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     Attorneys for Plaintiff.
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     MICHAEL DIPIRRO
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                SUPERIOR COURT OF THE STATE OF CALIFORNIA
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                     IN AND FOR THE COUNTY OF ALAMEDA
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     MICHAEL DIPIRRO,
                                           No. H221250-0
               Plaintiff.
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                                           SETTLEMENT AGREEMENT
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               v.
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     DUPLI-COLOR PRODUCTS COMPANY;
     SHERWIN-WILLIAMS CO., et al.,
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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 among Michael DiPirro
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    (hereinafter referred to as "DiPirro" or "Plaintiff"), The
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     Sherwin-Williams Company, an Ohio corporation, and Dupli-Color
     Products Company, a subsidiary of The Sherwin-Williams Company
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     (hereinafter referred to collectively as "Sherwin-Williams"),
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          DiPirro and Sherwin-Williams are sometimes referred to
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     collectively herein as "the Parties."
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agree to the following terms and conditions:

as of December 7, 2001 (the "Effective Date").

consumer and industrial products; and

B.

Chemical"); and

July 2, 1998 or earlier; and

D.

Michael DiPirro is an individual residing in

Sherwin-Williams manufactures, distributes and

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

sells certain automotive touch-up paints, among other

products. Certain of such products contain toluene, a

the State of California to cause birth defects or other

reproductive harm (hereinafter referred to as the "Listed

Agreement (hereinafter referred to as the "Products") is

provided in Exhibit A. The Products have been manufactured,

distributed and sold by Sherwin-Williams in California since

Sherwin-Williams and other public enforcement agencies with a

document entitled "60-Day Notice of Violation" which alleged

\$25249.6 by failing to provide warnings that certain Products

it manufactures for sale in California by certain automobile

that Sherwin-Williams had violated Health & Safety Code

manufacturers and dealerships expose users to the Listed

substance listed under Proposition 65 as a chemical known to

A list of the products covered by this

On April 23, 2001, Michael DiPirro served

The Parties

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SETTLEMENT AGREEMENT

Chemical; and

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E. On July 2, 2001, Michael DiPirro filed a complaint entitled Michael DiPirro v. Dupli-Color Products Company, et al. in the Alameda County Superior Court, naming Sherwin-Williams as a defendant and alleging violations of Health & Safety Code \$25249.6 and Business & Professions Code \$17200, in the interest of the general public in California who allegedly have been exposed to the Listed Chemical in the Products; and

F. DiPirro also served "60-Day Notices of Violation" regarding alleged exposure to the Listed Chemical in the Products and filed complaints in the Alameda County Superior Court, alleging violations of Health & Safety Code \$25249.6 and Business & Professions Code \$17200 against certain automobile manufacturers and their dealerships who distribute and sell the Products in California, as follows: DiPirro v. DaimlerChrysler Corporation, et al., Case No. H221254-6, based upon Notice dated April 23, 2001; DiPirro v. Ford Motor Company, et al., Case No. H221255-5, based upon Notice dated April 23, 2001; DiPirro v. Saturn Corporation, et al., Case No. H221252-5, based upon Notice dated April 23, 2001; DiPirro v. Subaru Of America, Inc., et al., Case No. H221251-9, based upon Notice dated April 23, 2001; and DiPirro v. Toyota Motor Sales USA, Inc., et al., Case No. H220842-0, based upon Notice dated April 23, 2001. A copy of the face page of each complaint is provided at Exhibit B; and

G. The Parties, through their counsel, have met

and conferred on several occasions and have exchanged information, including product labeling, material safety data sheets, and exposure and risk assessments prepared by their respective toxicologists and other experts analyzing the amount of the Listed Chemical to which average users of the Products are likely to be exposed. As a result of these meetings and exchanges of information, the Parties have agreed in good faith that: the text of certain health hazard warnings on the Products' label do not comply with Proposition 65 and its implementing regulations; and there is a reasonable dispute as to whether the amount of the Listed Chemical to which average users of the Products are likely to be exposed falls below the level that requires Sherwin-Williams provide a warning for the Listed Chemical pursuant to Health & Safety Code § 25249.10(c); and

H. In light of this dispute, the Parties have agreed to enter into this Consent Judgment, in an effort to avoid prolonged litigation and to ensure that the purposes of Proposition 65, i.e., to provide clear and reasonable warnings of exposure to chemicals listed under Proposition 65 as known by the State of California to cause cancer or reproductive toxicity, are carried out.

I. By execution of this Consent Judgment, Sherwin-Williams does not admit or agree that any violations of Proposition 65 or the Business & Professions Code have occurred in the sale, distribution or use of the Products.

