- 1 -Consent Judgment

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human health by reducing or eliminating hazardous substances contained in consumer and industrial products;

- 1.2 David H. Fell & Company, Inc. ("Fell") has manufactured, distributed or sold in the State of California certain solder products that Plaintiff contends contain cadmium, a chemical listed pursuant to Proposition 65 (California Health & Safety Code §§25249.5 et seq.).
- 1.3 The solder products that contain cadmium (the "Listed Chemical") and which are covered by this Consent Judgment are set forth in Exhibit A (the "Products"), which is attached hereto and incorporated herein by this reference. One or more of those Products has been sold by Fell in California since May 4, 1997.
- 1.4 On February 23, 2001, DiPirro first served Fell and all of the requisite public enforcement agencies with a document entitled "60-Day Notice" which provided Fell and such public agencies with notice that Fell was allegedly in violation of Health & Safety Code §25249.6 for failing to warn purchasers that the Products exposed users to certain Proposition 65 Listed Chemicals. On July 13, 2001, DiPirro served a second 60 Day Notice which provided further specificity about the types of solder that Fell has sold, allegedly in violation of Proposition 65.
- 1.5 On May 4, 2001, DiPirro filed a complaint entitled Michael DiPirro v. David H. Fell & Company, Inc., Action No. H-219580-5, in the Superior Court in and for the County of Alameda, naming Fell and various Does as defendants and alleging violations of Business & Professions Code §17200 et seq., and Health & Safety Code §25249 et seq., on behalf of individuals in California who allegedly

have been exposed to the Listed Chemical contained in the Products. Fell filed its answer to the complaint on May 29, 2000.

- 1.6 On or after September 13, 2001, DiPirro will file an amended complaint, specifically mentioning repair solder and paste as among the solder products giving rise to DiPirro's claims against Fell.
- 1.7 Fell denies the material factual and legal allegations contained in the 60-Day Notice and the Complaint filed by DiPirro for alleged violations of Proposition 65 and Business & Professions Code §17200 et seq., and maintains that all Products manufactured, distributed or sold by Fell in California have been and are in compliance with all laws.
- 1.8 For purposes of this Consent Judgment, the term "Effective Date" shall mean August 24, 2001.

# 2. INJUNCTIVE RELIEF

2.1 <u>Product Labeling</u>. After September 1, 2001, Fell shall not knowingly ship (or cause to be shipped) to California for sale or distribution any Product that it knows contains cadmium unless each such Product is accompanied by a Revised Label on or within the Product package, or affixed to the Product that states:

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

Avoid creating dust Avoid contact with eyes or skin. Do not take internally. Do not breathe fumes or dust, which can cause cancer, birth defects (or other reproductive harm), as well as lung and kidney disease. Fumes or dust may also be poisonous and irritate your eyes, nose and throat.

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Use only with adequate ventilation, such as fume collectors, exhaust ventilators or air supplied respirators. See ANSI-Z49.1\* If chest pain, cough or fever develops after use, immediately call a physician. Keep Away from small children.\* ANSI Standard Z49.1 (Safety in Welding and Cutting) is published by the American Welding Society, 550 N.W. LeJeune Road, Miami, Florida 33126.

Please ask about Cadmium Free Solders.

The warning statement shall be prominent and displayed with such conspicuousness, as compared with other words, statements, or designs, as to render it likely to be read and reasonably understood by an ordinary individual under customary conditions of purchase or use. For purposes of this Consent Judgment, "Revised Label" does not include an MSDS form that otherwise meets the requirements of Section 2. The labeling revisions may be made in the form of an adhesive sticker, stamp or permanent changes to the outside packaging of the product package.

- 2.2 Fell Catalog. To qualify for the penalty waiver set forth in Section 3.1, Fell shall, for at least the next five years, include an additional warning (containing the identical language specified in Section 2.1) within its product catalog. Such warning shall appear on the same page on which each Product is displayed, in a manner ensuring that the reader would reasonably understand that the warning is associated with the Products covered by this Consent Judgment.
- **Fell Internet Site.** To qualify for the penalty waiver set forth in 2.3 Section 3.1, Fell shall, for at least the next five years, display the additional warning (containing the identical language specified in Section 2.1) or a link to a page containing the warning set forth in Section 2.1, on the same page on which a Product is displayed. If a link is used to direct the viewer to another web page, it shall state "Warning" and be of a size equal to the size of other links on the page.

