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15 COMPANY, a Division of Philips Electronics North  
America Corp., and PHILIPS ELECTRONICS  
16 NORTH AMERICA CORPORATION

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
18 IN AND FOR THE COUNTY OF ALAMEDA, OAKLAND BRANCH  
19

20 UNLIMITED CIVIL JURISDICTION

21 MICHAEL DIPIRRO,

22 Plaintiff(s),

23 vs.

24 ANGELO BROTHERS COMPANY;  
25 PHILIPS LIGHTING COMPANY;  
PHILIPS ELECTRONICS NORTH  
26 AMERICA CORP.; BULBRITE  
INDUSTRIES INC.; GENERAL  
27 ELECTRIC COMPANY; WAL-MART  
CO., INC.; COLEMAN CABLE  
28 SYSTEMS, INC.; INTERNATIONAL  
MARKETING CORP.; SAFEWAY,

Case No. 01-032309

CONSENT JUDGMENT

Date:

Time:

Before: The Honorable Ronald M. Sabraw

1 INC.; SUPER STORE INDUSTRIES;  
2 BIG LOTS, INC.; LONGS DRUGS  
3 STORES CORPORATION; ACE  
4 HARDWARE CORP.; IKEA;  
5 SUNBEAM PRODUCTS, INC.;  
6 L'IMAGE HOME PRODUCTS;  
7 WESTINGHOUSE ELECTRIC  
8 CORPORATION; PANASONIC  
9 COMPANY; PANASONIC LIGHTING;  
10 MATSUSHITA ELECTRIC  
11 INDUSTRIAL CO.; LTD.; BARNETT  
12 INC.; WAXMAN CONSUMER GROUP;  
13 TARGET CORPORATION; and DOES 1  
14 through 1000,

15 Defendants.

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MICHAEL DIPIRRO,

Plaintiff,

vs.

ACE HARDWARE CORPORATION;  
ADAM APPLE DISTRIBUTING, L.P.;  
ANGELO BROTHERS COMPANY;  
BARNETT, INC. BARNETT BRASS &  
COOPER INC.; BIG LOTS, INC.;  
BULBRITE INDUSTRIES; COLEMAN  
CABLE SYSTEMS, INC.; EAST WEST  
DISTRIBUTING CO.; GENERAL  
ELECTRIC COMPANY; HOME  
DEPOT, INC.; IKEA;  
INTERNATIONAL MARKETING  
CORPORATION; JO-ANN STORES,  
INC.; LINENS 'N THINGS; LONGS  
DRUG STORES CORPORATION;  
LOWE'S HIW, INC.; ORCHARD  
SUPPLY HARDWARE  
CORPORATION; PANASONIC  
COMPANY; MATSUSHITA  
ELECTRIC INDUSTRIAL CO LTD.;  
PHILIPS LIGHTING COMPANY;  
PHILIPS ELECTRONICS NORTH  
AMERICA CORP.; RALEY'S INC.;

Case No. 02-046321

(Consolidated with Case No. 01-032309)

1 SAFEWAY INC.; SUNBEAM  
2 PRODUCTS, INC.; SUPER STORE  
3 INDUSTRIES; TARGET  
4 CORPORATION; URBAN  
5 OUTFITTERS, INC.; WAL-MART  
6 STORES, INC.; WALGREEN CO.;  
7 WESTINGHOUSE ELECTRIC  
8 CORPORATION; and DOES 1 through  
9 1000,

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Defendants.

8 This Consent Judgment is entered into by and between Plaintiff Michael DiPirro (referred to  
9 herein as "DIPIRRO"), and Defendants PHILIPS ELECTRONICS NORTH AMERICA CORPORATION  
10 and PHILIPS LIGHTING COMPANY, a division of PHILIPS ELECTRONICS NORTH AMERICA  
11 CORPORATION (referred to herein collectively as the "PHILIPS PARTIES"), effective as of July 17,  
12 2003, (referred to herein as the "Effective Date"). DIPIRRO and the PHILIPS PARTIES are referred to  
13 herein collectively as the "Parties," and individually as a "Party".

