

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
96 CVS 0059

WILLIAM ARTHUR RUFF and wife BARBARA ANN RUFF,
PETER T. BROWN, and wife MARLEE MURPHY BROWN,
JOAN BOZEMAN, ROBERT K. PENTZ, ERNEST L.
LIBORIO, and wife LOIS P. LIBORIO, MARY FRANCES
DILLON, DON CLARK, and wife PATRICIA A. CLARK, and
ANDREW J. HUTCHINSON, and wife CAROL A.
HUTCHINSON, and MILLER HOMES, f/k/a RUSTIC
HOMES OF WILMINGTON, INC., MARSH HARBOUR
GOLF & YACHT CLUB INTERVAL ASSOCIATION, INC.,
and EDWARD A DOWD and wife, LEAH DOWD,

Plaintiffs,

v.

PAREX, INC., STO CORP., W.R. BONSAI COMPANY,
CONTINENTAL STUCCO PRODUCTS, SENERGY, INC.,
THOMAS WATERPROOF COATINGS CO., DRYVIT
SYSTEMS, INC., UNITED STATES GYPSUM CO., and
SHIELDS INDUSTRIES, INC.,

Defendants.

**NOTICE OF JUDGMENT AGAINST
DEFENDANT THOMAS WATERPROOF
COATINGS, CO.**

TO: ALL PERSONS OR ENTITIES WHO, AS OF JUNE 16, 2002, OWN OR OWNED A ONE OR TWO FAMILY RESIDENTIAL DWELLING OR TOWNHOUSE IN THE STATE OF NORTH CAROLINA CLAD, IN WHOLE OR IN PART, WITH THOMAS WATERPROOF COATINGS CO. EXTERIOR INSULATION AND FINISH SYSTEM ("EIFS").

THIS NOTICE MAY AFFECT YOUR RIGHTS.
PLEASE READ IT CAREFULLY

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| 1. Why should I read this notice? | 6. How do I make a claim? |
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IMPORTANT: This Notice summarizes a pending class action lawsuit between class members and defendant Thomas Waterproof Coatings Co. Please read this Notice carefully. **You must submit a Claim prior to September 1, 2002 in order to receive benefits from this Settlement.**

1. WHY SHOULD I READ THIS NOTICE?

The purpose of this Notice is to inform you of the possibility of proceeds from a judgment against Thomas Waterproof Coatings Co. ("TWC"). These proceeds are available pursuant to a judgment against TWC entered on August 17, 2000, in the Superior Court for New Hanover County, North Carolina, by the Honorable Judge Ben F. Tennille in a class action lawsuit known as *Ruff, et al. v. Parex, et al.*, Civil Action No. 96-CV-0059 (the "Action"). Nothing in this Notice is intended to relate to the rights and/or obligations of any parties in the Action except class members and TWC.

If, as of June 16, 2002 you own or owned a home clad, in whole or part, with TWC's EIFS, you may be entitled to proceeds from the judgment. You should read this Notice to determine whether you may be eligible to receive judgment proceeds and the steps necessary to pursue your rights as a member of the class.

2. WHAT IS THE LAWSUIT ABOUT?

William Ruff and other homeowners (the "Plaintiffs") commenced the Action in January 1996. The Plaintiffs own or owned residential dwellings that have or had EIFS as part of the exterior wall or walls. Plaintiffs alleged, among other things, that EIFS are defective because they entrap water introduced into the exterior wall to the outside of the substrate, resulting in potential damage to homes. The Action seeks monetary relief from the named Defendants.

On August 17, 2000, final judgment was entered by the court against Defendant Thomas Waterproof Coatings, Co. in the sum of Ninety Million, Seven Hundred Twenty Thousand (\$90,720,000.00) plus attorney's fee in the amount of Six Million Forty Eight Thousand Dollars (\$6,048,000.00) (the "Final Judgment"); on February 20, 2001, Class Representatives William Arthur Ruff and Barbara Ann Ruff (the "Class Representatives") filed an action against Defendant Thomas Waterproof Coatings, Co. ("Thomas") in the Superior Court of Fulton County, Georgia, seeking to domesticate the Final Judgment (the "Georgia Litigation").

Plaintiffs' Class Counsel and Thomas thereafter resolved all matters raised in the Georgia Litigation as set forth in the Order and Notice entered in the Georgia Litigation on November 13, 2001. The Order and Notice provides, among other things, that Thomas will pay the Class Representatives \$150,000 plus all remaining cash reserves from the bulk sale of substantially all of its assets after satisfaction by Defendant of ordinary course of business trade/operating debt incurred on or after February 20, 2001. On January 22, 2002, Defendant tendered to Plaintiffs' Class Counsel the amount of \$150,000 which is being held in escrow by Plaintiffs' Class Counsel.

