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Andrew L. Packard, State Bar No. 168690
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San Francisco, CA 94111
(415) 391-1122
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Attorneys for Plaintiff
AS YOU SOW

FILED
MAR 14 1995
HOWARD HANCOCK
MARIN COUNTY CLERK
BY: E. Keswick Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE CITY AND COUNTY OF MARIN

AS YOU SOW, a non-profit corporation,

Plaintiff,

v.

MASTER CORPORATION, and DOES 1 through 1000,

Defendants.

No. 162031

STIPULATION FOR ENTRY OF JUDGMENT AND JUDGMENT ON STIPULATION

ENTERED

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IT IS HEREBY STIPULATED, by and between plaintiff As
You Sow and defendant Master Corporation, through their
respective representatives, that judgment in the above-
entitled action be entered in accordance with the terms of the
settlement agreement between the parties, which is attached
hereto as Exhibit A.

Dated: March 8, 1995

by: Andrew L. Packard
Andrew L. Packard
Attorneys for Plaintiff
AS YOU SOW

Dated: March 8, 1995

by: Gregory J. Patterson
Gregory J. Patterson
Attorneys for Defendant
MASTER CORPORATION

IT IS HEREBY ORDERED that judgment be entered in
accordance with the terms of the stipulation between the
parties.

Dated: March 10, 1995

Richard Breen
Judge of the Superior Court

SETTLEMENT AGREEMENT

On February 2, 1995 in San Francisco, California, Plaintiff **As You Sow** ("AYS") and Defendant Ezon, Inc., doing business as **Master Corporation** ("Master"), agreed to the following terms and conditions:

WHEREAS:

AYS is a not-for-profit public interest foundation dedicated to promoting consumer awareness, protecting the environment and improving human health; and

Master is a corporation that manufactures and distributes automotive products, including paints, primers, adhesives, sealants, cleaners and other special-purpose products; and

On January 1, 1991, toluene was officially listed by the State of California as a chemical known to cause birth defects or other reproductive harm, pursuant to Health & Safety Code §25249.8 and thus became subject to warning requirements pursuant to Health & Safety Code §25249.6 on January 1, 1992; and

On April 1, 1988 perchloroethylene was officially listed by the State of California as a chemical known to cause cancer pursuant to Health & Safety Code §25249.8 and thus became subject to warning requirements pursuant to Health & Safety Code §25249.6 on April 1, 1989; and

On July 29, 1994, AYS served Master with a 60-Day notice of Proposition 65 violation, which provided Master with notice that it was allegedly in violation of Health & Safety Code §25249.6 for failing to warn purchasers that certain products it sells in California may expose users to toluene and other Proposition 65-listed chemicals; and

On October 31, 1994, AYS served a complaint against Master in the case captioned As You Sow v. Master Corporation, et al. (Marin Superior Court No. 162031); and

In order to avoid costly and time-consuming litigation, AYS and Master have agreed to settle all claims that have been brought or could have been brought against each other arising from the sale by Master of its products containing toluene and perchloroethylene (the "Products"), which are listed in Exhibit A.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Beginning immediately, Master agrees that it will not ship (or cause to be shipped) any Products containing toluene for sale in California unless such Products bear the following warning statement on the Products' label:

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

This 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 understood by an ordinary individual.

2. Beginning immediately, Master agrees that it will not ship (or cause to be shipped) any Products containing perchloroethylene for sale in California unless such Products bear the following warning statement on the Products' label:

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

This 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 understood by an ordinary individual.

3. In an effort to ensure that consumers receive Proposition 65 warnings for Products that have already been shipped for sale in California, Master agrees that within thirty (30) days from the date this Agreement is executed, it shall provide to each of its California distributors the letter attached hereto as Exhibit B ("Distributor Letter").

4. Master agrees to provide to each of its California distributors, with the Distributor Letter referenced in Paragraph 3, fifty (50) warning stickers for the warning of the type described in Paragraph 1, and fifty (50) warning stickers for the warning of the type described in Paragraph 2.

5. At the time this Agreement is executed, Master shall make a payment of \$8,000.00 to AYS, which AYS shall apportion to the the Santa Clara Center for Occupational Safety and Health, and to the Natural Resources Defense Council. This payment is made pursuant to Business & Professions Code §17203.

6. At the time this Agreement is executed, Master shall pay to AYS a civil penalty of \$3,500.00 pursuant to Health & Safety Code § 25249.7(b) in settlement of the disputed claims referred to in this Agreement. This payment represents a penalty of \$21,500.00, reduced by a credit of \$4,500.00 for products listed on Attachment A that Master has reformulated to remove and replace toluene with a chemical not listed pursuant to Proposition 65. Such penalty shall be apportioned by AYS in accordance with Health & Safety Code § 25192, with \$2,625.00 being transferred by AYS to the California Attorney General's Office.