Nor shall any statement or term of this Consent Judgment or

this Consent Judgment itself be construed as an admission by 1 Sherwin-Williams of any fact, issue of law or violation of 2 law. Further, compliance by Sherwin-Williams with this 3 Consent Judgment or any of its terms shall not constitute or 4 5 be construed as an admission by Sherwin-Williams of any fact, 6 issue of law, or violation of law. However, this paragraph 7 shall not diminish or otherwise affect the obligations, responsibilities, and duties of Sherwin-Williams to comply 8 with Proposition 65 in the distribution of the Products for 9

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FOLLOWS:

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For all Products, the labeling shall bear 1.1 one of the following warning statements: WARNING: This product contains toluene, a chemical

SETTLEMENT AGREEMENT

1.1 - 1.2 below, as applicable:

sale in California or with any term of this Agreement.

NOW THEREFORE, MICHAEL DIPIRRO AND SHERWIN-WILLIAMS AGREE AS

Labeling. Notwithstanding any warning that Sherwin-Williams

has previously provided with respect to the Products, and as

labeling its Products that are intended for sale in the state

of California to include certain warning language specified

below. In any event, Sherwin-Williams agrees to include on

the labeling of any such Product manufactured after October

31, 2002, one of the warning statements set forth in section

long as any of the Products continues to contain toluene,

Sherwin-Williams agrees to promptly begin the process of

Clear and Reasonable Warnings on Product

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known to the State of California to cause birth defects or other reproductive harm.

or

WARNING: This product contains a chemical known to the State of California to cause birth defects or other reproductive harm.

1.2 For any Product that also contains a substance listed under Proposition 65 as a chemical known to the State of California to cause cancer, the warning statement shall read, as follows:

WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.

1.3 In addition, in order to promote settlement of this matter and to encourage purchasers of the Products to use them safely and thereby further the purposes of Proposition 65, Sherwin-Williams agrees to include on the labeling for all Products destined for sale in California the following additional warning statement:

Avoid breathing vapor

1.4. The warning statements that appear in paragraphs 1.1 or 1.2, and the warning statement that appears in paragraph 1.3., shall be placed on the labels of the Products as prominently as shown in the label mock-up attached hereto as Exhibit C. The parties have agreed on the inclusion of warnings on the product labels as a means of

satisfying the requirements identified at Cal. Code Regs., tit. 22, Section 12601(b).

- Code \$25249.7(b). Pursuant to Health & Safety Code \$25249.7(b), Sherwin-Williams shall pay \$20,000 (twenty thousand dollars) within thirty (30) calendar days of the Effective Date of this Agreement. Such sum shall be held by DiPirro's counsel until the Alameda County Superior Court approves and enters the Consent Judgment. Such 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 a rate of six percent (6%) per annum, within ten (10) calendar days of notice of the Court's decision. Such 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 tendered offers 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. Sherwin-Williams 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.

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Sherwin-Williams agrees to reimburse DiPirro and his counsel in the amount of \$78,850 (seventy-eight thousand, eight hundred and fifty dollars) for fees and costs and expenses incurred as a result of investigating, litigating and negotiating a settlement in the public interest. Such payment shall be made within thirty (30) calendar days of the Effective Date of this Agreement. Such sum shall be held by DiPirro's counsel until the Alameda County Superior Court approves and enters the Consent Judgment. DiPirro and his counsel agree that such payment shall satisfy any and all claims by DiPirro or his counsel for fees and costs or for any other form of reimbursement, restitution or monetary compensation, including any claim under Cal. Code Civ. Proc. §1021.5 or under Cal. Bus. & Prof. Code §17200, et seq. 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. Michael DiPirro's Release Of Sherwin-Williams.

Michael DiPirro, by this Agreement, in the interest of the general public pursuant to Health & Safety Code § 25249.7, and on behalf of himself and his attorneys, employees, successors, assigns, predecessors, subrogees, principals, agents, insurers, consultants, expert witnesses, investigators and any

SETTLEMENT AGREEMENT

and all others in his employ and/or acting on his behalf

(referred to collectively herein as "DiPirro Releasors") 1 hereby release and forever discharge Sherwin-Williams, its 2 3 successors, assigns, predecessors, stockholders, officers, directors, subrogees, subsidiaries, trustees, corporate 4 parents, affiliates, board members, consultants, agents, 5 attorneys, joint ventures, customers (including all entities 6 7 in the chain of commerce from manufacturer to end user), jobbers, distributors and employees as well as each of their 8 respective successors, assigns, predecessors, stockholders, 9 officers, directors, subrogees, subsidiaries, affiliates (as 10 11 such term is defined by the U.S. Securities Exchange 12 Commission), consultants, agents, attorneys and employees 13 (referred to collectively herein as "Sherwin-Williams .14 Releasees") from any and all claims, demands, actions, causes 15 of action, duties, debts, sums of money, suits, reckonings, contracts, responsibilities, obligations, liabilities and 16 17 accounts of whatsoever kind, nature or description, direct or indirect, at law or in equity, in contract or in tort or 18 19 otherwise arising out of or relating, directly or indirectly, 20 to the Products' compliance with Proposition 65 with respect 21 to the Listed Chemical, or arising directly or indirectly out 22 of or related in any way to any facts or legal theories 23 involving the compliance of the Products with respect to 24 warnings needed for the Listed Chemical under Proposition 65, 25 or arising from or relating to any facts or legal theories 26 involving the compliance of the Listed Chemical in the 27 Products with Proposition 65 or provisions of the Business &

