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Gregory M. Sheffer, State Bar No. 173124
 1
     SHEFFER & CHANLER
     4400 Keller Avenue, Suite 200
 2
     Oakland, CA 94605
     Tel: (510) 577-0747
 3
     Clifford A. Chanler, State Bar No. 135534
     SHEFFER & CHANLER
     Magnolia Lane (off Huckleberry Hill)
 5
     New Canaan, CT 06840
     Tel: (203) 966-9911
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     Attorneys for Plaintiff
     MICHAEL DIPIRRO
 8
                SUPERIOR COURT OF THE STATE OF CALIFORNIA
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            IN AND FOR THE COUNTY OF ALAMEDA, HAYWARD BRANCH
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                      UNLIMITED CIVIL JURISDICTION
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                                           No. 01-034699
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     MICHAEL DIPIRRO,
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               Plaintiff.
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                                           SETTLEMENT AGREEMENT
               v.
     AMERWAY, INC.; GROBET USA; and
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     DOES 1 through 1000,
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               Defendants.
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          This Settlement Agreement ("Agreement" or "Consent
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     Judgment") is entered into by and between Michael DiPirro,
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     Amerway, Inc. ( "Amerway"), and Grobet File Company of
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     America, Inc., a New York corporation ("Grobet"), as of
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     April 30, 2002 (the "Effective Date"). Amerway and Grobet are
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     referred to individually as "Defendant" and collectively as
     "Defendants." The parties agree to the following terms and
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27
     conditions:
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## WHEREAS:

- A. Michael DiPirro is an individual residing in San Francisco, California, who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products;
- B. Amerway is a company that currently manufactures, distributes and/or sells a certain solder product as set forth in Exhibit A that contains lead (or lead compounds), a substance known to the State of California to cause cancer and birth defects (or other reproductive harm);
- C. Grobet is a company that formerly distributed a certain solder product as set forth in Exhibit A that contained lead (or lead compounds), a substance known to the State of California to cause cancer and birth defects (or other reproductive harm);
- D. The product which contains lead (or lead compounds) (the "Listed Chemical") and which is covered by this Agreement is provided in Exhibit A (the "Product"). For purposes of this Agreement only, Amerway does not dispute that the Product was manufactured, distributed and/or sold by Amerway in, or to a person or entity in, California at some time since December 18, 1998. For purposes of this Agreement only, Grobet does not dispute that the Product was distributed by Grobet in, or to a person or entity in, California at some time since December 18, 1998; and

SETTLEMENT AGREEMENT

E. On October 5, 2001, Michael DiPirro first served Amerway, Grobet, and other public enforcement agencies with a document entitled "60-Day Notice of Violation" which provided Amerway, Grobet, and such public enforcers with notice that Michael DiPirro claimed that Amerway and Grobet were in violation of Health & Safety Code §25249.6 for allegedly failing to warn purchasers that certain products they allegedly sell in California expose users to the Listed Chemical: and

F. On December 18, 2001, Michael DiPirro filed a complaint entitled Michael DiPirro v. Amerway, Inc., et al. in the Alameda County Superior Court, naming Amerway and Grobet as defendants and alleging violations of Business & Professions Code §17200 and Health & Safety Code §25249.6 in the interest of the general public in California who allegedly have been exposed to the Listed Chemical contained in certain products that Amerway manufactures, distributes and/or sells or that Grobet used to distribute.

G. Nothing in this Agreement shall be construed as an admission by Amerway or Grobet of any fact, finding, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by Amerway or Grobet of any fact, finding, conclusion, issue of law, or violation of law. Grobet and Amerway specifically deny any violation of Business & Professions Code §17200 and/or Health & Safety Code §25249.6, and enter into this Agreement to, among other things, avoid the costs of

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FOLLOWS:

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SETTLEMENT AGREEMENT

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litigation. This paragraph shall not diminish or otherwise

NOW THEREFORE, MICHAEL DIPIRRO, AMERWAY AND GROBET AGREE AS

final, and binding resolution between (a) DiPirro, acting in

Code §25249.7(d) and Business & Professions Code §§17204 and

the interest of the general public pursuant to Health & Safety

17504, and (b) Defendants and their successors and assigns, of

any violation of Proposition 65 or the Unfair Competition Law

(Business & Professions Code §17200, et seq.) for the alleged

failure to provide clear and reasonable warnings of exposure

to lead contained in the Product. Compliance with the terms

concerning compliance by Amerway, Grobet, or their successors

Unfair Competition Law (Business & Professions Code §17200, et

steps to its manufacture and sale of the Product to provide

the language set forth in section 2.1 below. Grobet asserts

that, since it received DiPirro's notice of violation, it no

longer distributes the Product in the State of California.