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2.4 Product Characterization. Plaintiff contends that each of the Products listed in Exhibit A contains a chemical known to the State of California to cause cancer or birth defects (or other reproductive harm). In the event that Fell obtains analytical, risk assessment or other data ("Exposure Data") that shows that an exposure to any or all of the Products poses "no significant risk" or will have "no observable effect," as each such standard is applicable and as each is defined under Health & Safety Code §25249.10(c), Fell shall provide DiPirro with 90 days prior written notice of its intent to limit or eliminate the Revised Labels under this Consent Judgment based on the Exposure Data and shall provide DiPirro with all such supporting Exposure Data. Within thirty (30) days of receipt of Fell's Exposure Data, DiPirro shall provide Fell with written notice of his intent to challenge the Exposure Data (in the event that he chooses to make such a challenge). If DiPirro fails to provide Fell written notice of his intent to challenge the Exposure Data within thirty (30) days of receipt of Fell's notice and the Exposure Data, DiPirro shall waive all rights to challenge the Exposure Data, and Fell shall be entitled to limit or eliminate the Revised Labels required under this Consent Judgment with respect to those Product(s) to which the Exposure Data applies. If DiPirro timely notifies Fell of his intent to challenge the Exposure Data, DiPirro and Fell shall negotiate in good faith to attempt to reach a settlement. In the event that no settlement is reached within thirty (30) days of mailing by DiPirro of such notice of challenge, DiPirro and Fell agree to submit such challenge to the Court for determination, pursuant to the Court's continuing jurisdiction of this matter under California Code of Civil Procedure Section 664.6 and this Consent Judgment. The prevailing party shall be entitled to reasonable attorneys' fees and costs associated with such a determination. If DiPirro does not challenge Fell's notice or the Court determines that no warning is required for particular Products, Fell shall no longer be required to provide the warnings described in this Consent Judgment for those Products.

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# 3. MONETARY PAYMENTS

3.1 Civil Penalty. Subject to the limitations set forth below, Fell shall,

pursuant to Health & Safety Code §25249.7(b), pay a civil penalty of \$60,000 in

three installments. The first payment of \$10,200 shall be made to DiPirro within

five (5) calendar days of the Effective Date. Such payment shall be made payable to

the "Chanler Law Group in Trust for Michael DiPirro" and shall be held in escrow by

DiPirro's counsel until this Consent Judgment has been entered. The second

payment of \$21,800, also made payable to the "Chanler Law Group in Trust for

Michael DiPirro", shall be due by December 1, 2001. However, it shall be waived if

Fell has implemented a warning program for its catalog and internet/website in

accordance with Sections 2.2-2.3 herein and certifies, by November 15, 2001, that

such additional warnings have been implemented no later than November 1, 2001

and commits to continue providing the warnings set forth in Sections 2.2-2.3 until,

at least September 1, 2006. The third payment of \$28,000, also made payable to

the "Chanler Law Group in Trust for Michael DiPirro", shall be due by September

15, 2002. However, it too shall be waived if Fell has sent DiPirro a notice, no later

than September 15, 2002, certifying that Fell has reduced its sale of cadmium

containing Products in California between September 1, 2001 and September 1,

2002 by at least 10%. The reduction shall be measured in pounds sold. For

example, if Fell has sold 200 pounds of cadmium containing solder in California

during the period of September 1, 2000 to September 1, 2001, then it must certify

that it sold at least 10% less during the same one year period beginning September

1, 2001 (i.e., no more than 180 pounds).

3.2 Any penalty monies received shall be apportioned by DiPirro in

accordance with Health & Safety Code § 25192, with 75% of these funds remitted

to the State of California. DiPirro shall bear all responsibility for apportioning and - 6 - 9477702.1

paying to the State of California the appropriate civil penalties paid in accordance with this paragraph. In the event this Consent Judgment is not entered, any payment made pursuant to this paragraph shall be returned to Fell, with interest thereon at a rate of six percent (6%) per annum, within five (5) days of receipt of notice of the Court's rejection of this proposed Consent Judgment.

