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2 CHANLER LAW GROUP
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7 Attorneys for Plaintiff
8 WHITNEY R. LEEMAN, Ph.D.

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 IN AND FOR THE CITY AND COUNTY OF SAN FRANCISCO

11 WHITNEY R. LEEMAN, Ph.D.,)
12 Plaintiff)
13 v.)
14 BELKIN COMPONENTS; BELKIN)
15 CORPORATION; BUY.COM, INC.;)
16 COMPUSA INC.; and DOES 1 through 150,)
17 Defendants.)
18 _____)

Case No. CGC-03-418035
STIPULATION AND [PROPOSED]
CONSENT JUDGMENT

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STIPULATION AND [PROPOSED] CONSENT JUDGMENT

1 This Consent Judgment ("Agreement" or "Consent Judgment") is entered into by and
2 between plaintiff Whitney R. Leeman, Ph.D. ("Dr. Leeman"), a California citizen, on the one hand,
3 and defendants Belkin Corporation, a corporation ("Belkin"), Buy.com, Inc., a corporation
4 ("Buy.com") and CompUSA Inc. ("CompUSA"), a corporation, on the other hand, as of March __
5 2004, (the "Effective Date"), with reference to the following:

6
7 **WHEREAS,**

8 A. Dr. Leeman represents that she is an individual residing in Sacramento, California,
9 who seeks to promote awareness of exposures to toxic chemicals and improve human health by
10 reducing or eliminating hazardous substances contained in consumer products.

11 B. Belkin represents that it is a company that currently distributes and/or offers for
12 sale computer peripheral and networking products, including computer repair toolkits.

13 C. CompUSA represents that it is a company that currently distributes and/or offers
14 for sale computer peripheral and networking products, including computer repair toolkits.

15 D. Buy.com represents that it is a company that currently distributes and/or offers for
16 sale computer peripheral and networking products, including computer repair toolkits. Buy.com
17 represents that it has never manufactured or distributed any computer repair toolkits, but that it
18 has sold certain Belkin computer repair toolkits.

19 E. On or about February 7, 2003, Dr. Leeman first served Belkin, Buy.com and
20 CompUSA, as alleged violators, and certain public enforcement agencies (the "Public Enforcers")
21 with a document entitled "60-Day Notice of Violation" which provided Belkin, Buy.com,
22 CompUSA and the Public Enforcers with notice that Dr. Leeman considered Belkin, Buy.com and
23 CompUSA to be in violation of Proposition 65 for allegedly failing to warn purchasers that certain
24 products they manufacture, distribute and offer for sale in California expose users to the Listed
25 Chemicals (the "Notice" or the "60- Day Notice"). Specifically, the Notice alleged that Belkin,
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1 Buy.com and CompUSA manufacture, distribute and/or offer for retail sale in California
2 computer repair toolkits containing solder that contains one or more chemicals listed pursuant to
3 California Health & Safety Code §25249.5 *et seq.* ("Proposition 65") including lead (the "Listed
4 Chemical"). The Notice further alleged that the Products have been manufactured and/or
5 distributed and/or sold by Belkin, Buy.com and/or CompUSA for use in California since at least
6 February 7, 2002. A list of the specific Belkin and CompUSA products which contain one or more
7 of the Listed Chemicals including lead in the solder component of the tool kits, and which are
8 covered by this Agreement, are set forth on Exhibits A (for Belkin's products – and which were the
9 only products sold by Buy.com) and B (for CompUSA's products), (collectively, the "Products").

11 F. On March 6, 2003, Dr. Leeman filed a Complaint entitled *Whitney R. Leeman v.*
12 *Belkin Components, et al.*, in the San Francisco Superior Court against Belkin, Buy.com, Inc. and
13 CompUSA, Inc. regarding the Proposition 65 claims described in the 60-Day Notice (the "Action").
14 The Action was given Case No. CGC-03-418035. This Complaint was not served on any
15 defendant.

17 G. On April 18, 2003, Dr. Leeman filed and served a First Amended Complaint in the
18 Action naming Belkin, Buy.com and CompUSA as defendants and alleging violations of
19 Proposition 65 on behalf of individuals in California who allegedly have been exposed to the
20 Listed Chemical contained in the Products. Belkin, Buy.com and CompUSA timely answered the
21 First Amended Complaint.

22 H. In order to avoid the costs and expense of litigation, and without admitting liability
23 or wrongdoing by any Party, the Parties hereto have elected to resolve this matter by settlement
24 on the terms set forth in this Agreement.

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1 containing lead solder. This commitment shall not be construed so as to prevent Belkin or
2 CompUSA from manufacturing or selling computer tool kits with "lead-free" solder. The term
3 "lead-free" in this paragraph shall mean solder that does not contain a "detectable" amount of
4 lead as that term is defined by Proposition 65's implementing regulations.

