1 2	ANN G. GRIMALDI (SBN 160893) ERIC S. C. LINDSTROM (SBN 197063) McKENNA & CUNEO, L.L.P. One Market Plaza, Steuart Tower		
3	San Francisco, CA 94105 Telephone: (415) 267-4000		
4	Facsimile: (415) 267-4198		
5	Attorneys for Defendant		
6	FUSION INCORPORATED		
7 8			
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
10	COUNTY O	F ALAMEDA	
11	MICHAEL DIPIRRO,	No. H218320-8	
12	Plaintiffs,		
13	v.	[PROPOSED] CONSENT JUDGMENT	
14	FUSION INCORPORATED; and DOES 1 through 1000,		
15 16	Defendants.		
17			
18	1 Todaya Jarathan		
19	1. Introduction	maiding in Con Francisco Colifornia substanta	
20	1.1 Michael DiPirro is an individual residing in San Francisco, California, who seek		
21	to promote awareness of exposures to toxic che		
22	eliminating hazardous substances contained in o	•	
23	,	USION") is a company that currently	
24	manufactures and sells solder and brazing paste	s. FUSION asserts that its products are intended	
25	for occupational use only. FUSION manufactur	res these products in Ohio. Some of these solder	
26	and brazing pastes are alleged to contain lead (o	or lead compounds) and/or nickel and certain	
27	nickel compounds. Lead, lead compounds, nick	kel, and certain nickel compounds (hereinafter	
	the "Listed Chemicals") are identified as substa	nces listed in the regulations promulgated under	
28	the California Safe Drinking Water and Toxic E	Enforcement Act, California Health & Safety	

Code sections 25249.5, *et seq.* ("Proposition 65") as chemicals known to the State of California to cause cancer and/or reproductive harm. The products that are covered by this Consent Judgment are identified in Exhibit A (the "Products").

- 1.3 On November 24, 2000, Michael DiPirro first served FUSION and other public enforcement agencies with a document entitled "60-Day Notice of Violation" which provided FUSION and such public enforcers with notice that FUSION was allegedly in violation of Proposition 65 for failing to warn purchasers that certain products it sells in California expose users to Proposition 65-listed chemicals.
- 1.4 On February 22, 2001, Michael DiPirro brought an action in the public interest entitled *Michael DiPirro v. Fusion Incorporated* in the Alameda County Superior Court, Case No. H218320-8, naming FUSION as a defendant and alleging violations of Business & Professions Code § 17200, *et seq.*, and Health & Safety Code § 25249.6 on behalf of individuals in California who allegedly have been exposed to chemicals listed pursuant to Proposition 65 contained in certain Products (the "Action").
- 1.5 On April 23, 2001, Michael DiPirro served FUSION and other public enforcement agencies with a document entitled "60-Day Notice of Violation" which provided FUSION and such public enforcers with notice that FUSION was allegedly in violation of Proposition 65 for failing to warn purchasers that certain products it sells in California expose users to Proposition 65-listed chemicals. This Notice and the November 24, 2000 Notice are collectively referred to herein as the "Notices."
- 1.6 Neither the Attorney General, nor any of the other designated public prosecutors, has commenced any action in response to the Notices. For purposes of this Consent Judgment, Plaintiff acts in the interests of the general public as to those matters alleged in the Notices and in the Action.
- 1.7 For purposes of this Consent Judgment only, the parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint filed in the Action and in the Notices, that the Court has personal jurisdiction over settling Defendant FUSION as to the acts alleged in the Complaint filed in the Action and in the Notices, that venue is proper in

the county of Alameda and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Complaint filed in the Action and in the Notices and of all claims which were or could have been raised by any person or entity based on whole or in part, directly or indirectly, on the facts alleged in the Notices, in the Complaint filed in the Action, or arising therefrom or related thereto.

- 1.8 This Consent Judgment resolves claims that are denied and disputed. The parties enter into this Consent Judgment to settle disputed claims between them, to avoid prolonged litigation and to provide a prompt remedy for the matters alleged in the Notices and in the Complaint filed in the Action. The parties intend this settlement to be full and final adjudication of all claims that were or could have been brought against FUSION, its customers, directors, officers, employees, parent companies, sister companies, subsidiaries, and any person who may use, maintain or sell the Products, and the successors and assigns of any of them, whether or not they were named in the Action, with respect to the claims that were the subject of the Notices and the Action.
- 1.9 FUSION asserts that it is an out-of-state manufacturer of workplace products.