Grobet decides to distribute the Product in California in the

Product Warnings. Amerway shall begin to take

of this Agreement resolves any issue, now or in the future,

or assigns with the requirements of Proposition 65 or the

seq.) with respect to the Product.

Scope of Agreement. This Agreement is a full,

affect the obligations, responsibilities, and duties of

Amerway or Grobet under this Agreement.

SETTLEMENT AGREEMENT

future, Grobet will take steps to provide the language set forth in section 2.1 below. Beginning on May 15, 2002, Amerway and Grobet agree that they will not knowingly ship, or cause to be shipped, (or sell, or cause to be sold), the Product containing the Listed Chemical in the State of California unless the Product complies with section 2.1 below:

2.1 If the Product contains lead (or lead compounds), such Product shall bear the following warning statement:

"WARNING: This product contains lead, a chemical known to the State of California to cause cancer and birth defects (or other reproductive harm).";

or

"WARNING: This product contains a chemical known to the State of California to cause cancer and birth defects (or other reproductive harm).";

The warning statement shall be prominently placed on the Product or Product container with such conspicuousness, as compared with other words, statements, or designs on the label, by way of adhesive sticker or otherwise printed on the label, as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase.

3. Payment Pursuant To Health & Safety Code \$25249.7(b). Pursuant to Health & Safety Code \$25249.7(b), Amerway and Grobet shall pay a civil penalty, between them, of a combined total of \$1,200.00 in settlement of this

lawsuit. The payments shall be paid within five (5) calendar days of the Effective Date and shall be held by DiPirro's counsel until the Alameda County Superior Court approves and enters the Consent Judgment. The penalty payment is to be made payable to "Chanler Law Group In Trust For Michael DiPirro". If the Consent Judgment is not approved by the Court, DiPirro will return all funds, with interest thereon at the prevailing federal funds rate (currently set at 1.75% per annum), within five (5) calendar days of notice of the Court's decision. Penalty monies shall be apportioned by DiPirro in accordance with Health & Safety Code §25192, with 75% of these funds remitted to the State of California's Department of Toxic Substances Control.

acknowledge that DiPirro offered to resolve the dispute without reaching terms on the amount of fees and costs to be reimbursed, thereby leaving this open issue to be resolved after the material terms of the agreement had been reached, and the matter settled. Defendants then expressed a desire to resolve the fee and cost issue once the other settlement terms were resolved, so the parties tried to (and did) reach an accord on the compensation due to DiPirro and his counsel under the private attorney general doctrine codified at C.C.P. \$1021.5.

Amerway and Grobet shall reimburse DiPirro a total of \$18,700.00 for his attorney's fees and costs incurred as a result of investigating, bringing this matter to Defendants'

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attention, litigating and negotiating a settlement in the public interest. Except as provided for in paragraph 4.1 below, these payments shall constitute full payment for all attorneys' fees, expert and investigation fees, and litigation costs incurred by DiPirro. Amerway and Grobet each agree to pay this total sum, except as provided for in paragraph 4.1 below, within five (5) calendar days of the Effective Date. Such sum shall be held by DiPirro's counsel until the Alameda County Superior Court approves and enters the Consent Judgment. If the Consent Judgment is not approved by the Court, DiPirro will return all funds, with interest thereon at the prevailing federal funds rate (currently set at 1.75% per annum), within five (5) calendar days of notice of the Court's decision. Payment should be made payable to the "Chanler Law Group".