5 2. **Payment Pursuant To Health & Safety Code §25249.7(b).** Pursuant to Health &
6 Safety Code §25249.7(b), Belkin shall pay a civil penalty of \$18,000.00 within five (5) business days
7 of the Effective Date, and CompUSA shall pay a civil penalty of \$17,000.00 within five (5) business
8 days of the Effective Date. Buy.com shall not be required to pay a civil penalty because all of the
9 computer toolkits sold by Buy.com were Belkin products. The penalty payments are to be made
10 payable to "CHANLER LAW GROUP In Trust For Whitney R. Leeman". Penalty monies paid
11 pursuant to this Paragraph shall be apportioned by Dr. Leeman and her counsel in accordance
12 with Health & Safety Code Section 25192, such that 75% of these funds paid by Belkin and
13 CompUSA will be remitted to the Office of Environmental Health Hazard Assessment.

14 3. **Reimbursement Of Fees And Costs.** The Parties acknowledge that Dr. Leeman
15 offered to resolve the dispute without reaching an agreement on the amount of attorneys' fees
16 and costs to be reimbursed to Dr. Leeman, thereby leaving open this issue to be resolved after
17 the material terms of the settlement had been reached, and the agreement signed. The Parties
18 then attempted to (and did) reach an accord on the compensation due to Dr. Leeman and her
19 counsel under the private attorney general doctrine codified at Code of Civil Procedure § 1021.5
20 for all work performed through the Effective Date of the Agreement. Under the private attorney
21 general doctrine codified at Code of Civil Procedure §1021.5, within five (5) business days of the
22 Effective Date, CompUSA, Belkin+ and Buy.com collectively, shall reimburse Dr. Leeman and
23 her counsel the total amount \$44,375 constituting all of the attorney's fees and costs, incurred as
24 a result of investigating, bringing this matter to the parties' attention, litigating and negotiating a
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1 settlement in the public interest, including but not limited to all attorneys' fees, expert and
2 investigation fees, and litigation costs incurred through the Effective Date, as well as all
3 attorney's fees and costs incurred or to be incurred in the future to obtain the Court's approval of
4 this Agreement and the entry of the Consent Judgment. Payment should be made payable to
5 "Charler Law Group."
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7 4. **Releases Of Belkin, Buy.com and CompUSA.** Whitney R. Leeman, by this
8 Agreement, on behalf of herself, her agents, representatives, attorneys, assigns and the citizens of
9 the State of California (the Leeman Releasors), waives and releases all rights to institute or
10 participate in, directly or indirectly, any form of legal action against the Releasees (as defined
11 below), and releases all claims, liabilities, obligations, losses, costs, expenses, fines and damages,
12 against Belkin, Buy.com and CompUSA, and their respective customers, directors, officers,
13 employees, lawyers, affiliates, successors and assigns (collectively the "Releasees"), whether under
14 Proposition 65 or the Business & Profession Code §17200 et seq., arising out of or relating to the
15 allegations asserted in the 60-Day Notice, the Complaint, the Amended Complaint and the Action,
16 including without limitation the allegation that Belkin, Buy.com and/or CompUSA failed to warn
17 about exposure to lead contained in any of the Products.
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19 5. **Release Of Dr. Leeman.** Belkin, Buy.com and CompUSA waive all rights to
20 institute any form of legal action against Dr. Leeman and her attorneys or representatives, for all
21 actions or statements made by Dr. Leeman, and her attorneys or representatives, in the course of
22 seeking enforcement of Proposition 65 against Belkin, Buy.com and CompUSA for to the Products
23 identified in Exhibits A and B, respectively.
24

25 6. **No Admissions.** Nothing in this Agreement nor the entry by the Court of the
26 Consent Judgment shall be construed as an admission by Belkin, Buy.com or CompUSA of any
27 fact, finding, issue of law, or violation of law, nor shall compliance with this Agreement or the
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1 Consent Judgment constitute or be construed as an admission by Belkin, Buy.com or CompUSA of
2 any fact, finding, conclusion, issue of law, or violation of law. However, this Paragraph shall not
3 diminish or otherwise affect the obligations, responsibilities, and duties of Belkin, Buy.com and
4 CompUSA under this Agreement.

5 7. **Sales Data.** Belkin, Buy.com and CompUSA understand that the sales data that
6 they respectively provided to counsel for Dr. Leeman was a material factor upon which Dr.
7 Leeman has relied to determine the amount of the settlement payments made pursuant to Health
8 & Safety Code Section 25249.7(b) in this Agreement. To the best of Belkin's knowledge, the sales
9 data provided by Belkin to counsel for Dr. Leeman is true and accurate. To the best of
10 CompUSA's knowledge, the sales data provided by CompUSA to counsel for Dr. Leeman is true
11 and accurate. To the best of Buy.com's knowledge, the sales data provided by Buy.com to counsel
12 for Dr. Leeman is true and accurate.