  Fusion asserts that it does not sell these products directly to California consumers. Fusion further asserts that it does not intend these products to be sold to California consumers.

  Accordingly, Fusion asserts that the occupational exposure warning requirements of Proposition 65 cannot be enforced against FUSION, pursuant to the 1997 decision of the federal Occupational Safety & Health Administration, which conditionally approved the occupational exposure warning provisions of Proposition 65 in the California Hazard Communication Standard.
- 1.10 DiPirro asserts that Fusion's Products are available for sale to ordinary consumer individuals in California, and that California consumer individuals have purchased Fusion's Products recently via internet retailers. DiPirro further asserts that he has possession of supporting evidence of such sales.
- 1.11 Nothing in this Consent Judgment shall be construed as an admission by FUSION of any fact, finding, issue of law, or violation of law, nor shall compliance with this

Consent Judgment constitute or be construed as an admission by FUSION of any fact, finding, conclusion, issue of law, or violation of law. However, this paragraph shall not diminish or otherwise affect the obligations, responsibilities, and duties of FUSION under this Consent Judgment.

### 2. Entry of Consent Judgment.

2.1 The parties hereby request that the Court promptly enter this Consent Judgment.

Upon entry of the Consent Judgment, the parties waive their respective rights to a hearing or trial on the allegations of the Complaint.

### 3. Court Approval.

3.1 If this Consent Judgment is not approved by the Court, it shall be of no force or effect, and cannot be used any proceeding for any purpose.

### 4. Injunctive Relief -- Proposition 65 Warnings.

FUSION shall:

- 4.1 Provide its direct customers with warning information letters, in the form attached hereto as Exhibit B. FUSION shall provide such warning letters annually to its direct customers beginning sixty (60) calendar days from entry by the Alameda County Superior Court of this Consent Judgment.
- 4.2 If a customer informs FUSION that it offers the Products for sale to consumers in California, Fusion shall provide such customer with an appropriate amount of 1.5 inch by 1.5 inch stickers to be applied by such customer to the packaging of the Products. Fusion shall provide such stickers within five (5) business days of receiving information from a customer that the customer sells, or intends to sell, Products to California consumers. These stickers shall bear the following warning statement:
  - (a) For Products containing lead and/or lead compounds:
  - "WARNING: This product contains a chemical known to the State of California to cause cancer and birth defects or other reproductive harm."

(b) For Products containing nickel and/or nickel compounds:

"WARNING: This product contains a chemical known to the State of California to cause cancer."

4.4 Nothing in this Consent Judgment shall be interpreted to impose occupational exposure warning obligations are different from, or contrary to, the 1997 federal Occupational Health & Safety Administration ruling that conditionally incorporated the Proposition 65 occupational exposure warning requirement into the California Hazard Communication Standard.

### 5. Payment Pursuant To Health & Safety Code § 25249.7(b).

- 5.1 Pursuant to Health & Safety Code § 25249.7(b), FUSION shall pay a civil penalty of \$1,200. The payment of \$1,200 shall be paid within five (5) calendar days after October 8, 2001 (hereinafter the "Effective Date"). The penalty payment is to be made payable to "Chanler Law Group In Trust For Michael DiPirro" and shall be held in trust until the Alameda County Superior Court approves and enters the Consent Judgment. If the Alameda County Superior Court refuses to enter the Consent Judgment, then FUSION shall be reimbursed this amount, with interest thereon at a rate of six percent (6%) per annum, within ten (10) calendar days of Plaintiff's receipt of notice of such court 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.
- 5.2 FUSION understands that the payment schedule as stated in this Consent Judgment is a material factor upon which DiPirro has relied in entering into this Consent Judgment. FUSION agrees that all payments will be made in a timely manner in accordance with the payment due dates. FUSION will be given a five (5) calendar day grace period from the date payment is due. FUSION agrees to pay Michael DiPirro and his attorneys a \$250 per calendar day fee for each day payment is received after the grace period ends. For purposes of this paragraph, each new day (requiring a additional \$250 payment) will begin at 5 p.m. PST.

