

If you own a home with stucco manufactured or sold by Merlex Stucco, Inc., you could get benefits from a class action settlement.

Para ver este aviso en español, visite www.MerlexStuccoSettlement.com.

A California State Court authorized this Notice. It is not a solicitation from a lawyer.

TO OBTAIN ANY BENEFITS AVAILABLE UNDER THIS SETTLEMENT, YOU MUST SUBMIT A CLAIM BY MAY 13, 2021. SEE ATTACHED FORM.

- The Settlement will provide for at least one free repair, in the form of a “Pick and Whole House Fog Repair” or “Spot Pick and Spot Fog Repair” for homes affixed with Merlex Stucco as a remedy for verified rust spots that have appeared on the Merlex stucco surface.
- To qualify, you must verify that you had stucco manufactured or sold by Merlex applied to your home on or after May 6, 2013 that later developed the appearance of rust spots, and you must submit a valid and timely Claim by the Claims Deadline (**May 13, 2021**).
- Your legal rights are affected whether you act or don’t act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM	The only way to get settlement benefits. Claim Forms must be submitted online or postmarked by May 13, 2021.
EXCLUDE YOURSELF	Get no settlement benefits. This is the only option that allows you to ever be part of any other lawsuit against Defendant about the legal claims in this case. Requests for exclusion must be postmarked by March 8, 2021.
OBJECT OR COMMENT	Write to the Court about why you don’t like the Settlement. The deadline to file an objection is March 8, 2021.
GO TO A HEARING	Ask to speak in Court about why you do or do not support the proposed Settlement or any of its provisions. The Final Approval Hearing will be held on April 9, 2021 at 10:30 a.m.
DO NOTHING	Get no benefits from this action. Give up rights.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Benefits will be provided if the Court approves the Settlement and after appeals, if any, are resolved. Please be patient.

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BASIC INFORMATION

1. Why did I receive a Notice?

You have been identified as a potential Class Member who may own a home with Merlex Stucco that is covered by this Settlement. You have legal rights and options that you may exercise before the Court decides whether to approve the Settlement. This Notice has been approved by the Court and summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please review the Settlement Agreement and Release, available at www.MerlexStuccoSettlement.com. Judge Carolyn Kuhl of the Superior Court of California, County of Los Angeles, is overseeing this class action. The lawsuit is known as *Sandoval et al. v. Merlex Stucco, Inc.*, Case No. BC619322 (the “Action” or “Litigation”).

2. What is this lawsuit about?

The lawsuit claimed that the Product at issue, Merlex brand stucco, is defective because it may contain iron deposits that, over time, may manifest as rust spots on homes where the stucco was applied. Defendant does not believe Plaintiffs’ claims have merit and has denied and continues to deny any and all claims, including but not limited to claims of defect and/or allegations concerning the safety of the Product.

3. What is a class action?

In a class action lawsuit, one or more people called Class Representatives sue on behalf of other people who have similar claims. The people together are a Class or Class Members. The people who sued—and all the Class Members like them—are called the Plaintiffs. The company they sued is called the Defendant. One court resolves the issues for everyone in the Class, except for those people who choose to exclude themselves from the Class.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiff or Defendant. Instead, both sides agreed to a settlement. That way, they avoid the risk and cost of a trial, and the people affected will get benefits. The Parties believe that the proposed Settlement is fair, reasonable, and adequate.

WHO IS IN THE SETTLEMENT

To see if you will get benefits from the Settlement, you first have to decide if you are a Class Member.

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

The Court has concluded that Class Members are comprised of the “Litigation Class Members” and “Additional Class Members,” as defined below:

- **Litigation Class Members:** All individuals who own or owned the properties identified on the class list filed on June 5, 2019 pursuant to the Court’s May 16, 2019 order related to the certified class.
- **Additional Class Members:** California residents who are not part of the Litigation Class, but who currently own or formerly owned any property to which stucco manufactured or sold by Merlex Stucco, Inc. was applied on or after May 6, 2013, that was allegedly defective, improperly manufactured, or contained impurities and that developed the appearance of rust in the stucco.

Excluded from the Class are (1) Defendant, its successors in interest, its related entities, parent companies, subsidiaries and affiliates, and their respective officers, directors, and employees; (2) insurers of the homes owned by the Settlement Class; (3) all persons and/or entities claiming to be subrogated to the rights of the Settlement Class; (4) individuals who validly and timely opt-out of the Settlement; (5) members of the Settlement Class who previously have released their claims against Defendant with respect to the issues raised in the Litigation; and (6) any judge to whom this matter is assigned, and his or her immediate family (spouse, domestic partner, or children).

