

**SUPERIOR COURT OF CALIFORNIA FOR RIVERSIDE COUNTY**

JENNIFER BEAUDET; RONALD BEAUDET; JOHN DALLAH; and SHARON DALLAH; individually, on behalf of all others similarly situated, and in the public interest,

Plaintiffs,

vs.

WESTERN PACIFIC HOUSING - NORCO ESTATES, LLC, a limited liability company; LAMCO HOUSING, INC., a corporation; SCHULER HOMES, INC., a corporation; D.R. HORTON, INC., a corporation; and DOES 1 through 100, inclusive,

Defendants.

Case Number: 369796  
Honorable Edward Webster, Dept. 5

JAMS Reference No. 1200031905  
Assigned for all purposes to:  
the Hon. Edward J. Wallin (ret.),  
Judicial Referee

Hearing Date: November 20, 2006  
Time: 9:00 a.m.  
Place: JAMS  
500 North State College Blvd., Suite 600  
Orange, CA 92868

Date Action Filed: January 15, 2002  
Trial Date before JAMS: Vacated

---

**NOTICE TO CLASS OF PROPOSED SETTLEMENT**

---

**TO:** All members of the certified class in the above-titled matter, consisting of certain purchasers of real estate from defendants in the developments called “Crestmont,” “Bridlecrest,” and “Rose Canyon” (collectively, “Hidden Valley”) in the Norco Hills community, city of Norco, California, prior to Jan. 15, 2002.

**This notice may affect your rights. Please read it carefully.**

**WHY SHOULD I READ THIS?**

If you are a member of the class, you should read this notice carefully because the matters discussed in this notice may affect your rights. The purpose of this notice is as follows:

(a) To inform you that a hearing regarding a proposed settlement of this class action will be held on November 20, 2006 before the Honorable Edward J. Wallin (ret.), Judicial Referee, to determine whether the proposed settlement is fair, adequate, and reasonable (see paragraph 5, below); and that, if the proposed settlement is approved, **Class Members will receive a check without the need to file any claim form;**

(b) To inform you that you have the right to (i) object to the proposed settlement by filing written objections no later than a specified date; and (ii) appear at the hearing, either personally or through counsel, to further argue any objections that you timely file in writing (see paragraph 6(d), below);

(c) To inform you that you have the right to opt out of the litigation (see paragraph 6(b), below).

This notice summarizes the essential information concerning the proposed settlement and the rights of class members with respect to this proposed settlement. If you have further questions, see paragraphs 2 and 8, below for instructions on obtaining more information.

**1. BACKGROUND OF CASE.**

The named Plaintiffs bought homes from Western Pacific Housing – Norco Estates, LLC in a new subdivision in Norco Hills (“Hidden Valley”). In this lawsuit, Plaintiffs alleged that Defendants breached a

legal duty to the homebuyers by failing to disclose certain adverse information that Western Pacific knew about the surrounding area, including the presence of Wyle Laboratories and the Norco Battery site, which affected the value and/or desirability of the new homes that Western Pacific was selling. Defendants denied all of Plaintiffs' allegations and contended they have no liability in this lawsuit. Defendants denied that they breached any obligations to Plaintiffs or the Class Members. Defendants also denied that Plaintiffs and the Class Members are entitled to damages or any other relief from Western Pacific. No trial has taken place yet.

## 2. SUMMARY OF LITIGATION.

Plaintiffs initiated this lawsuit on January 15, 2002. On July 2, 2002, the Court ordered that this case be resolved by judicial reference and appointed a Judicial Referee to hear this case. On April 28, 2004 and May 12, 2004, the Judicial Referee issued orders certifying this case as a class action for the legal issues and claims set forth in those orders. Plaintiffs Jennifer Beaudet, Ronald Beaudet, John Dallah, and Sharon Dallah were designated as the class representatives, and counsel for Plaintiffs were designated as class counsel. At that time, a court-ordered notice was given to inform the class of the certification. That notice, along with Plaintiffs' second amended complaint and Defendants' answer to that second amended complaint, were and are still posted at [www.lanzagoolsby.com/norcohills](http://www.lanzagoolsby.com/norcohills). These latter two documents give you further detail about the nature of the dispute. Class counsel who are available for you to contact are as follows:

