

**SETTLEMENT AGREEMENT  
FOR ATTORNEYS' FEES AND RELATED EXPENSES**

This Settlement Agreement (the "Agreement") is entered into by and between Michael DiPirro ("DiPirro"), an individual, and his attorney Clifford Chanler ("Chanler") on the one hand, and James Morton, Inc. ("Morton"), a New York corporation, on the other, as of May 24, 2001.

**WHEREAS:**

A. DiPirro as sole plaintiff, with Chanler as his lead attorney, filed a lawsuit against Morton and others on December 29, 2000 in the Alameda County Superior Court entitled Michael DiPirro v. James Morton, Inc., et al. (the "Lawsuit"), alleging violations of Business & Professional Code Section 17200, and Health & Safety Code Section 25249.6 on behalf of individuals who allegedly have been exposed to one or more chemicals listed pursuant to Proposition 65 contained in certain hammer products distributed by Morton.

B. DiPirro and Morton settled the merits of the case, including issues of affirmative relief and civil penalties, by Consent Judgment (the "Consent Judgment Agreement"), which was approved by order of the Alameda Superior Court dated April 26, 2001. This Consent Judgment Agreement, by its paragraph 4, left open the issues of the amount of fees and costs to which DiPirro was entitled for investigating, preparing, litigating and settling the Lawsuit.

C. The parties to this Agreement now wish to settle these issues of DiPirro's fees and costs relating to the Lawsuit. Nothing in this Agreement shall be construed as an admission by Morton of any fact, finding, conclusion, issue of law, or violation of law. This paragraph, however, shall not diminish or otherwise affect the obligations, responsibilities, and duties of Morton under this Agreement.

**NOW, THEREFORE, DIPIRRO, CHANLER AND MORTON AGREE AS FOLLOWS:**

1. **Settlement Payment.** Morton, or Clamp Manufacturing Co., Inc. on behalf of Morton, shall pay \$20,065 in full satisfaction of all attorneys' fees; of all related investigation and experts' fees and testing costs; and of all costs and expenses of any other kind including, without limitation, computer fees, product purchases, local and inter-city travel expenses, copying charges, long distance telephone, facsimile, overnight mail, postage, and court filing fees incurred by DiPirro or by Chanler, David Bush, Jennifer Henry or any other third-party investigators, experts, attorneys or law firms in connection with the investigation, preparation, litigation, settlement, or any other aspect of this Lawsuit.

2. **Method of Payment.** Payment of the entire \$20,065 amount shall be made in one lump sum by check made out to the “Chanler Law Group,” and sent by Federal Express for next business day delivery within two business days of the receipt by fax of the signature pages of this Agreement executed by both DiPirro and Chanler. The signature page with DiPirro’s and Chanler’s signatures shall be sent by fax to James Geocaris Esq. at the fax number 949/553-1413, and the originals mailed to James Geocaris, Esq. at the address in paragraph 9 below. The check shall be sent to Clifford Chanler, Esq. at the address set out in paragraph 9 below.

3. **DiPirro’s and Chanler’s Release.** DiPirro and Chanler, by this Agreement, for themselves and for all other attorneys who did any work for DiPirro relating to the Lawsuit, hereby waive any claims for any attorneys’ fees and for any expenses of any kind related to the Lawsuit, and further waive all rights to institute any form or legal action against Morton or its attorneys or representatives, for all actions or statements made by Morton, or its attorneys or representatives, in the course of investigating, preparing, litigating or settling the Lawsuit, including the matters of fees and expenses resolved by this Agreement.

4. **Morton’s Release.** Morton, by this Agreement, for itself and for all attorneys who did any work for it on the Lawsuit, hereby waives any claims for any attorneys’ fees and for any expenses of any kind related to the Lawsuit, and further waives all rights to institute any form of legal action against DiPirro or his attorneys or representatives, for all actions or statements made by DiPirro or his attorneys or representatives, in the course of investigating, preparing, litigating or settling the Lawsuit, including the matters of fees and expenses resolved by this Agreement.

5. **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.

6. **Modification.** All amendments or other modifications to this Agreement shall be effective only if they are in writing and signed by the parties or their authorized representatives. No party to the Agreement shall make a claim of waiver or estoppel relating to this Agreement unless it is based on a writing signed by the party that is alleged to have waived a right, claim or defense under the Agreement, or by the party that is alleged to be estopped from asserting a right, claim or defense under the Agreement.