6. I'm still not sure if I am included.

If you are still unsure whether you are included, you can call or email the Claims Administrator at info@MerlexStuccoSettlement.com or 1-833-961-3467.

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. What does the Settlement provide?

The Settlement provides two benefit options depending on whether you are a Litigation Class Member or Additional Class Member, as follows:

Litigation Class Members will be entitled to a Pick & Whole House Fog Repair, paid for by Defendant, as a remedy for verified rust spots on their respective properties. The “Pick & Whole House Fog Repair” means a stucco repair method wherein the stucco on the entire home is inspected for rust spots, any rust spots that are located are removed, and the entire home is thereafter “fogged” with Fogcoat in a color that matches as close to the home’s current color as possible. To qualify for this remedy, members of the Litigation Class must submit a valid and timely Claim by the Claims Deadline. The remedy under this paragraph will be provided after the Effective Date of the Class Settlement and repairs to the first property will commence not later than sixty (60) days after the Effective Date or sixty (60) days after the date the first claim is received, whichever is later, on a first come, first served basis, consistent with the Settlement Agreement, which is available at www.MerlexStuccoSettlement.com. The repairs under this paragraph will be performed by a pre-Approved Subcontractor and the repair will include and be subject to the seven (7) year Pick & Whole House Fog Warranty. Upon completion of any repair pursuant to this paragraph, the Approved Subcontractor will provide the necessary information for submitting claims under the Pick & Whole House Fog Warranty for repair work due to any manifestations of additional rust spots.

Additional Class Members will be entitled to a Spot Pick & Spot Fog Repair, paid for by Defendant, as a remedy for verified rust spots on their respective properties. The “Spot Pick & Spot Fog Repair” means a stucco repair method in which any rust spots that are located, the particle causing the stain will be removed. Following a whole house stucco inspection, and after every spot has been properly removed, and thereafter only the immediate areas where a rust spot has been removed will be “fogged” with Fogcoat in a color that matches as close to the home’s current color as possible. To qualify for this remedy, Additional Class Members must submit a valid and timely Claim by the Claims Deadline, along with Required Documentation. The remedy under this paragraph will be provided after the Effective Date of the Class Settlement and repairs will commence not later than sixty (60) days after the Effective Date, on a first come, first served basis, consistent with the Settlement Agreement, which is available at www.MerlexStuccoSettlement.com. The Spot Pick & Spot Fog Repair will be performed by an Approved Subcontractor. The Spot Pick & Spot Fog Repair will not include any future guarantee or warranty. Additional Class Members will have thirty (30) days from the date repair work is completed to submit a complaint that repair work was not done correctly to PAREX, which will provide a copy of all such requests to Class Counsel. Such complaints will be addressed promptly by PAREX to determine if an additional Spot Pick & Spot Fog Repair is necessary. If the Additional Class Member submitting a complaint and PAREX do not agree regarding whether an additional Spot Pick & Spot Fog Repair is necessary, the dispute will be referred to a different Approved Subcontractor, who will inspect and verify the necessity of follow up repair work and, upon verification of the claim, may approve an additional Spot Pick and Spot Fog Repair.

Named Class Representatives. Due to the gravity of manifestation of rust spots at their properties, which is high in severity on their properties, the Named Class Representatives Fernando & Gloria Sandoval, John and Christine Alms, and Jean Hammett will be entitled to a Media Blast and Mesh Repair. Plaintiffs’ expert estimates the repairs to the Sandoval home and the arterial wall of the Alms home will total \$168,841.26 and the repairs to the Hammett home will total \$79,342.81

Claim Forms are available online on the Settlement Website. You can also request that a Claim Form get emailed to you by calling the Claims Administrator toll-free at 1-833-961-3467 or emailing info@MerlexStuccoSettlement.com. The deadline to submit claims is **May 13, 2021**.

8. When would I get my settlement benefits?

The Court will hold a Final Approval Hearing on **April 9, 2021 at 10:30 a.m.**, to decide whether to approve the Settlement. If the Court approves the Settlement after that, there may be appeals. Note that the Court may change the Final Approval Hearing date without further notice so please check the Settlement Website, www.MerlexStuccoSettlement.com, for updates. It's always uncertain whether those appeals can be resolved, and resolving them can take time, perhaps more than a year. Please be patient.