- 6.1 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 Consent Judgment had been reached, and the matter settled. FUSION 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.
- 6.2 FUSION shall reimburse DiPirro and his attorneys for his fees and costs, incurred as a result of investigating, bringing this matter to FUSION's attention, litigating and negotiating a settlement in the public interest. FUSION shall pay the total sum of \$3,800 for investigation fees, attorneys' fees and litigation costs. FUSION agrees to pay \$3,800 within five (5) calendar days after the Effective Date. Payment should be made payable to the "Chanler Law Group" and shall be held in trust until the Alameda County Superior Court approves and enters the Consent Judgment. If the Alameda County Superior Court refuses to enter the Consent Judgment, then FUSION shall be reimbursed this amount, with interest thereon at a rate of six percent (6%) per annum, within ten (10) calendar days of Plaintiff's receipt of notice of such court decision.
- 6.3 FUSION understands that the payment schedule as stated in this Consent Judgment is a material factor upon which DiPirro has relied in entering into this Consent Judgment. FUSION agrees that all payments will be made in a timely manner in accordance with the payment due dates. FUSION will be given a five (5) calendar day grace period from the date payment is due. FUSION agrees to pay Michael DiPirro and his attorneys a \$250 per calendar day fee for each day payment is received after the grace period ends. For purposes of this paragraph, each new day (requiring a additional \$250 payment) will begin at 5 p.m. PST.
- 6.4 Additional Contingent Fees and Costs. In the event that the California Attorney General's Office, pursuant to 11 CRC 3000, et seq., serves objections to this Consent Judgment on either of the parties, such that it requires plaintiff to incur additional legal fees or costs

relating to this Consent Judgment, FUSION shall reimburse DiPirro for reasonable fees and costs incurred by DiPirro and his counsel in excess of \$1,500, but not to exceed a total of \$3,000 above the initial \$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; presenting of the Consent Judgment (or any modifications thereof) to the Attorney General for further comment; and any briefing and/or appearance before the Court related to the approval of this Consent Judgment.

If the California Attorney General does serve objections to this Consent Judgment on Plaintiff, Plaintiff shall so advise FUSION immediately, and shall provide FUSION with copies of any related correspondence or other writings received from the Attorney General. Plaintiff shall not in any way prevent FUSION from communicating or providing information to the Attorney General, if FUSION so desires.

Plaintiff 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, FUSION 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 FUSION of both notice of Court approval of the Consent Judgment and final billing statement from plaintiff. FUSION has the right to object to such reimbursement. If FUSION does object, it shall so notify Plaintiff's counsel in writing within five (5) calendar days of its receipt of both notice of Court approval and Plaintiff's billing statement. The parties shall meet and confer in good faith to resolve the dispute. If the dispute is not resolved within ten (10) 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 and pursuant to California Code of Civil Procedure § 1021.5. The parties also may agree to

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resolve the dispute through mediation, arbitration, or other neutral third party dispute resolution proceeding.

#### Claims Covered. 7.

- 7.1 This Consent Judgment is a final and binding resolution between and among the Plaintiff and its agents and attorneys, acting in the interests of the general public, on the one hand, and FUSION, its customers, directors, officers, employees, parent companies, sister companies, subsidiaries, or any other person who may use, maintain or sell the Products, and the successors and assigns of any of them, on the other hand, of any and all Claims, as that term is defined in herein. "Claims" shall mean all manner of action or actions, cause or causes of action, in law or in equity, administrative actions, petitions, suits, debts, liens contracts, agreements, promises, liabilities, claims, demands, known or unknown, fixed or contingent, that have existed or now exist, all to the extent based upon or arising out of compliance by FUSION with Proposition 65, its implementing regulations, and Business & Professions Code section 17200, et seq., based on Fusion's alleged failure to warn about exposure to the Listed Chemicals contained in any of the Products sold, distributed, marketed or used by FUSION.
- 7.2 Compliance with the terms of this Consent Judgment resolves any issue, now and in the past, concerning compliance by FUSION, its customers, directors, officers, employees, parent companies, sister companies, subsidiaries, or any other person who may use, maintain or sell the Products, and the successors and assigns of any of them, with the requirements of Proposition 65, its implementing regulations, and Business & Professions Code section 17200, et seq., with respect to Products that were sold, distributed or marketed by FUSION.