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**RECITALS**

A. DIPIRRO is an individual residing in San Francisco, California, who, in the interests of  
the general public, seeks to promote awareness of exposures to toxic chemicals and improve human health  
by reducing or eliminating hazardous substances contained in consumer products;

B. DIPIRRO alleges that the PHILIPS PARTIES are companies that manufacture, import,  
and/or otherwise sell certain light bulbs in California with one or more leaded solder points on the base.  
As used in this Consent Judgment, "leaded solder points" or "leaded solder" means one or more solder  
points, which contain lead and which are not comprised of "lead-free solder" as defined in this Consent  
Judgment, on the base of the light bulbs that are currently being produced by the PHILIPS PARTIES and  
that are being sold in California. Lead and lead compounds are substances known to the State of  
California to cause cancer and birth defects or other reproductive harm, and are individually and  
collectively referred to herein as the "LISTED CHEMICALS";

C. On November 8, 2001, DIPIRRO served the PHILIPS PARTIES and various public  
enforcement agencies with a document entitled "60-Day Notice of Violation" that provided the PHILIPS

1 PARTIES and the public enforcers with notice that the PHILIPS PARTIES were allegedly in violation of  
2 California Health & Safety Code § 25249.6 for failing to warn purchasers that certain light bulbs sold by  
3 the PHILIPS PARTIES in California expose users to the LISTED CHEMICALS;

4 **D.** On April 2, 2002, DIPIRRO filed a Complaint entitled Michael DiPirro v. Ace Hardware  
5 Corporation, et al. in the Alameda County Superior Court, Case No. 02-046321, which was consolidated  
6 with Case No. 01-032309, in which he named the PHILIPS PARTIES and others as defendants and  
7 alleged violations of California Business & Professions Code §§ 17200 and 17500, as well as California  
8 Health & Safety Code § 25249.6;

9 **E.** On August 2, 2002, DIPIRRO served the PHILIPS PARTIES and various public  
10 enforcement agencies with a document entitled "Amended 60-Day Notice of Violation" that provided the  
11 PHILIPS PARTIES and the public enforcers with notice that the PHILIPS PARTIES were allegedly in  
12 violation of California Health & Safety Code § 25249.6 for failing to warn purchasers that certain light  
13 bulbs sold by the PHILIPS PARTIES in California expose users to the LISTED CHEMICALS;

14 **F.** On October 11, 2002, the PHILIPS PARTIES filed their Answer generally denying the  
15 allegations of the Complaint and asserting various affirmative defenses;

16 **G.** On April 23, 2003, DIPIRRO filed a First Supplemental Complaint entitled DiPirro v. Ace  
17 Hardware Corporation, et al. in the Alameda County Superior Court, Case No. 02-046321, which was  
18 consolidated with Case No. 01-032309, in which he named the PHILIPS PARTIES and others as  
19 defendants and alleged violations of California Health & Safety Code § 25249.6; and

20 **H.** On May 9, 2003, the PHILIPS PARTIES filed their Answer generally denying the  
21 allegations of the First Supplemental Complaint and asserting various affirmative defenses.

22 **I.** For the purpose of avoiding prolonged litigation, the Parties enter into this Consent  
23 Judgment as a full settlement of all claims that were or could have been raised in the Complaint based  
24 upon or arising from the facts alleged therein.