3. WHAT ARE EIFS?

EIFS are multi-layered exterior wall systems consisting of a finish coat, a base coat, reinforcing mesh, adhesive and insulation board all of which are secured to some form of substrate. EIFS can be used as a component of the exterior wall for residential structures. EIFS are available in various external textures designed to look like traditional stucco.

The Ruff action concerns EIFS installed by attachment of the insulation board over plywood, oriented strand board, exterior grade gypsum or other non-masonry substrate on an exterior wall assembly. The litigation does not concern EIFS used on commercial structures, or EIFS used as an interior cladding, or EIFS installed over substrates of cmu block, cement board, fiber cement board, brick or other masonry unit, or EIFS installed by mechanical attachment of the insulation board over a secondary weather barrier with drainage accessories. The litigation also does not concern non-EIFS products such as direct applied systems ("DEFS").

4. HOW DO I KNOW IF I HAVE A TWC'S EIFS ON MY PROPERTY?

There are a number of ways you can determine whether your Property is clad with TWC's EIFS. Documents such as a TWC warranty, correspondence or bills of sale may indicate if TWC's EIFS is on your Property. You may have already had your home inspected for moisture intrusion, in which case the inspector may indicate which EIFS the inspector believes is on the Property. You may also be able to obtain assistance in identifying the EIFS on your home by contacting your builder, contractor or EIFS applicator.

5. WHO CAN MAKE A CLAIM?

The judgment proceeds are payable to persons and entities who, as of June 16, 2002 owned or formerly own a one or two family residential dwelling or townhouse in North Carolina clad, in whole or in part, with TWC's EIFS.

The proceeds are not available for residential structures intended to accommodate more than two families nor do they cover commercial structures. Further, if your Property is clad in whole or in part with "Mixed Product," i.e., EIFS which is not in its entirety EIFS sold, marketed and/or distributed by TWC, the portion clad with Mixed Product is not covered by the Settlement.

Plaintiffs in this Action entered into separate Settlement Agreements with each Settling Defendant, which are **not** identical.

6. HOW DO I MAKE A CLAIM?

To make a claim, you must complete, sign and submit a Claim Form, which has been included with this Notice. Send your completed Claim Form, along with the required and/or elective proof and documentation that is requested in the form, to:

Claims Administration, P.O. Box 4540, Portland, OR 97208-4540

You should submit a separate Claim Form for each Property you own. If you did not receive a Claim Form, or if you desire additional copies, you may obtain such copies by writing to the Claims Administrator or by visiting <http://www.ncstucco.com/thomas>.

By filing a Claim Form, each member of the Class submits himself or herself to the jurisdiction of the Superior Court for New Hanover County, North Carolina, for purposes of this Action only, and agrees that the information provided on the Claim Form may be subject to verification, investigation and further inquiry as may be necessary.

In order to participate in this Settlement Claim forms must be submitted on or before September 1, 2002. The Claims Administrator shall determine whether the claim is sufficiently complete for processing. If information relevant to the claim is incomplete, the Claims Administrator may request and you must provide any such additional information reasonably available to you, deemed necessary to process the claim. A failure to provide requested information may result in your claim being denied.

7. WHO REPRESENTS THE SETTLEMENT CLASS

Co-Lead Counsel for Plaintiffs and the Settlement Class ("Class Counsel") are:

Gary E. Mason The Mason Law Firm 1225 19 th ST. N.W. Suite 600 Washington, DC 20036	Gary K. Shipman Shipman & Associates 11 S. Fifth Street Wilmington, NC 28401	Everette L. Dofferymyre Dofferymyre, Shields, Canfield, Knowles & Devine 1600 The Peachtree 1355 Peachtree Street Atlanta, GA 30309
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8. HOW WILL CLASS COUNSEL'S FEES AND EXPENSES BE PAID?

Attorneys fees, costs and expenses shall be paid from the judgment proceeds in an amount to be determined by the Court.

9. WHERE DO I GET ADDITIONAL INFORMATION?

Additional information is available by calling 1-800-378-4214. If you wish to communicate with or obtain information from Class Counsel, you may do so by writing to Class Counsel at one of the addresses listed in Section 7 above. **DO NOT CONTACT THE COURT.**

This Notice provides only a summary of matters regarding the case. You may seek the advice and guidance of your own private attorney, at your own expense, if you wish.

You may have additional legal remedies against other Persons who were involved in the construction or sale of your Property. You may consult with an attorney to discuss your rights against additional parties.

BY ORDER OF

DATED: April 5, 2002

THE HONORABLE BEN F. TENNILLE
NORTH CAROLINA SUPERIOR COURT JUDGE