13 8. **Severability.** In the event that any of the provisions of this Agreement are held by
14 a court to be unenforceable, the validity of the enforceable provisions shall not be adversely
15 affected.

16 9. **Attorney's Fees.** In the event that a dispute arises with respect to the interpretation
17 or enforcement of any provision(s) of this Stipulation and Consent Judgment, the prevailing party
18 in any action to interpret or enforce this Stipulation and Consent Judgment shall be entitled to
19 recover its costs and reasonable attorneys' fees with the exception that the attorneys' fees and costs
20 to be paid to Dr. Leeman or her counsel with respect to the resolution of this Action shall be
21 governed by the principles set forth under CCP §1021.5.

22 10. **Governing Law.** The terms of this Stipulation and Consent Judgment shall be
23 governed by the laws of the State of California, without regard to its choice of law provisions.

24 11. **Notices.** If a notice is required under this Stipulation and Consent Judgment, it
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1 shall be sent to the address or location set forth below and shall be delivered by mail or overnight
2 delivery. In addition to but not in lieu of such mail or overnight delivery, any notice may also be
3 delivered by electronic mail. All correspondence to Dr. Leeman shall be sent to:

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5
6 Clifford A. Chanler, Esq.
CHANLER LAW GROUP
11501 Dublin Blvd., Suite 200
7 Dublin, CA 94568-2827
8 Tel. (925) 558-2730

9 All correspondence to Belkin and Buy.com shall be sent to:

10 Thomas FitzGibbon, Esq.
PFEIFFER & THIGPEN
11 429 Santa Monica Boulevard, Suite 220
12 Santa Monica, CA 90401
13 Tel. 310/ 451-5800
14 Fax. 310/451-1599
E-mail: trf@ptflaw.com

15 All correspondence to CompUSA shall be sent to:

16 David Bolstad, Esq.
MAYER BROWN ROWE & MAW LLP
17 350 South Grand Avenue, 25th Floor
18 Los Angeles, CA 90071-1503
Tel. 213/ 229-9500
E-mail: dbolstad@mayerbrown.com

19 12. **Judicial Approval.** The parties acknowledge that, pursuant to Health & Safety
20 Code §25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment.
21 Accordingly, the parties agree to file a Motion to Approve the Consent Judgment within a
22 reasonable period of time after execution of this Consent Judgment. Belkin, Buy.com and
23 CompUSA agree to transmit a draft of the moving papers for the approval to plaintiff's counsel
24 within ten (10) calendar days of the Effective Date of this Consent Judgment.
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26 13. **Compliance With Reporting Requirements.** In accordance with the reporting
27 form requirements referenced in Health & Safety Code Section 25249.7(f), counsel for Dr. Leeman
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1 shall submit, at the appropriate times to the Attorney General's Office, a completed copy of form
 2 JUS 1501 as well as a completed copy of form JUS 1502. In accordance with the regulations
 3 promulgated with respect to Proposition 65, counsel for Dr. Leeman represents that it will send a
 4 copy of this Agreement to the California Attorney General's Office (a) within five (5) days of its
 5 execution and no later than forty-five (45) days prior to the hearing on the Motion for Approval
 6 with respect to the Stipulated Consent Judgment.
 7

8 14. Counterparts and Facsimile. This Stipulation and Consent Judgment may be
 9 executed in counterparts and facsimile, each of which shall be deemed an original, and all of
 10 which, when taken together, shall constitute one and the same document.

11 15. Authorization. The undersigned represent and warrant that he or she is
 12 authorized to execute this Stipulation on behalf of the respective parties for which they are signing
 13 and have read, understood and agree to all of the terms and conditions of this Agreement.
 14

15 DATED: March 31, 2004

BELKIN CORPORATION.

16 By: 
 17 Christopher Flower
 18 Its: General Counsel

19
 20 DATED: March _____, 2004

COMPUSA INC.

21 By: _____
 22 Mark Walker
 23 Its: Executive Vice President and General
 24 Counsel

25 DATED: March _____, 2004

BUY.COM, INC.

26 By: _____
 27 Greg Girardi
 28 Its: General Counsel

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 14


15 DATED: March ____, 2004

BELKIN CORPORATION.

16 By: _____
 17 Christopher Flower
 18 Its: General Counsel

19
 20 DATED: ~~March ____, 2004~~
 21 April 2, 2004

COMPUSA INC.