#### 8. **Mutual Releases of Claims**

8.1 Michael DiPirro's Release of FUSION. Michael DiPirro, by this Consent Judgment, on behalf of himself, his agents, representatives, attorneys, assigns, and in the interest of the general public, waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims, liabilities, obligations, losses, costs, expenses, penalties, fines and damages, against FUSION and its customers, directors, officers, employees, parent companies, sister companies, subsidiaries, or any other person who may use, maintain or

sell the Products, and the successors and assigns of any of them, whether under Proposition 65 or the Business & Profession Code § 17200, *et seq.*, based upon FUSION's failure to warn about exposure to the Listed Chemicals contained in any of the Products.

8.2 **FUSION's Release of Michael DiPirro**. FUSION, by this Consent Judgment, releases and waives all 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, *et seq.*, against Fusion in this Action.

### Retention of Jurisdiction.

This Court shall retain jurisdiction of this matter to implement the Consent Judgment.

### 10. No Waiver of Right to Seek Modification from the Court.

10.1 Nothing in this Consent Judgment is intended to limit or waive any of the parties' rights to seek modifications hereto from the Court, and any modification to this Consent Judgment are effective only upon entry of a modified Consent Judgment by the Court.

### 11. Severability.

11.1 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 shall not be adversely affected.

### 12. Attorneys' Fees.

12.1 In the event that a dispute arises with respect to any provision(s) of the Consent Judgment, and such disputes are resolved by the Court or through mediation, arbitration or other alternative dispute resolution proceeding, the prevailing party in such action or proceeding shall be entitled to recover costs and reasonable attorneys' fees.

### 13. Entire Agreement.

13.1 This Consent Judgment contains the sole and entire agreement and understanding of the parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any party

1	regulations, thereby allowing the Attorney General to serve any comments to this Consent		
2	Judgment prior to the end of the thirty (30) day period.		
3	17. Counterparts and Facsimile.		
4	17.1 This Consent Judgment may be executed in counterparts and facsimile, each of		
5	which shall be deemed an original, and all of which, when taken together, shall constitute one		
6	and the same document.		
7	18. Authorization.		
8	18.1 The undersigned are authorized to execute this Consent Judgment on behalf of		
9	their respective parties and have read, understood and agree to all of the terms and conditions of		
10	this Consent Judgment.		
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1	19. Severability		
2	19.1 In the event that any of the provisions of this Agreement are held by a court to		
3	unenforceable, the validity of the enforceable provisions shall not be adversely affected.		
4	AGREED TO:	AGREED TO:	
5			
6	DATE: 10[3/0]	DATE:	
7	Michael DiPirro PLAINTIFF		
8	Michael DiPirro	FUSION INCORPORATED	
9	PLAINTIFF	DEFENDANT	
10 11			
12	AGREED AS TO FORM:	AGREED AS TO FORM:	
13	BUSH & HENRY	MCKENNA & CUNEO	
14			
15	David Bush	Ann G. Grimaldi	
16	Attorneys for Plaintiff Michael DiPirro	Attorneys for Defendant FUSION INCORPORATED	
17	DATE:	D 4 7 7 2	
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20	IT IS SO ORDERED, ADJUDGED	AND DECREED	
21	Deta		
22	Date:	The Honorable Bonnic Sabraw	
23		Judge of the Superior Court	
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1	19. Severability	
2	19.1 In the event that any of the provisions of this Agreement are held by a court to b	
3	unenforceable, the validity of the enforceable provisions shall not be adversely affected.	
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8		Kest Villiams ELISION INCORPORATED
9	Michael DiPirro PLAINTIFF	FUSION INCORPORATED DEFENDANT
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11	AGREED AS TO FORM:	AGREED AS TO FORM:
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15	David Bush Attorneys for Plaintiff Michael DiPirro	Ann G. Grimaldi Attorneys for Defendant FUSION
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1	19. <b>Severability</b>	
2	19.1 In the event that any of the provisions of this Agreement are held by a court to be	
3	unenforceable, the validity of the enforceable provisions shall not be adversely affected.	
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5	AGREED TO:	AGREED TO:
6	DATE:	DATE:
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8	Michael DiPirro	FUSION INCORPORATED
9	PLAINTIFF	DEFENDANT
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11	AGREED AS TO FORM:	AGREED AS TO FORM:
12	BUSH & HENRY	MCKENNA & CUNEO
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<ul><li>15</li><li>16</li></ul>	David Bush Attorneys for Plaintiff Michael DiPirro	Ann G. Grimaldi Attorneys for Defendant FUSION INCORPORATED
17	DATE: 1010101	
18		DATE:
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20	IT IS SO ORDERED, ADJUDGED	AND DECREED.
21	Dute	
22	Date:	The Honorable Bonnie Sabraw
23		Judge of the Superior Court
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1	19. Severability	
2	19.1 In the event that any of the provisions of this Agreement are held by a court to b	
3	unenforceable, the validity of the enforceable provisions shall not be adversely affected.	
4	AGREED TO:	AGREED TO:
5	AGREED TO:	AGREED TO:
6	DATE:	DATE:
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8	Michael DiPirro	FUSION INCORPORATED
9	PLAINTIFF	DEFENDANT
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11	AGREED AS TO FORM:	AGREED AS TO FORM:
12	BUSH & HENRY	MCKENNA & CUNEO
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14 15	<del></del>	_ Ann D. Durialli
16	David Bush Attorneys for Plaintiff Michael DiPirro	Ann G. Grimaldi Attorneys for Defendant FUSION INCORPORATED
17	DATE:	INCORPORATED
18	DATE	DATE: <u>10/4/01</u>
19		•
20	IT IS SO ORDERED, ADJUDGED AND DECREED.	
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22	Date:	The Honorable Bonnie Sabraw
23		Judge of the Superior Court
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# Exhibit A