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3.3 Fell understands that the payment schedule as stated in this Consent Judgment is a material factor upon which DiPirro and his counsel have relied in entering into this Consent Judgment. Fell agrees that all payments will be made in a timely manner in accordance with the payment due dates. Fell will be given a five (5) calendar day grace period from the date payment is due. Fell agrees to pay Michael DiPirro and his counsel a \$250 per calendar day fee for each day the payment is received after the grace period ends. For purposes of this paragraph, each new day (requiring an additional \$250 payment) will begin at 5 p.m. (PST).

# REIMBURSEMENT OF FEES AND COSTS

- 4.1 The parties 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. Fell then expressed a desire to resolve the fee and cost issue concurrently with other settlement terms, 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.
- 4.2 Fell shall reimburse DiPirro and his counsel for his fees and costs, incurred as a result of investigating, bringing this matter to Fell's attention, litigating and negotiating a settlement in the public interest. Fell shall pay \$34,800 for all 9477702.1

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attorneys' fees, expert and investigation fees, and litigation costs. This amount includes the cost of preparing and presenting a motion to the Court to approve the Consent Judgment. Fell agrees to pay the total sum of \$34,800 within five (5) calendar days of the Effective Date. Such sum shall be held in trust 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 a rate of six percent (6%) per annum, within ten (10) calendar days of notice of the Court's decision. Payment should be made payable to the "Chanler Law Group".

- 4.3 Fell understands that the payment schedule as stated in this Consent Judgment is a material factor upon which DiPirro and his counsel have relied in entering into this Consent Judgment. Fell agrees that all payments will be made in a timely manner in accordance with the payment due dates. Fell will be given a five (5) calendar day grace period from the date payment is due. Fell agrees to pay Michael DiPirro and his counsel a \$250 per calendar day fee for each day the payment is received after the grace period ends. For purposes of this paragraph, each new day (requiring an additional \$250 payment) will begin at 5 p.m. (PST).
- 4.4 Additional Contingent Fees and Costs. In the event that the California Attorney General's Office, pursuant to 11 CCR 3000 et seq, serves objections to this Consent Judgment on either of the parties, such that it requires DiPirro to incur additional legal fees or costs relating to this Consent Judgment, Fell shall reimburse DiPirro for reasonable fees and costs incurred by DiPirro and his counsel in excess of \$1,500 from the date of receipt of the Attorney General's objections. Such additional legal fees or costs relating to this Consent Judgment include, but are not limited to: further editing and finalizing of the Consent Judgment; corresponding with opposing counsel; retention of experts; and presenting of the Consent 9477702.1

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Judgment (or any modifications thereof) to the Attorney General for further comment. It is expressly understood by the parties that any briefing and/or appearance before the Court related to the approval of this Consent Judgment shall not be included within this subparagraph.

DiPirro agrees to document all fees and costs incurred from the date of receipt of the Attorney General's objections through the date of court approval of the Consent Judgment. Prior to receiving such documentation, Fell agrees to enter into a letter agreement in which the parties agree that, by transmitting such information, no privilege will be waived by DiPirro or his counsel.

Such additional reimbursement of legal fees and costs shall be due within ten (10) calendar days after receipt by Fell of both notice of Court approval of the Consent Judgment and final billing statement from DiPirro. Fell has the right to object to such reimbursement. If Fell does object, it shall notify DiPirro's counsel in writing within five (5) calendar days of its receipt of both the notice of the Court's approval of the Consent Judgment and DiPirro's billing statement. The parties shall meet and confer in good faith to resolve the dispute. If the dispute is not resolved within twenty-one (21) calendar days, either party may submit the dispute to the Court, pursuant to the Court's continuing jurisdiction to implement the terms of this Consent Judgment. The parties may also agree to resolve the dispute through mediation, arbitration or other neutral third party dispute resolution proceeding.