7. **Disputes.** In the event that a dispute arises with respect to any provision of this Agreement, the prevailing party shall be entitled to recover expenses and reasonable attorneys’ fees.

8. **Governing Law.** The terms of this Agreement shall be governed by the laws of the State of California.

9. **Notices.** All notices and correspondence to Michael DiPirro shall be mailed to:

Clifford A. Chanler  
Chanler Law Group  
Magnolia Lane (off Huckleberry Hill)  
New Cannan, CT 06840-3801  
(203) 966-9911

or

Jennifer Henry  
Bush & Henry  
4400 Keller Avenue, Suite 200  
Oakland, CA 94605  
(510) 577-0747

All notices and correspondence to Morton shall be mailed to:

James A. Geocaris  
Attorney at Law  
20301 Acacia Street, Suite 150  
Newport Beach, CA 92660  
(949) 253-8016

and

Gregory Ivancic  
Lippes, Silverstein, Mathias & Wexler  
700 Guaranty Building  
28 Church Street  
Buffalo, NY 14202-3950  
(716)853-5100


10. **Continuing Effect of Consent Judgment.** The Consent Judgment Agreement previously executed by DiPirro and Morton shall continue to govern all other aspects of the settlement of the Lawsuit.

11. **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 document.

12. **Authorization.** The undersigned are authorized to execute this Agreement on behalf of their respective parties and have read, understood and agree to all of the terms and conditions.

**AGREED TO:**

Date: 3/24/01 \_\_\_\_\_

  
Michael DiPino

PLAINTIFF

Date: \_\_\_\_\_

\_\_\_\_\_  
Clifford Chanler

PLAINTIFF'S LEAD ATTORNEY

**AGREED TO:**

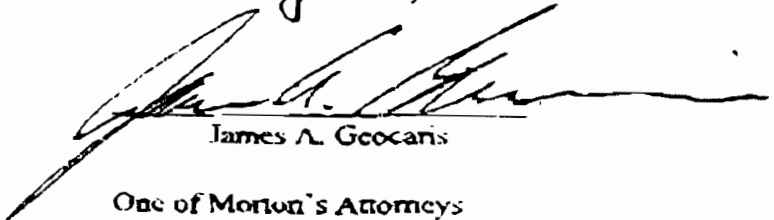
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James Morton, Inc.

DEFENDANT

**APPROVED AS TO FORM:**

Date: May 23, 2001

  
James A. Geocaris  
One of Morton's Attorneys

12. **Authorization.** The undersigned are authorized to execute this Agreement on behalf of their respective parties and have read, understood and agree to all of the terms and conditions.

**AGREED TO:**

Date: \_\_\_\_\_

\_\_\_\_\_  
Michael DiPirro

PLAINTIFF

Date: \_\_\_\_\_

\_\_\_\_\_  
Clifford Chanler

PLAINTIFF'S LEAD ATTORNEY

**AGREED TO:**

Date: May 24 2001

Richard Reid, Vice President  
James Morton, Inc.

DEFENDANT

**APPROVED AS TO FORM:**

Date: May 23, 2001

James A. Geocaris  
James A. Geocaris

One of Morton's Attorneys

12. **Authorization.** The undersigned are authorized to execute this Agreement on behalf of their respective parties and have read, understood and agree to all of the terms and conditions.

**AGREED TO:**

**AGREED TO:**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Michael DiPirro

\_\_\_\_\_  
James Morton, Inc.

PLAINTIFF

DEFENDANT

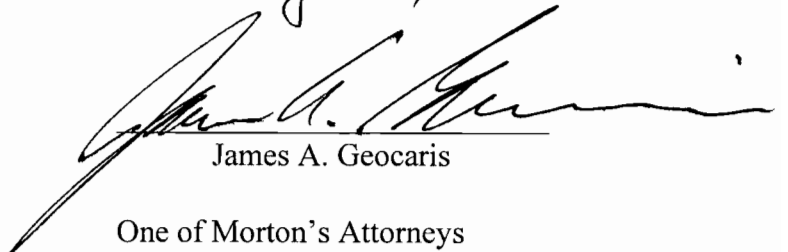
Date: 5/24/01

  
\_\_\_\_\_  
Clifford Chanler

PLAINTIFF'S LEAD ATTORNEY

**APPROVED AS TO FORM:**

Date: May 23, 2001

  
\_\_\_\_\_  
James A. Geocaris  
One of Morton's Attorneys