Judicial Approval. The parties acknowledge that, pursuant to Health & Safety Code § 25249.7, a noticed motion may be required to obtain judicial approval of this Agreement. Accordingly, if one is required, the parties have agreed to file a Joint Motion to Approve the Agreement within a reasonable period of time after execution of this Agreement.

Pursuant to CCP § 1021.5, Amerway and Grobet each agree to reimburse DiPirro for one half of his reasonable attorneys' fees and costs in excess of \$1,500 (which amount DiPirro shall bear) incurred in seeking judicial approval of this Agreement at the trial and, if necessary, appellate level

of the court system. Such additional fees or costs relating to achieving settlement approval for this Agreement include, but are not limited to: drafting and filing a brief in support of such a Motion to Approve Settlement; any appearance made before the Court related to such approval; any further editing and finalizing of the Agreement to respond to any concerns expressed by any public enforcer or the Court; corresponding or otherwise communicating with opposing counsel on this subject; any retention of one or more experts if scientific issues become a focal point during the approval process; and presenting of the Agreement (or any modifications thereof) to the California Attorney General's Office for further comment.

DiPirro and his counsel expressly agree that

Amerway's and Grobet's combined total liability for payment

due under this sub-paragraph for work performed at the trial

court level shall not exceed \$6,000 (i.e., \$3,000 each), plus

out of pocket costs such as expert fees. Grobet and Amerway

are only obligated to reimburse DiPirro his reasonable

attorneys' fees and costs incurred with respect to any

appellate work if DiPirro obtains the advance written

agreement of Grobet and Amerway to pursue the appeal or defend

the Agreement on appeal.

In the event that any public enforcer (including the California Attorney General's Office) objects or otherwise comments to one or more provisions of this Agreement, Amerway and Grobet agree to use their best efforts to support each of the terms of the Agreement, as well as to seek judicial

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approval of this Agreement, subject, however, to Amerway's and Grobet's right to withhold their agreement to pursue any appeal.

Amerway's and Grobet's payment of DiPirro's legal fees and costs under this paragraph shall be due within five (5) calendar days after receipt of both notice of the Court's approval of the Agreement and a billing statement, by declaration, from DiPirro or his counsel describing in detail the additional work performed and the costs of such work ("Additional Fee Claim"). Payment of the Additional Fee Claim shall be made payable to the "Chanler Law Group. " Amerway and Grobet have the right to object to DiPirro's reimbursement request and may submit the resolution of this issue to the American Arbitration Association (AAA) in Northern California to determine the reasonableness of the additional fees and costs sought, provided that an arbitration claim has been filed with AAA and served on DiPirro within ten (10) calendar days following DiPirro's service of the Additional Fee Claim on Amerway and Grobet. If an arbitration notice is not filed with AAA in a timely manner, DiPirro may file a motion, pursuant to CCP §1021.5, with the Court seeking the fees and costs incurred as set forth in this paragraph.

5. Michael DiPirro's Release Of Amerway and Grobet. Michael DiPirro, by this Agreement, on behalf of himself, his agents, representatives, attorneys, assigns and in the interest of the general public, waives all rights to

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institute or participate in, directly or indirectly, any form of legal action, and releases all claims, liabilities, obligations, losses, costs, expenses, fines and damages, against Amerway and Grobet and their distributors, customers, directors, officers, employees, successors and assigns, whether under Proposition 65, the Business & Profession Code §17200 et seq., or any other statute, ordinance, regulation, law, or legal decision, based on Amerway's and/or Grobet's alleged failure to warn about exposure to the Listed Chemical contained in the Product.

- 6. Amerway's and Grobet's Release Of Michael Amerway and Grobet, by this Agreement, waive all DiPirro. rights to institute any form of legal action against Michael DiPirro and his attorneys or representatives for all actions or statements made by Michael DiPirro and his attorneys or representatives in the course of seeking enforcement of Proposition 65 or Business & Profession Code §17200 against Amerway and Grobet in this lawsuit.
- Court Approval. If, for any reason, this Consent Judgment is not ultimately approved by the Court, this Agreement shall be deemed null and void.
- 8. Amerway and Grobet Sales Data. Amerway and Grobet understand that the sales data provided to counsel for DiPirro by Amerway and Grobet was a material factor upon which DiPirro has relied to determine the amount of payments made pursuant to Health & Safety Code §25249.7(b) in this To the best of Amerway's and Grobet's knowledge,