Professions Code relating to the Products as addressed in the above-captioned matter; it being the specific intent and purpose of the Parties hereto that this Agreement and release shall extend to any and all of the aforesaid matters, whether known or unknown, which exist or might be claimed to exist at or prior to the dates of compliance with the terms herein as they may relate directly or indirectly to compliance of the Products with Proposition 65 for the Listed Chemical. Except as provided herein, the DiPirro Releasors and each of them expressly waive, release and relinquish any and all claims or rights to assert that any such matter, cause or thing of any kind or nature whatsoever has been, through oversight or error or intentionally or unintentionally, omitted with respect to the compliance of the Products with Proposition 65 or the Business & Professions Code for the Listed Chemical.

Dealerships. The cases referenced in Paragraph F above shall be dismissed with prejudice as to any and all automobile dealerships named as defendants therein (e.g., Walnut Creek Ford; McHugh Lincoln Mercury), within five (5) calendar days of plaintiff's receipt of Entry of Order of this Consent Judgment, with each Party to pay its own costs, unless otherwise provided for herein. Such dealership defendants in the above cases are released from any and all liability alleged in such cases and as might otherwise be imposed upon them under Proposition 65 and the Business and Professions Code, to the extent that such liability might arise from the

alleged exposure of any individual to any chemical contained in any of the Products, i.e., products that are the subject of this Agreement. This Agreement expressly does not relieve any automobile dealership defendants of any liability or obligation that may arise under Proposition 65 or the Business and Professions Code with respect to automotive touch-up products manufactured by entities other than Sherwin-Williams.

Manufacturers. The cases referenced in Paragraph F above shall be dismissed with prejudice as to the all of the automobile manufacturer defendants (including expressly DaimlerChrysler Corporation, Ford Motor Company, Saturn Corporation, Subaru of America, Inc., and Toyota Motor Sales, USA, Inc., their parent corporations and their subsidiaries), within five (5) days of plaintiff's receipt of Entry of Order of this Consent Judgment, with each Party to pay its own

costs, unless otherwise provided for herein. Such automobile manufacturer defendants in the above cases are released from any and all liability alleged in such cases and as might otherwise be imposed upon them under Proposition 65 and the Business and Professions Code to the extent that such liability might arise from any exposure of any individual to the Listed Chemical contained in any of the Products, i.e., products that are the subject of this Agreement. This Agreement expressly does not relieve any automobile manufacturer defendants of any liability or obligation under Proposition 65 or the Business and Professions Code that may

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Sherwin-Williams' Release Of Michael DiPirro. 7. Sherwin-Williams, by this Agreement, on its own behalf and that of its attorneys, employees, successors, assigns, predecessors, subrogees, principals, agents, consultants and insurers, does hereby release and forever discharge Michael DiPirro and his attorneys, employees, successors, assigns, predecessors, subrogees, principals, agents, consultants and insurers ("DiPirro Releasees") from any and all claims, demands, actions, causes of action, duties, debts, sums of money, suits, reckonings, contracts, controversies, promises, damages, responsibilities, obligations, liabilities and accounts of whatsoever kind, nature or description, direct or indirect, at law or in equity, in contract or in tort, as they arise or might arise from any 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 Sherwin-Williams or any of the automobile dealerships and manufacturers within the action entitled Michael DiPirro v. Dupli-Color Products Company, et al. Alameda County Superior Court Case Number H221250-0, or any of the actions relating to the 60-Day Notices referenced in Paragraph F.

8. Court Approval. If, for any reason, this Consent Judgment is not approved by the Court within one hundred and twenty (120) days of the Effective Date, this

Agreement shall be deemed null and void.

- 9. 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.
- 10. Attorney's Fees. After the Effective Date of this Agreement, in the event that a dispute arises between the Parties with respect to any provision(s) of this Agreement, the prevailing Party shall be entitled to recover costs and reasonable attorneys' fees.
- 11. Governing Law. The terms of this Agreement shall be governed by the laws of the State of California.
- any claim or cause of action arising under or related to this Agreement shall be properly and exclusively in the California Superior Court for the County of Alameda and the Parties hereby expressly waive any and all rights which they may have or which may hereafter arise to contest the propriety of such choice of jurisdiction and venue.
- 13. Notices. All correspondence to Michael DiPirro shall be mailed to:

Jennifer Henry or David Bush Bush & Henry 4400 Keller Ave., Suite 200 Oakland, CA 94605 (510) 577-0747

All correspondence to Sherwin-Williams shall be mailed to:

Stanley W. Landfair, Esq. McKenna & Cuneo, LLP Steuart Street Tower, 27th Floor

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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 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, thereby allowing the Attorney General to serve any comments to this Consent Judgment prior to the end of the thirty (30) day In the event that any public enforcer (including the California Attorney General's Office) objects to one or more provisions of this Consent Judgment, Sherwin-Williams agrees to use its best efforts to support the terms of the Agreement.