## 5. RELEASE OF ALL CLAIMS

5.1 DiPirro's Release of Fell. In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4, DiPirro, on behalf of himself, his agents, representatives,

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attorneys, assignees, and in the interest of the general public, hereby waives all rights to institute and participate in, directly or indirectly, any form of legal action and releases all claims, including, without limitation, all actions, causes of action, in law or in equity, suits, liabilities, demands, damages, fines, penalties, losses or expenses (including investigation fees, expert fees and attorneys' fees and other costs) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively, "Claims"), against Fell and any of its parent companies, divisions, subdivisions, subsidiaries (and the predecessors, successors and assigns of any of them), and their respective officers, directors, attorneys, representatives, shareholders, partners, agents, and employees (collectively, "Fell Releasees"). This waiver and release shall pertain to Claims arising under Proposition 65 or Business & Professions Code §17200 et seq., related to the Fell Releasees alleged failure to warn about exposures on or before the Effective Date to the Listed Chemical contained in any of the Products. It is specifically understood and agreed that Fell's compliance with the terms of this Consent Judgment resolves all issues and liability, now and in the future, concerning past compliance by the Fell Releasees with the requirements of Proposition 65 or Business & Professions Code §17200 et seq., with respect to the Listed Chemical and the Products. This waiver and release shall not pertain to the suppliers of cadmium to Fell.

5.2 DiPirro's Release of "Downstream Persons." DiPirro, on behalf of himself, his agents, assignees and in the interest of the general public, further waives all rights to institute any form of legal action and releases all Claims against each distributor, wholesaler, retailer, dealer, customer, owner, operator, lessor, lessee or user of the Products, or any of their respective parent, divisions, subdivisions, subsidiaries (and the predecessors, successors and assigns of any of them) and their respective officers, directors, shareholders, partners, attorneys, representatives, agents, employees (collectively, "Downstream Persons"). This 9477702.1 - 10 -

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waiver and release shall pertain to Claims arising under Proposition 65 or Business & Professions Code §17200 et seq., related to the Downstream Persons' alleged failure to warn about exposures on or before the Effective Date to the Listed Chemical contained in any of the Products. It is specifically understood and agreed that this Consent Judgment resolves all issues and liability, now and in the future, concerning the Downstream Persons' past compliance with the requirements of Proposition 65 or Business & Professions Code §17200, et seq. with respect to the Listed Chemical and the Products.

5.3 Fell Release of DiPirro. Fell waives all rights to institute any form of legal action against DiPirro or his attorneys or representatives, for any and all actions taken or statements made on or before the Effective Date by DiPirro, in the course of seeking enforcement of Proposition 65 or Business & Professions Code §17200, et seq. against Fell.

# FELL'S COVERED PRODUCT INFORMATION 6.

6.1 Fell understands that the Product sales (and other) information provided to counsel for DiPirro by Fell was a material factor upon which DiPirro has relied to determine a fair and reasonable settlement. To the best of Fell's knowledge, the information provided is true and accurate. In the event DiPirro discovers facts which demonstrate to a reasonable degree of certainty that the information is materially inaccurate, all other parts of this Consent Judgment notwithstanding, DiPirro shall have the right to move to vacate this Consent Judgment and re-institute an enforcement action against Fell, provided that all sums paid by Fell pursuant to Section 3.1 and 3.2 are returned to Fell, with interest thereon at a rate of six percent (6%) per annum, within five (5) days from the date on which DiPirro notifies Fell of his intent to move to vacate this Consent

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Judgment. In such case, all applicable statutes of limitation shall be deemed tolled for the period between the date DiPirro filed the instant action and the date DiPirro notifies Fell that he is seeking to vacate this Consent Judgment pursuant to this paragraph, provided that, in no event shall any statute of limitation be tolled beyond four (4) years from the date this action was filed.

7. **COURT APPROVAL** 

7.1 Motion for Approval. A Motion for Approval of the Consent Judgment shall be filed on or after September 17, 2001 and heard as soon as the Court's calendar permits. A copy of the Motion shall be served upon the California Attorney General's Office. If the Consent Judgment is not approved and entered by the Court within 120 days of the Effective Date, it shall be deemed null and void as of the one hundred and twenty-first (121st) day after the Effective Date and cannot be used in any proceeding. It is understood that the Consent Judgment will not be presented to the Court until the requisite waiting period for the second 60 Day Notice, issued on July 13, 2001, has expired.