1	EXHIBIT A
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3	Soldering and brazing pastes containing lead and/or lead compounds
4	Soldering and brazing pastes containing nickel and/or nickel compounds
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**CONSENT JUDGMENT** 

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### **EXHIBIT B**

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Dear Customer:

The California Safe Drinking Water and Toxic Enforcement Act, commonly known as "Proposition 65," requires that individuals receive "clear and reasonable" warnings of exposures to certain chemicals known by the State of California to cause cancer and/or reproductive harm.

Fusion Incorporated sells solder and brazing pastes, including lead-containing and/or nickel-containing solder and brazing pastes, for use in the workplace. Lead (or lead compounds) and nickel and certain nickel compounds are listed under Proposition 65 as chemicals known to the State of California to cause cancer and/or birth defects or other reproductive harm. Although Fusion's products intended for use in the workplace are not required to bear Proposition 65 warnings, they must bear such warnings if they are sold California consumers.

The texts of the Proposition 65 warnings are found below:

<u>For chemicals listed under Proposition 65 as carcinogens (such as nickel and nickel compounds)</u>

WARNING: This product contains a chemical known to the State of California to cause cancer.

For chemicals listed under Proposition 65 as reproductive toxins:

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

<u>For chemicals listed under Proposition 65 as carcinogens and reproductive toxins (such as lead and lead compounds):</u>

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

Fusion does not intend, or recommend, that *any* of its solder and brazing paste products, including its lead-containing and/or nickel-containing solder and brazing paste products, be sold to consumers. If you sell, or intend to sell, such products to consumers, you must contact your Fusion District Sales Manager immediately. We further advise you that, if you sell or intend to sell such products to consumers in California, you are responsible for transmitting the warnings required by Proposition 65. *Failure to do so may subject you to liability under Proposition 65 and other laws.* If you inform us that you sell, or intend to sell, any Fusion product to consumers in California, we will provide you with appropriate warning stickers, which you must apply to the products prior to sale to any such consumers.

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If you have any questions about this letter, please contact Fusion. If you have any questions about the Proposition 65 warning requirement, please contact an attorney and/or an expert consultant. You may access the most recent Proposition 65 list of chemicals at www.oehha.ca.gov. - 15 -

**CONSENT JUDGMENT** 

.FUSION