Anthony L. Lanza, Esq. Lanza & Goolsby A Professional Law Corp. 3 Park Plaza, Suite 1650 Irvine, CA 92614-8540 Tel: (949) 221-0490	Jon Borderud, Esq. The Borderud Law Group 11755 Wilshire Blvd. # 2140 Los Angeles, CA 90025 Tel: (310) 207-2848	Clifford Cantor, Esq. Law Offices of Clifford Cantor, P.C. 627 208th Ave. SE Sammamish, WA 98074 Tel: (425) 868-7813
---	---	---

Not all homeowners in the Hidden Valley development who purchased from Western Pacific are members of the class. If you received this notice, it is likely that you are a class member. A complete class list of buyers of 189 homes in Hidden Valley, as ordered by the court, is posted as an attachment to the court's order at [www.lanzagoolsby.com/norcohills](http://www.lanzagoolsby.com/norcohills). If you believe that you are not a class member but you think you have information about the intended recipient of this notice, please send that information to class counsel Lanza & Goolsby by letter or by email at [laura@lanzagoolsby.com](mailto:laura@lanzagoolsby.com). In addition, kindly return the notice to the sender.

## 3. SETTLEMENT AND CERTIFICATION OF ADDITIONAL CLAIMS.

The parties have agreed to a settlement which is summarized in this section. You may read a full copy of the settlement agreement and the order granting preliminary approval at [www.lanzagoolsby.com/norcohills](http://www.lanzagoolsby.com/norcohills). Under the settlement, defendants will pay a total sum of \$700,000.00 (Seven Hundred Thousand Dollars) to, for, or on behalf of the class and will pay certain costs and expenses associated with seeking approval of the settlement. Defendants will also waive any potential right they may have to recover their costs, expenses, and fees incurred in connection with this case. After deducting any costs and fees that the Referee may award to class counsel (see paragraph 4 below) or compensation that the Referee may award to the named plaintiffs (see paragraph 4 below), the remainder of the settlement funds will be divided equally among the 189 sets of class members on a per home basis. The funds will be disbursed directly to you as the court may order without any need for you to file a claim form.

All parties have stipulated to requesting certification for class treatment, for purposes of settlement, of all of the causes of action alleged in Plaintiffs' second amended complaint, including causes of action not previously certified. If the Referee approves the settlement, all of the certified claims that Plaintiffs alleged in this case will be permanently dismissed as to all class members that have not opted out of the settlement.

**4. ATTORNEY FEES; EXPENSE REIMBURSEMENT; CLASS REP. COMPENSATION.**

Class counsel will apply to the Referee for payment of attorneys' fees of 30% of the gross recovery, plus reimbursement of actual expenses, to be paid out of the class settlement fund. They will also apply to the Referee for class representative compensation in the amount of \$3,000 for each of the two couples who represent the class, to be paid out of the class settlement fund. Their application is due to be filed in Riverside Superior Court by November 6, 2006, at which point you may read it there in person or on the court's web site (though there is no assurance as to how quickly or completely the court will post the documents) at <http://158.61.133.2/OpenAccess/civil/default.asp> by following the instructions for logging in and doing a "Case Number Search" for "369796," the number assigned to this case.

**5. FINAL APPROVAL HEARING.**

The Referee has preliminarily approved the settlement. The fairness, adequacy and reasonableness of the settlement will be decided at a **Final Approval Hearing on November 20, 2006, beginning at 9:00 a.m.** in the offices of the Judicial Arbitration and Mediation Service ("JAMS"), 500 N. State College Blvd., Suite 600, Orange, California 92680. The parties' papers supporting the settlement are due to be filed in the Riverside Superior Court by November 6, 2006, at which point you may read them there in person or on the court's web site (though there is no assurance as to how quickly the court will post the documents) as specified in paragraph 4, above.