their respective sales data provided is true and accurate. In 1 the event that DiPirro discovers facts which demonstrate to a 2 3 reasonable degree of certainty that the sales data is materially inaccurate, the parties shall meet in a good faith 4 attempt to resolve the matter within ten (10) days of 5 Amerway's or Grobet's receipt of notice from DiPirro of his 6 intent to challenge the accuracy of the sales data. 7 8 good faith attempt fails to resolve DiPirro's concerns, DiPirro shall have the right to rescind the Agreement as to 9 the Defendant whose data he intends to challenge and re-10 institute an enforcement action against that Defendant, 11 provided that all sums paid by that Defendant pursuant to 12 paragraphs 3 and 4 are returned to that Defendant within five 13 14 (5) days from the date on which DiPirro notifies that Defendant of his intent to rescind this Agreement as to that 15 Defendant. In such case, all applicable statutes of 16 17 limitation shall be deemed tolled for the period between the date DiPirro filed the instant action and the date DiPirro 18 19 notifies the Defendant that he is rescinding this Agreement as 20 to that Defendant pursuant to this Paragraph.

9. Product Characterization. Amerway and Grobet acknowledge that the Product listed in Exhibit A contains lead (or lead compounds) and Plaintiff alleges that the customary use or application of the Product is likely to expose users to lead (or lead compounds), a substance known to the State of California to cause cancer and birth defects (or other reproductive harm). In the event that Amerway and/or Grobet

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obtains analytical, risk assessment or other data ("Exposure Data") that shows an exposure to the Product poses "no significant risk" or will have "no observable effect," as each such standard is applicable and as is defined under Health & Safety Code §25249.10(c), and Amerway and/or Grobet seeks to eliminate the warnings, then the company desiring to do so shall provide DiPirro with ninety (90) days prior written notice of its intent to limit or eliminate the warning provisions under this Agreement based on the Exposure Data and shall provide DiPirro with all such supporting Exposure Data. Within ninety (90) days of receipt of such Exposure Data, DiPirro shall provide the company providing such data with written notice of his intent to challenge the Exposure Data (in the event that he chooses to make such a challenge). DiPirro fails to provide Amerway and/or Grobet written notice of his intent to challenge the Exposure Data within ninety (90) days of receipt of Amerway's and/or Grobet's notice and the Exposure Data, DiPirro shall waive all rights to challenge the Exposure Data, and Amerway and Grobet shall be entitled to limit or eliminate the warning provisions required under this Agreement with respect to the Product to which the Exposure Data applies. If DiPirro timely notifies Amerway and/or Grobet of his intent to challenge the Exposure Data, (a) Amerway and/or Grobet may stop its/their efforts to eliminate the warnings upon notice to DiPirro with no further liability or obligations or (b) DiPirro and Amerway and/or Grobet shall

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negotiate in good faith for a period not to exceed thirty (30)

days following receipt of Amerway's and/or Grobet's notice to attempt to reach a settlement of this issue. If a settlement is not reached, DiPirro and Amerway and/or Grobet agree to submit such challenge to the superior court for determination, pursuant to the court's continuing jurisdiction of this matter under C.C.P. §664.6 and this Agreement. The prevailing party shall be entitled to recover its reasonable attorneys' fees and costs associated with a motion brought under this paragraph to the court for determination.