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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.

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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

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1	terms and conditions of this Ag	reemant.
2	AGRED TO:	AGREED TO:
3	DATE: \0/7/01	DATE:
5	This SUR-	The Sherwin-Williams Company
6	Michael DiPirid	DEFENDANT
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9	AGREED TO AS TO FORM:	agreed to as to form:
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13	Clifford A. Chanler Attorneys for Plaintiff	Stanley W. Landfair Attorneys for Defendant
14	MICHAEL DIPIRRO	THE SHERWIN-WILLIAMS COMPANY
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5	Michael DiPirro	The Sherwin-Williams Company	
6	PLAINTIFF	DEFENDANT	
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13 14	Clifford A Chanler Attorneys for Plaintiff MICHAEL DIPIRRO	Stanley W. Landfair Attorneys for Defendant THE SHERWIN-WILLIAMS COMPANY	
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	SETTLEMENT AGREEMENT		

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13	Clifford A. Chanler Attorneys for Plaintiff	Stanley W. Landfair Attorneys for Defendant
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6	Michael DiPirro PLAINTIPF	The Sherwin-Williams Company DEFENDANT
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13	Clifford A. Chanler Attorneys for Plaintiff	Stenley W. Landfair Attorneys for Defendant
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SETTLEMENT AGREEMENT

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A copy of the face pages of each complaint referenced in

paragraph F

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	ATTORNEYS AT LAW	AT AMEDA CONTON	207
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5	Clifford A. Chanler, State Bar No. CHANLER LAW GROUP	135534 Дерину	77/02/01 CV-COMPL
6	Magnolia Lane (off Huckleberry Hil	1) restIED	702
7	New Canaan, CT 06840-3801 Tel: (203) 966-9911	UMMONS ISSUED	6
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9	Attorneys for Plaintiff MICHAEL DIPIRRO		6080A
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12	SUPERIOR COURT OF CALIFORNIA		
13	in and for the county of Alameda H221254- 6		
. 14		HEE1254- 6	
15	MICHAEL DIPIRRO,)	Case No.	
16	Plaintiff		
17	v. {	COMPLAINT FOR INJUNCTIVE RELIEF AND CIVIL PENALTIES	
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19	HAYWARD AUTO; MICHAEL STEAD) CHRYSLER-PLYMOUTH JEEP; and) DOES 1 through 1000,)	Health & Safety Code \$25249; Bus. & Prof. Code \$17200;	
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21	Defendants.)	(other)	
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28	COMPLAINT FOR INJUNCTIVE RELIEF AND CIVIL	PENALTIES	

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07/02/01 CV-COMPL

COMPLAINT FOR INJUNCTIVE RELIEF AND CIVIL PENALTIES

ENDORSTO David Bush, State Bar No. 154511 1 直抵提高 ALAMEGA CENTER Jennifer Henry, State Bar No. 208221 BUSH & HENRY ATTORNEYS AT LAW TUDY TO YOUR 3 4400 Keller Avenue, Suite 200 CLERK OF THE SUPUR AS THEY Oakland, CA 94605 Tel: (510) 577-0747 4 By Cecilia Anchucius, warmer 5 Clifford A. Chanler, State Bar No. 135534 CHANLER LAW GROUP Magnolia Lane (off Huckleberry Hill) 6 New Canaan, CT 06840-3801 Tel: (203) 966-9911 7 8 Attorneys for Plaintiff 9 MICHAEL DIPIRRO 10 11 12 SUPERIOR COURT OF CALIFORNIA 13 IN AND FOR THE COUNTY OF ALAMEDA 14 15 MICHAEL DIPIRRO, 16 Plaintiff COMPLAINT FOR INJUNCTIVE 17 RELIEF AND CIVIL PENALTIES 18 TOYOTA MOTOR SALES USA, INC.; LEXUS OF STEVENS CREEK; DUBLIN TOYOTA; LEXUS OF PLEASANTON: Health & Safety Code \$25249; 19 and DOES 1 through 1000, Bus. & Prof. Code \$17200; 20 Defendants. 21 (other) 22 23 24 25 26 27 28 COMPLAINT FOR INJUNCTIVE RELIEF AND CIVIL PENALTIES

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