7. In an effort to defray AYS' investigation fees and costs, expert fees and costs, reasonable attorneys' fees, and any other costs incurred as a result of investigating and bringing this matter to Master's attention and negotiating a settlement in the public interest, Master shall reimburse AYS the reasonable sum of \$18,500.00. Payment of the sum shall be made upon execution of this agreement.

8. AYS and its members, employees and agents, and its attorneys, their employees and agents, by this Agreement waive all rights to institute an action against Master, its parent, subsidiaries or related corporations, and its and their directors and officers, and its distributors or

retailers and any other person arising from the sale of Master Products in California, whether under Proposition 65, Business & Profession Code §§ 17200 et. seq., or any other claim arising under statute or common law, based on Master's failure to warn consumers about exposure to Proposition 65-listed chemicals from any of the Products identified in Exhibit A.

9. Master and its employees and agents, and their attorneys, employees, and agents, by this Agreement, waive all rights to institute any form of legal action against AYS, its members, officers, directors, attorneys and representatives (the "AYS Releasees"), based on any statute or provision of common law and for all actions or statements made by the AYS Releasees in the course of seeking enforcement of Proposition 65 against Master.

10. The parties shall file a stipulated judgment, to be approved pursuant to CCP §664.6 by the Marin County Superior Court in accordance with the terms of this Agreement.

11. 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.

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

13. The terms of this Agreement shall be governed by the laws of the State of California.

14. All correspondence to AYS shall be mailed to:

Andrew L. Packard
Chanler & Associates
1700 Montgomery Street, Suite 110
San Francisco, CA 94111

All correspondence to Master shall be mailed to:

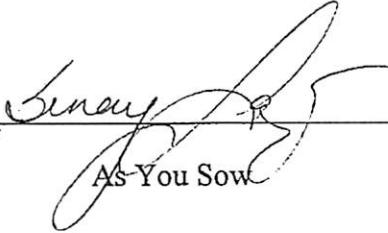
Stanley W. Landfair, Esq.
McKenna & Cuneo
444 South Flower Street
Los Angeles, CA 90071

15. Nothing in this Agreement shall be construed as an admission by Master of any fact, issue of law or violation of law. Nor shall compliance with this Agreement constitute or be construed as an admission by Master of any fact, issue of law, or violation of law. However, this paragraph shall not diminish or otherwise affect the obligations, responsibilities, and duties of Master under this Agreement.

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

AGREED TO:

AGREED TO:

By: 
AS YOU SOW

By: 
Master Corporation

Dated: 2/13/95

Dated: 2/16/95

EXHIBIT A

1. Master Carb Cleaner (Product Nos. CB-24, CB-16)
2. Master Ignition Sealer (Product No. IS-8)*
3. Master Battery Protector (Product No. BP-8)*
4. Master High Tack Gasket Spray (Product No. 10)*
5. Master Electric Parts Cleaner (Product No. EPC-20)
6. Master Brake Cleaner (Product No. BC-20)
7. Master Brake Quiet (Product No. BQ-12)*
8. Master Tire Cement (Product No. 540C)
9. Master Flush (Product No. MFL32)

* Product reformulated to remove and replace toluene with a chemical not listed pursuant to Proposition 65.

EXHIBIT B

[Master Corporation Letterhead]

To: (Name of Customer)

Re: Court-Ordered California Proposition 65 Warnings for Products Containing
Toluene and Perchlorethylene

Dear

We are writing to advise you that certain lots of Master Corporation products listed in Attachment A to this letter require a health hazard warning pursuant to California's Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"). Effective January 1, 1992, warnings as to productive toxicity became required for products that contain toluene. Effective April 1, 1989, warning as to carcinogenicity became required for products that contain perchloroethylene. Master Corporation has either reformulated these products to remove these chemicals or placed an appropriate warning on the label. **However, some lots of the products remain in distribution and still require a warning.**

In order to comply with this mandatory warning requirement, we are asking you to check the labels of any products listed in Attachment A in your possession, and see whether toluene or perchlorethylene is listed as an ingredient. If it is, and there is no Proposition 65 warning on the label, then you must comply with Proposition 65 by affixing one of the enclosed stickers to each can. Products containing **toluene** should be affixed with the reproductive toxicity warning. Products containing **perchlorethylene** should be affixed with the cancer warning. Products containing both should be affixed with both warnings. The sticker must be affixed so that it is conspicuous and likely to be read and understood by an ordinary individual under customary conditions of purchase.

Failure to provide a Proposition 65 warning for the listed products that contain toluene or perchlorethylene may subject you to legal action by citizens groups or the California Attorney General, wherein monetary penalties of up to \$2,500 per violation could be sought.

Should you have any questions or concerns about this matter, please do not hesitate to contact _____ at (number) or by mail at the above address. In addition, we would be pleased to supply additional warning stickers, if requested.

Sincerely,

[title]