- 10. Severability. In the event that any of the provisions of this Agreement are held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.
- 11. Attorney's Fees. In the event that a dispute arises with respect to any provision(s) of this Agreement (including, but not limited to, disputes arising from the payments provisions in paragraphs 3 and 4), the prevailing party shall be entitled to recover costs and reasonable attorneys' fees, including any action brought pursuant to paragraph 4.1 herein.
- 12. Governing Law. The terms of this Agreement shall be governed by the laws of the State of California.
- 13. Notices. All correspondence to Michael DiPirro shall be mailed to:

Gregory M. Sheffer Sheffer & Chanler 4400 Keller Ave., Suite 200 Oakland, CA 94605 (510) 577-0747

1 All correspondence to Amerway, Inc. shall be 2 mailed to: 3 Kevin E. Gilbert, Esq. 4 Bradley, Curley, Asiano & McCarthy 1100 Larkspur Landing Circle, Suite 200 Larkspur, CA 94939 5 (415) 464-8888 6 All correspondence to Grobet shall be mailed 7 to: 8 Caroline L. Young, Esq. 9 Lis-Milam & Associates 8888 Keystone Crossing, Suite 1210 10 Indianapolis, IN 46240 (317) 574-6900 11 With a copy to: 12 Jeffrey J. Parker, Esq. Sheppard, Mullin, Richter & Hampton LLP 333 S. Hope St. 48th Floor 13 Los Angeles, CA 90071 14 (213) 620-1780 15

## Compliance With Reporting Requirements (Health

& Safety Code \$25249.7(f)). The parties acknowledge that the reporting provisions of Health & Safety Code § 25249.7(f) apply to this Consent Judgment. Counsel for DiPirro shall comply with that section by submitting the required reporting form to, and serving a copy of this Consent Judgment on, the California Attorney General's Office when noticing the Motion to Approve hearing. Counsel for DiPirro shall submit the Consent Judgment to the Court in accordance with the requirements of Health & Safety Code § 25249.7(f) and its implementing regulations, thereby allowing the Attorney General to serve any comments to this Consent Judgment prior to the end of the review period.

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Counterparts and Facsimile. This Agreement may

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1	15. Counterparts and Pecsimile. This Agreement may		
2	be executed in counterparts and facsimile, each of which shall		
3	be deemed an original, and all of which, when taken together,		
4	shall constitute one and the same document.		
5	16. Authorization. The undersigned are authorized		
6	to execute this Agreement on behalf of their respective		
7	parties and have read, understood and agree to all of the		
8	terms and conditions of this Agreement.		
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11	AGREED TO:		
12	DATE: DATE: 5/1/06		
13	I Do Do To		
14	Michael DiPirro AMervay, Inc.		
15	PLAINTIFF		
16	AGREED To:		
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18	DATE:		
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21	Grobet File Company of America, Inc.		
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15. Counterparts and Facsimile. This Agreement may be executed in counterparts and facsimile, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document. 16. Authorization. The undersigned are authorized to execute this Agreement on behalf of their respective parties and have read, understood and agree to all of the terms and conditions of this Agreement. AGREED TO: AGREED TO: DATE: DATE: Michael DiPirro Amerway, Inc. PLAINTIFF DEFENDANT AGREED TO: DATE: America, Inc. DEFENDANT

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4	Clyford A Chanle/R S.	
5	Clifford A. Chanler /	Kevin E. Gilbert
6	Attorneys for Plaintiff MICHAEL DIPIRRO	Attorneys for Defendant AMERWAY, INC.
7	`	APPROVED AS TO FORM:
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9		DATE:
10		Sheppard, Mullin, Richter & Hampton LLP
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13		By: Jeffrey J. Parker Attorneys for Defendant
14		GROBET File Company of America, Inc.
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4		Kevin R Gilbert
5	Clifford A. Chanler Attorneys for Plaintiff MICHAEL DIPIRRO	Attorneys for Defendant AMERWAY, INC.
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8	•	APPROVED AS TO FORM:
		DATE:
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10		Hampton LLP
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13		By: Jeffrey J. Parker Attorneys for Defendant
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	SETTLEMENT ACCEPTANT	

1	APPROVED AS TO FORM:	APPROVED AS TO FORM:
2	DATE:	DATE:
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5	Clifford A. Chanler Attorneys for Plaintiff	Kevin E. Gilbert Attorneys for Defendant
6	MICHAEL DIPIRRO	AMERWAY, INC.
7	•	APPROVED AS TO FORM:
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9		DATE: 5/1/02
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13		By: Jeffrey J. Parker Attorneys for Defendant
14		Attorneys for Defendant GROBET File Company of America, Inc.
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28	SETTLEMENT AGREEMENT	