

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CASE NO: 2000-CP-10-4870

CHARLES SALMONSEN, individually)
and on behalf of all others similarly)
situated,)

Plaintiff,)

vs.)

CGD, Inc f/k/a CHARLESTON GYPSUM)
DEALERS & SUPPLY CO.,INC)
FRANK CRIDER, RAYMOND G.)
WOLFORD, HENRY (HANK) FUTCH,)
AND HAROLD (HAL) FUTCH)

Defendants.)

vs.)

PAREX, INC.,)

Third-Party Defendants.)

(SHORT FORM NOTICE)

**PLEASE READ THIS NOTICE CAREFULLY
YOUR RIGHTS MAY BE AFFECTED BY THIS SETTLEMENT**

TO: ALL PERSONS AND ENTITIES THAT OWN OR HAVE OWNED STRUCTURES PRESENTLY OR PREVIOUSLY CLAD WITH EXTERIOR INSULATED FINISH SYSTEM SOLD BY CGD, INC., FORMERLY KNOWN AS CHARLESTON GYPSUM DEALERS & SUPPLY CO., INC. PRIOR TO MAY 15, 1995

DESCRIPTION OF LITIGATION

A lawsuit which may affect your rights has been settled subject to court approval. This lawsuit was brought by Charles Salmonsens (the "Plaintiff") against CGD, Inc., formerly known as Charleston Gypsum Dealers & Supply Co., Inc. ("CGD"), and its former shareholders Frank Crider, Raymond G. Wolford, Henry (Hank) Futch, and Harold (Hal) Futch (all of whom will hereinafter be collectively referred to with CGD as the "Defendant"). The Plaintiff alleges that, prior to May 15, 1995, the Defendant was engaged in the business of selling Exterior Insulated Finish Systems ("EIFS"), a type of synthetic stucco manufactured by Parex, Inc. (the "Third-Party Defendant"). The Plaintiff alleges that EIFS was and is defective, and has caused damage

to the structures upon which it was applied. The Plaintiff seeks to recover the losses allegedly resulting from the defective EIFS.

The Defendant denies selling a defective product and further denies responsibility to the Plaintiff or to any class member for any damage allegedly caused by EIFS, contending such responsibility belongs to the Third-Party Defendant. The Third-Party Defendants denies EIFS is defective.

At this time, the court has made no findings as to the validity of the Plaintiff's allegations and this notice is not an expression by the court on the merits of the claims or defenses of any party. However, the court has previously ruled that this lawsuit may be maintained as a class action under the following class definition:

All persons and entities that own or have owned structures clad with EIFS sold by the Defendant on or before May 15, 1995.

This class excludes:

- (a) Employees of the Defendant; and*
- (b) Those persons who have released the Defendant or are currently in litigation with the Defendant.*

Therefore, if you currently own or in the past have owned a structure presently or previously clad with EIFS, which meets the above criteria for class membership, you may be a potential class member.

SUMMARY OF PROPOSED SETTLEMENT TERMS

The following is a summary of certain terms of the parties' Memorandum of Settlement, which governs the proposed settlement between the Plaintiff Class and the Defendant.

If the settlement receives final approval from the court, the Defendant will pay a Settlement Fund, consisting of One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00). The Settlement Fund will be distributed to class members based upon their pro rata share of the amount of the Settlement Fund remaining *after* deduction of: (1) any court-awarded attorneys' fees; (2) any court-awarded reimbursement of the costs and expenses of litigation; (3) any court-awarded payment to the Representative Plaintiff; and (4) any costs of notice to the class members. Plaintiff's Counsel will petition the court for payment from the Settlement Fund of attorneys' fees of one-third (1/3), reimbursement of costs and expenses totaling no more than Eighty Nine Thousand and 00/100 Dollars (\$89,000.00), and a payment of Ten Thousand and 00/100 Dollars (\$10,000.00) to the Representative Plaintiff.

YOUR CLAIMS AGAINST THE DEFENDANT WILL BE SETTLED AND RELEASED BY THIS CLASS ACTION SETTLEMENT UNLESS YOU EXCLUDE YOURSELF FROM THIS CLASS.

This notice is being published to alert you to the settlement. **You will be deemed a member of the class, and to have elected to participate in this class action, unless you affirmatively request to exclude yourself from the class as explained below.** You are entitled to opt-out of participating in the class.

An Exclusion Request is attached hereto. Should you choose to opt-out of the Class, sign the Exclusion Request. **THE EXCLUSION REQUEST MUST BE MAILED TO THE CLERK OF THE COURT AND TO COUNSEL FOR THE PARTIES AT THE ADDRESSES SET FORTH BELOW. THE EXCLUSION REQUEST MUST BE POSTMARKED BY MAY 15, 2009.**

If you elect to opt-out you need to send a request for exclusion and return it to the Charleston Clerk of Court and the below attorneys:

Justin Lucey, Esquire
Justin O'Toole Lucey, P.A.
415 Mill Street
Mt. Pleasant, S.C. 29464

CHARLESTON CLERK OF COURT
100 Broad Street
Charleston, S.C. 29401

Joseph DaPore, Esquire
YOUNG CLEMENT RIVERS LLP
P.O. Box 993
Charleston, S.C. 29402

YOU CAN REMAIN IN THE CLASS, SUPPORT OR OBJECT TO THE SETTLEMENT, AND ATTEND THE COURT HEARING FOR FINAL APPROVAL OF THE SETTLEMENT

If you choose to remain in the class and support or object to the settlement, attorneys' fees, or expenses, you may attend the court hearing for Final Approval of the settlement. A hearing will be held on June 30, 2009, at 10:00 a.m., before The Honorable Markley Dennis in Courtroom 4C, 100 Broad Street, Charleston, South Carolina to consider whether the proposed settlement should be approved as fair, reasonable, and adequate.

If you wish to appear at the hearing to object to the settlement, you must provide the Clerk of the Court and counsel for the parties a written notice of your intention to appear at the hearing to object. This notice must be sent to the Clerk of the Court at 100 Broad Street, Charleston, South Carolina, 29401 and counsel for the parties (addresses above), **along with your written objection**, postmarked by May 15, 2009. Any written objection to the Settlement and notice of intent to appear at the hearing must be delivered to the Clerk of the Court and counsel for the parties as set forth above.

You may direct inquiries to plaintiff's counsel at Justin O'Toole Lucey P.A., (843) 849-8406, office@lucey-law.com or Mary Leigh Arnold, P.A., (843) 971-6053,

sammie@maryarnoldlaw.com or contact either to obtain a long form notice; or view documents relating to this settlement at www.Lucey-Law.com on the class action page.

Dated this ____ day of _____, 2009