**6. AS A CLASS MEMBER, WHAT ARE MY RIGHTS AND OPTIONS?**

(a) **You may APPROVE of the settlement and participate in the recovery.** If you approve of the settlement and wish to participate in the recovery, **you need not do anything.** If the settlement is confirmed, class counsel will allocate settlement funds to the class members and tender a check to you, as ordered by the court. **Be sure that class counsel has your current address.** Unless you oppose the proposed settlement, you do not need to appear at the Final Approval Hearing or file any papers.

(b) **You may OPT OUT of the litigation.** If you do not approve of the settlement, you may opt out of the litigation. **For an opt-out to be effective, all persons who co-purchased the home from Western Pacific must opt out.** If you opt out of the litigation, you do not participate in the benefits of the proposed settlement and will be free to pursue any claims you may have against defendants on your own behalf and at your own expense, not represented by class counsel.

In order to opt out of the litigation, you must so request in writing, stating (1) the name of this lawsuit and case number, (2) your full name, current address, and address of the Norco Hills home you originally purchased from Western Pacific; and (3) that you are opting out of this litigation. You must sign your request to opt out. Unsigned requests will not be accepted; and you cannot sign the request for another person unless otherwise permitted by law (e.g., if you are the person's guardian). Your request to opt out must be **received** by (i) class counsel *and* (ii) the attorneys for defendants at the addresses listed below **no later than November 13, 2006.**

Anthony L. Lanza, Esq. Lanza & Goolsby A Professional Law Corporation 3 Park Plaza, Suite 1650 Irvine, CA 92614-8540 <i>One of class counsel</i>	Duke F. Wahlquist, Esq. Rutan & Tucker LLP 611 Anton Blvd., 14th Floor Costa Mesa, CA 92626 <i>Counsel for defendants</i>
---	---

If you request to opt out of the class and then later decide to rescind the request, your request to rescind (i.e., to participate in the settlement) must be **received** by the attorneys listed above no later than the opt-out deadline of **November 13, 2006**.

(c) You may **APPEAR** on your own behalf or you may hire your own counsel at your own expense to appear on your behalf at the Final Approval Hearing. If you do not enter an appearance personally or through your own counsel you will be represented by class counsel as part of the class.

(d) You may **OBJECT** to the settlement. You may object to the proposed settlement, the class representatives' application for special compensation, or plaintiffs' counsel's application for attorneys' fees and/or reimbursement of costs and expenses. To object, **you must file your objection in writing with JAMS no later than November 13, 2006**. Such papers must also be **received** on or before that same date by both of the following attorneys:

Anthony L. Lanza, Esq. Lanza & Goolsby A Professional Law Corporation 3 Park Plaza, Suite 1650 Irvine, CA 92614-8540 <i>One of class counsel</i>	Duke F. Wahlquist, Esq. Rutan & Tucker LLP 611 Anton Blvd., 14th Floor Costa Mesa, CA 92626 <i>Counsel for defendants</i>
---	---

You may also indicate in your written objection that you wish to be heard – either personally or through your own counsel at your own expense – at the Final Approval Hearing. Unless you so indicate, you will **not** be heard at the Final Approval Hearing.

#### 7. IF YOU CHANGE ADDRESSES AFTER RECEIVING THIS NOTICE.

If you move after receiving this notice, or if it was misaddressed, you should supply your correct name and address to Lanza & Goolsby by letter at the above address or by email to [laura@lanzagoosby.com](mailto:laura@lanzagoosby.com). This is important so that future notices or your share of the settlement reach you.

#### 8. WHERE YOU CAN GET ADDITIONAL INFORMATION.

This notice presents only a summary of the litigation, the claims and defenses asserted, and other matters related to the case. You may view the pleadings, records, and other papers that are on file in this litigation at the Riverside Superior Court and/or on the court's web site (as specified in paragraph 4, above). You may also view certain filings at [www.lanzagoosby.com/norcohills](http://www.lanzagoosby.com/norcohills). And, you may contact Anthony Lanza, Jon Borderud, or Clifford Cantor at the addressees specified above (see paragraph 2). Class counsel represent your interests with respect to class issues and will keep your communications confidential to the extent required.

**Please do not write or telephone the Judicial Referee about this lawsuit.**

Approved: September 27, 2006

The Honorable Edward J. Wallin (Ret.)  
Judicial Referee