) identify the address of the building or structure giving rise to your standing to make an objection and establish your status as a Settlement Class Member, if your current address is different; (c) identify the owner of the building or structure if you are not the owner of the building or structure; (d) set forth the basis for your conclusion that the building or structure contains Viega Brass Fittings; (e) state that you have reviewed the Settlement Class definition and understand that you are a Settlement Class Member, and have not opted out of the Settlement Class; (f) set forth a complete statement of all legal and factual bases for any Objection that you wish to assert; and (g) provide copies of any documents that you wish to submit relating to your position. In addition, you must state in writing whether you intend to appear at the Fairness Hearing either with or without separate counsel as no Settlement Class Member shall be entitled to be heard at the Fairness Hearing (whether individually or through separate counsel) or to object to the settlement, and no written objections or briefs submitted by any Settlement Class Member shall be received or considered by the Court at the Fairness Hearing, unless written notice of the Settlement Class Member's intention to appear at the Fairness Hearing and copies of any written objections or briefs have been mailed to the Claims Administrator.

You must send your objection postmarked on or before August 25, 2014, to the *Verdejo v. Vanguard Piping Systems* Claims Administrator, P.O. Box 43206, Providence, RI 02940-3206.

If your objections do not meet all of the requirements set forth in this section, they will be deemed invalid and will be overruled.

13. When and where will the Court determine whether to approve the settlement?

The Court has scheduled a Fairness Hearing at 11:00 a.m. on September 17, 2014, at the Superior Court of California, County of Los Angeles, 600 South Commonwealth Avenue, Los Angeles, CA 90005, in Department 307. This hearing may be continued or rescheduled by the Court without further notice. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate and will consider Class Counsel, Counsel for the Useful Life Subclass, and Counsel for the Clark County Subclass's request for attorneys' fees and expenses. The Court will also consider objections and may grant permission for objecting Settlement Class Members to speak. The Court may decide these issues at the Fairness Hearing or take them under consideration. We do not know how long these decisions will take.

14. Do I have to come to the hearing?

No. You are not required to come to the hearing but you are welcome to come at your own expense.

Settlement Class Members who object to the proposed settlement do not need to attend the Fairness Hearing for their objections to be considered. If you wish to appear either personally or through your own attorney at the settlement hearing, you must send both a timely objection and a notice of intention to appear to the Claims Administrator at the address set forth in Section 12 above no later than August 25, 2014.

Your notice of intention to appear must include copies of any papers, exhibits, or other evidence that you or your counsel will present at the hearing. Any Settlement Class Member who does not file and serve a notice of intention to appear in accordance with these instructions will be barred from speaking at any hearing concerning this proposed settlement.

15. What if the proposed settlement is not approved?

If the proposed settlement is not granted final approval, the putative Settlement Class that has been preliminarily approved, will be decertified, the *Verdejo* action will proceed without further notice, and none of the agreements set forth in this Notice will be valid or enforceable.

16. How do I get more information about the settlement?

This Notice only summarizes the proposed settlement. The official terms of the proposed settlement are available by visiting the public files for the Superior Court of the State of California, County of Los Angeles, or by visiting the settlement website www.verdejosettlement.com.

By order of June 20, 2014, Judge William F. Highberger of the Superior Court of the State of California, County of Los Angeles, assigned.