9. What am I giving up to stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you. If you sign the Claim Form, you will agree to a release of claims which describes exactly the legal claims that you give up if you get settlement benefits. The Release is defined and detailed in the Settlement Agreement, which is available at www.MerlexStuccoSettlement.com.

The release provided by the Class Action Settlement Agreement and Release provides:

By this Settlement Agreement and the following Release, Defendant and Released Parties are released from any and all claims or causes of action that were, or could have been, asserted by the Plaintiffs or any Class Members against them regarding the claims made, or that could have been made, in the Complaint and Complaint Amendment relating to the allegedly defective Merlex stucco applied to their homes, except as set forth in section VIII(D) below. Without assuming that the Release given by this Settlement Agreement is a general release, Plaintiffs and Class Members expressly waive and relinquish all such claims or causes of action against the Released Parties to the fullest extent permitted by law. Plaintiffs, on their behalf and not on behalf of the Class Members, expressly understand and acknowledge that through this Settlement Agreement Plaintiffs only will be deemed by the Final Approval Order to acknowledge and waive Section 1542 of the Civil Code of the State of California, which provides that:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs on behalf of themselves only expressly waive and relinquish any and all rights and benefits that they may have under, or that may be conferred upon them by, the provisions of Section 1542 of the California Civil Code, or any other law of any state or territory that is similar, comparable or equivalent to Section 1542, to the fullest extent they may lawfully waive such rights. Plaintiffs and the Class Members recognize that, even if they later discover facts in addition to or different from those which they now know or believe to be true, they nevertheless agree that, upon entry of the Final Approval Order and accompanying Judgment, Plaintiffs and the Class Members fully, finally, and forever settle and release any and all of the Released Claims against the Released Parties. The Parties acknowledge that the foregoing waiver and release was bargained for and is a material element of the Settlement Agreement.

Plaintiffs represent and warrant that they are the sole and exclusive owner of all claims that they personally are releasing under this Agreement. Plaintiffs further acknowledge that they have not assigned, pledged, or in any manner whatsoever sold, transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way whatsoever pertaining to the Action, including without limitation, any claim for benefits, proceeds or value under the Action, and that Plaintiffs are not aware of anyone other than themselves claiming any interest, in whole or in part, in the Action or in any benefits, proceeds or values under the Action. Class Members submitting a Claim Form shall represent and warrant therein that they are the sole and exclusive owners of all claims that they personally are releasing under the Settlement and that they have not assigned, pledged, or in any manner whatsoever, sold, transferred, assigned or encumbered any right, title, interest or

claim arising out of or in any way whatsoever pertaining to the Action, including without limitation, any claim for benefits, proceeds or value under the Action, and that such Class Member(s) are not aware of anyone other than themselves claiming any interest, in whole or in part, in the Action or in any benefits, proceeds or values under the Action.

This Settlement Agreement does not affect the rights of Class Members who timely and properly request exclusion from the Settlement Agreement. The Settlement Agreement does not release claims for personal injury or claims for subrogation.

Upon issuance of the Final Approval Order: (i) the Settlement Agreement shall be the exclusive remedy for any and all Class Members, except those who have opted out in accordance with the terms and provisions hereof; (ii) Defendant and Released Parties shall not be subject to liability or expense of any kind to any Class Member(s) for reasons related to the Litigation except as set forth herein; and (iii) Class Members shall be permanently barred from initiating, asserting, or prosecuting any and all released claims against Defendant and Released Parties.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want compensation from the Settlement, but you want to keep the right to sue or continue to sue Defendant on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself, sometimes referred to as opting out of the Settlement Class.

10. How do I get out of the Settlement?

Any Class Member who wants to be excluded from the Class must submit a Request for Exclusion in writing to the Claims Administrator at the address provided below. Your request must be postmarked on or before **March 8, 2021** and must include your full name and the address of the property where Merlex stucco is alleged to have been used, and a specific statement of your desire to be excluded from the Settlement and from the Class. If you do not comply with these requirements, you will be bound by the terms of the Settlement. Any Class Member who submits a timely Request for Exclusion shall be deemed to have waived any rights or benefits under the Settlement Agreement.

