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In Re: Kitec Fitting Litigation
Status Update of Case

Dear Kitec Class Members:

We are sending this correspondence as a brief status update of this case. Over the past several months, we have had numerous mediations and Court ordered settlement conferences with the remaining defendants. As a result, we have reached numerous settlements with most of the builders and plumbers. For a complete list of the settling parties, please see the *In Re Kitec Fitting Litigation* website (www.plumbingdefect.com). We are in the process of obtaining Court approval of these settlements, and homeowners should receive a written Notice of Proposed Settlements in the mail in the near future. Please read these Notices as they impact your rights in the lawsuit. Importantly, the proposed settlements are designed to provide the homeowners with a complete replumb of the defective Kitec plumbing system at no cost to the homeowners. Watch for the formal Notice which you should receive in the next week or so.

While we have been able to settle with many parties, we recently had to proceed to trial against Majestic Plumbing who plumbed 40 homes in the Developers of Nevada Community known as Dove Canyon. After ten days of trial, the jury found unanimously in favor of the homeowners and awarded \$475,000 for the repair of the 40 homes. We asked the jury to award \$425,000, the jury awarded \$475,000 (\$50,000 more than asked for). This jury verdict is not only a great result for the 40 Dove Canyon homeowners, but should also help Class Counsel in its efforts to resolve the rest of the case for Kitec homeowners. This jury verdict sends a strong message to the non-settling defendants.

Once the settlements are finalized and approved by the Court, we will focus on the replumbing process. We will be working closely with Total Class Solutions ("TCS"), who is the Court appointed claims administrator. TCS has already administered nearly 1,500 replumbs in Las Vegas. Watch for additional written Notice, which will be sent by regular mail, as to the settlements and replumb process.

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Finally, we recognize that this has been a very distressing time for you during this litigation. Rest assured we are doing everything in our power to wrap this case up and fix your homes.

Thank you for your continued patience and support in this case.

Sincerely,

KEMP JONES & COULTHARD

A handwritten signature in black ink, appearing to read "Bill Coulthard", written in a cursive style.

William L. Coulthard

WLC/cm