22 By: 
 23 Mark Walker
 24 Its: Executive Vice President and General
 25 Counsel

26
 27 DATED: March ____, 2004

BUY.COM, INC.

28 By: _____
 Greg Girardi
 Its: General Counsel

STIPULATION AND [PROPOSED] CONSENT JUDGMENT

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13 and have read, understood and agree to all of the terms and conditions of this Agreement.
14

15 DATED: March ____, 2004

BELKIN CORPORATION.

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17 By: _____
Christopher Flower
18 Its: General Counsel

19
20 DATED: March ____, 2004

COMPUSA INC.

21 By: _____
22 Mark Walker
23 Its: Executive Vice President and General
Counsel

24
25 DATED: March 5, 2004

BUY.COM, INC.

26 By: Greg Chiodi
27 Greg Chiodi
28 Its: General Counsel

STIPULATION AND [PROPOSED] CONSENT JUDGMENT

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DATED: March 24, 2004

DR. WHITNEY LEEMAN

By: *Whitney Leeman*
Dr. Whitney Leeman

APPROVED AS TO FORM

DATED: March 24, 2004

CHANLER LAW GROUP

By: *Clifford Charler*

Clifford Charler
Attorneys for Plaintiff
DR. WHITNEY LEEMAN

DATED: March _____, 2004

PFEIFFER & THIGPEN

By: _____
Thomas N. FitzGibbon
Attorneys for Defendants
BELKIN CORPORATION & BUY.COM, INC.

DATED: March _____, 2004

MAYER BROWN ROWE & MAW LLP

By: _____
David Bolstad
Attorneys for Defendant
COMPUSA INC.

In light of the foregoing Stipulation and because good cause appears therefor and because the above Stipulation is in compliance with Proposition 65 and its implementing regulations and in consistent with the purposes of Proposition 65;

IT IS ORDERED, ADJUDGED AND DECREED that judgment is hereby entered in this action accordance with the terms of this Consent Judgment between the parties.

Dated: _____

Judge of the Superior Court

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DATED: March ____, 2004

DR. WHITNEY LEEMAN

By: _____
Dr. Whitney Leeman

APPROVED AS TO FORM

DATED: March ____, 2004

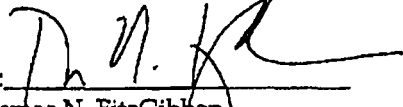
CHANLER LAW GROUP

By: _____

Clifford Chanler
Attorneys for Plaintiff
DR. WHITNEY LEEMAN

DATED: March 31, 2004

PFEIFFER & THIGPEN

By:  _____
Thomas N. FitzGibbon
Attorneys for Defendants
BELKIN CORPORATION & BUY.COM, INC.

DATED: March ____, 2004

MAYER BROWN ROWE & MAW LLP

By: _____
David Bolstad
Attorneys for Defendant
COMPUSA INC.

In light of the foregoing Stipulation and because good cause appears therefor and because the above Stipulation is in compliance with Proposition 65 and its implementing regulations and in consistent with the purposes of Proposition 65;

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Dated: _____

Judge of the Superior Court

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DATED: March ____, 2004

DR. WHITNEY LEEMAN

By: _____
Dr. Whitney Leeman

APPROVED AS TO FORM

DATED: March ____, 2004

CHANLER LAW GROUP

By: _____

Clifford Charler
Attorneys for Plaintiff
DR. WHITNEY LEEMAN

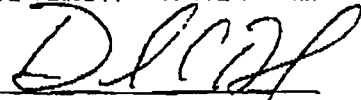
DATED: March ____, 2004

PFEIFFER & THIGPEN

By: _____
Thomas N. FitzGibbon
Attorneys for Defendants
BELKIN CORPORATION & BUY.COM, INC.

DATED: March ____, 2004

MAYER BROWN ROWE & MAW LLP

By: 
David Bolstad
Attorneys for Defendant
COMPUSA INC.

In light of the foregoing Stipulation and because good cause appears therefor and because the above Stipulation is in compliance with Proposition 65 and its implementing regulations and in consistent with the purposes of Proposition 65;

IT IS ORDERED, ADJUDGED AND DECREED that judgment is hereby entered in this action accordance with the terms of this Consent Judgment between the parties.

Dated: _____
Judge of the Superior Court

EXHIBIT A

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EXHIBIT A (BELKIN)

1. 55-Piece Computer Tool Kit (#F8E062)
2. 65 Piece Computer Tool Kit (#A8E070)

EXHIBIT B

EXHIBIT B (COMPUSA)

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1. 55-Piece Computer Tool Kit (SKU# 895124)
2. 145 Piece Computer Tool Kit (SKU# 294114)