Merlex Stucco Settlement
c/o JND Legal Administration
P.O. Box 91238
Seattle, WA 98111

11. If I don't exclude myself, can I sue Defendant for the same thing later?

No. Unless you exclude yourself, you will be bound by the Final Order and Judgment, and you give up the right to sue Defendant for the claims that this settlement resolves. If you have a pending lawsuit against Defendant, speak to your lawyer in that lawsuit immediately. You must exclude yourself from the Class to continue your own lawsuit against Defendant.

12. If I exclude myself, can I get benefits from the Settlement?

No. If you exclude yourself, you may not submit a Claim Form to ask for any benefits. But, you may sue, continue to sue, or be part of a different lawsuit against Defendant.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in the case?

The Court has appointed the law firms of Martorell Law APC, and Bordin Semmer LLP to represent you and other Class Members. Together, the lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees and costs up to \$675,000.00 and a payment up eighteen thousand dollars (\$18,000) total to the Sandoval Plaintiffs, six thousand dollars (\$6,000) total to the Alms Plaintiffs, and three thousand (\$3,000) to the Hammett Plaintiff. The fees and expenses that the Court approves will be paid by Defendant. The costs to administer the Settlement will also be paid by Defendant. Class Counsel's Motion for Attorneys' Fees and Costs will be available on the Settlement Website once it has been filed.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the Settlement or some part of it.

15. How do I tell the Court that I don't like the Settlement?

If you are a Class Member, you can object to the Settlement if you don't like any part of it. You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a different Settlement; the Court can only approve or reject the Settlement. If the Court denies approval, none of the benefits set forth herein will be available under the settlement, and the lawsuit will continue. If that is what you want to happen, you must object.

Any objection to the proposed Settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must be mailed to the Claims Administrator at the address provided below. Your objection must be filed on or before **March 8, 2021**.

To state a valid objection to the Settlement, an objecting Class Member must provide the following information in their written objection:

- Full name, current address, and current telephone number;
- Documentation and/or other statement or proof sufficient to establish membership in the class;
- A statement of the position(s) the objector wishes to assert, including the factual and/or legal grounds for the position;
- Copies of any documents the objector wishes to submit to support their position; and
- A statement whether the objector intends to appear at the hearing.

Claims Administrator

Merlex Stucco Settlement
c/o JND Legal Administration
P.O. Box 91238
Seattle, WA 98111

Any objecting Class Member may appear, in person or by counsel, at the Final Approval Hearing to show cause why the Settlement should not be approved as fair, adequate, and reasonable, or to object to any applications for the Class Representative Service Award or Class Counsels' Fees and Expenses.

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

Objecting is simply telling the Court that you don't like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the 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 hearing to decide whether to approve the Settlement. You may attend, and you may ask to speak, but you don't have to.

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

The Court will hold a Fairness Hearing at **10:30 a.m. on April 9, 2021**, at the Los Angeles County Superior Court, Spring Street Courthouse, Department SSC 12, 312 North Spring Street, Los Angeles, California 90012.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take. Note that the Court may change the Final Approval Hearing date without further notice so please check the Settlement Website, www.MerlexStuccoSettlement.com, for updates.

18. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have, but you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

If you wish to appear at the Final Approval Hearing, you may do so remotely. Please see www.lacourt.org and <http://www.lacourt.org/division/civil/CI0040.aspx> for information regarding remote appearances.

19. May I speak at the hearing?

You may ask the Court for permission to speak at the Final Approval Hearing. You cannot speak at the hearing if you excluded yourself.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you do nothing, you'll get no benefits from the Settlement. And, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant about the legal issues in this case ever again.

GETTING MORE INFORMATION

21. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement and Release. You can get a copy of the Settlement Agreement and Release and other important case documents at www.MerlexStuccoSettlement.com.

22. How do I get more information?

You can call toll-free 1-833-961-3467, email info@MerlexStuccoSettlement.com or visit the Settlement Website at www.MerlexStuccoSettlement.com, where you will find answers to common questions about the Settlement, an online Claim Form, and important documents related to the Settlement. You should check the Settlement Website regularly for updates on the case.

You may also contact one of the following attorneys appointed by the Court to serve as Class Counsel:

Christopher Blanchard
CBlanchard@BordinSemmer.com
Bordin Semmer LLP
6100 Center Drive, Suite 1100
Los Angeles, CA, 90045
323-457-2110

Jean-Paul Le Clercq
JPLClercq@martorell-law.com
Martorell Law APC
6100 Center Drive, Suite 1130
Los Angeles, CA, 90045
323-840-1200

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.