### 8. **SEVERABILITY**

8.1 In the event that any of the provisions of this Consent Judgment are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected thereby.

### 9. **ATTORNEY'S FEES**

9.1 In the event a dispute arises with respect to any provision(s) of this Consent Judgment, the prevailing party shall be entitled to recover costs and 9477702.1 reasonable attorneys' fees.

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# 10. GOVERNING LAW

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10.1 The terms of this Consent Judgment shall be governed by the laws of the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products specifically, Fell shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, those Products are so affected.

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# 11. NOTICES

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11.1 All correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and shall be personally delivered or sent by first-class, registered, certified mail, overnight courier, and/or via facsimile transmission (with presentation of facsimile transmission confirmation) addressed as follows:

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If to DiPirro: Chanler Law Group

Magnolia Lane

New Canaan, Connecticut 06840-3801

(Fax) 203/801-5222

If to Fell:

Larry Fell

President

David H. Fell & Company, Inc.

6009 Bandini Boulevard

City of Commerce, CA 90040-2967

(fax) 323-722-6567

with a copy to:

John E. Dittoe, Esq.

Crosby, Heafey, Roach & May

1999 Harrison Street

P.O. Box 2084

Oakland, CA 94604-2084

(Fax) 510/273-8832

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Either party, from time to time, may specify a change of address or facsimile number to which all notices and other communications shall be sent.

### 12. NO ADMISSIONS

12.1 Nothing in this Consent Judgment shall constitute or be construed as an admission by Fell of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Consent Judgment constitute or be construed as an admission by Fell of any fact, finding, conclusion, issue of issue of law, or violation of law, such being specifically denied by Fell. Fell reserves all of its rights and defenses with regard to any claim by any party under Proposition 65 or otherwise. However, this Paragraph shall not diminish or otherwise affect the obligations, responsibilities, and duties of Fell under this Consent Judgment.

### 13. **ENTIRE AGREEMENT; MODIFICATION**

13.1 This Consent Judgment constitutes the entire agreement between the parties relating to the rights and obligations herein granted and assumed, and supersedes all prior agreements and understandings between the parties. This Consent Judgment may be modified only upon the written agreement of the parties or motion to the court, with good cause shown.

# 14. **COUNTERPARTS: FACSIMILE SIGNATURES**

14.1 This Consent Judgment may be executed in counterparts and by facsimile, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

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### COMPLIANCE WITH REPORTING REQUIREMENTS 15.

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15.1 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 within two business days after the parties execute this Consent Judgment. Following the expiration of the Attorney General's thirty-day review period, 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, unless the parties cannot agree that all of the Attorney General's

16. **AUTHORIZATION** 

objections, if any, cannot be reasonably cured.

16.1 The undersigned are authorized to execute this Consent Judgment on behalf of their respective parties and have read, understood and agree to all of the terms and conditions of this Consent Judgment.

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DATE:

Michael DiPirro

**PLAINTIFF** 

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DATE: ANGUST 28, 2001

Larry Felk - President

David H. Fell & Company, Inc.

DEFENDANT

	1	APPROVED AS TO FORM:	APPROVED AS TO FORM:
CROSBY, HEAFEY, ROACH & MAY PROFESSIONAL CORPORATION	2	DATE: 8/24/01	DATE:
	3	Cold	DATE
	4	David Bush	John E. Dittoe
	5	Attorneys for Plaintiff MICHAEL DIPIRRO	Attorneys for Defendant DAVID H. FELL & COMPANY, INC.
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•	1	APPROVED AS TO FORM:	APPROVED AS TO FORM:	
CROSBY, HEAFEY, ROACH & MAY PROFESSIONAL CORPORATION	2	DATE:	DATE: august 28,200	1
	3		DATE: august 28,200	
	4	David Bush	John E. Dittoe	
	5	Attorneys for Plaintiff MICHAEL DIPIRRO	Attorneys for Defendant DAVID H. FELL & COMPANY, INC.	
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Consent Judgment

# Exhibit A

# **EXHIBIT A - LIST OF COVERED PRODUCTS**

- 1. cadmium containing solder products including:
  - a. plumb solder sheets
  - b. repair solder sheets
  - c. plumb/repair solder paste
  - d. plumb solder wire

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