25 **J.** The PHILIPS PARTIES acknowledge that DIPIRRO's agreement to resolve the instant  
26 litigation as set forth in this Consent Judgment is based upon the following representations hereby made  
27 by the PHILIPS PARTIES: (i) the A PRODUCTS are the PHILIPS PARTIES' light bulbs currently being  
28 produced with leaded solder points that are being sold in California; (ii) the B PRODUCTS are the

1 PHILIPS PARTIES' light bulbs currently being produced without leaded solder points that are being sold  
2 in California; (iii) the PHILIPS PARTIES will continue to use their "commercially reasonable best  
3 efforts" to eliminate the use of leaded solder points on the A PRODUCTS; (iv) as a result of reformulation  
4 and other means, approximately fifty percent (50%) of the number of light bulbs currently being produced  
5 by the PHILIPS PARTIES that are being sold by the PHILIPS PARTIES in California do not have leaded  
6 solder points; (v) by January, 2004, the PHILIPS PARTIES plan to increase that percentage to at least  
7 ninety percent (90%) of the number of light bulbs then being produced by the PHILIPS PARTIES that are  
8 being sold by the PHILIPS PARTIES in California, by reformulation or other means; and (vi) by July,  
9 2004, the PHILIPS PARTIES plan to increase that percentage to at least ninety-five (95%) of the number  
10 of light bulbs then being produced by the PHILIPS PARTIES that are being sold by the PHILIPS  
11 PARTIES in California, by reformulation or other means.

12 **NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND**  
13 **OBLIGATIONS SET FORTH BELOW, DIPIRRO AND THE PHILIPS PARTIES AGREE AS**  
14 **FOLLOWS:**

15 **1.0 Lead-Free Solder and Advertising Commitments.**

16 **1.1** The PHILIPS PARTIES' light bulbs currently being produced with leaded solder points  
17 that are being sold in California are listed in "Exhibit A," which is attached hereto and made a part hereof  
18 (all such light bulbs are referred to herein collectively as the "A PRODUCTS"). The PHILIPS PARTIES'  
19 light bulbs currently being produced without leaded solder points that are being sold in California are  
20 listed in "Exhibit B," which is attached hereto and made a part hereof (all such light bulbs are referred to  
21 herein collectively as the "B PRODUCTS").

22 **1.2** Beginning immediately, the PHILIPS PARTIES agree to use their "commercially  
23 reasonable best efforts," by reformulation or other means (e.g., the use of lead-free solder or new  
24 technology), to discontinue the use of leaded solder points on the A PRODUCTS. As used in this Consent  
25 Judgment, the term "lead-free solder" shall have meaning set forth in 42 USCS § 300g-6 (d) (1) of the  
26 Safe Drinking Water Act.

27 **1.3** As of the Effective Date of this Consent Judgment, the PHILIPS PARTIES agree, not to  
28 henceforward broadcast, publish, or otherwise disseminate, whether in, into, or from California, the

1 advertisement known as "The Gift," or any other advertisement displaying, representing, or suggesting the  
2 placement of any light bulbs on or in the mouth of any person until the PHILIPS PARTIES confirm that  
3 they do not sell in California any light bulbs with leaded solder points.

4 **2.0 Future Litigation.**

5 **2.1** DIPIRRO may commence new litigation regarding the presence of, or alleged exposure to,  
6 the LISTED CHEMICALS in any A PRODUCT (referred to herein as "NEW LITIGATION") only if the  
7 PHILIPS PARTIES do not make "objectively measurable progress," by reformulation or other means, in  
8 eliminating the use of leaded solder points on the A PRODUCTS.

9 **2.2** In making the determination of whether the PHILIPS PARTIES have made "objectively  
10 measurable progress," the Parties will rely on the following method:

11 (a) The A PRODUCTS are the PHILIPS PARTIES' light bulbs currently being produced  
12 with leaded solder points that are being sold in California. The B PRODUCTS are the PHILIPS  
13 PARTIES' light bulbs currently being produced without leaded solder points that are being sold in  
14 California. As a result of reformulation and other means, approximately fifty percent (50%) of the number  
15 of light bulbs currently being produced by the PHILIPS PARTIES that are being sold by the PHILIPS  
16 PARTIES in California do not have leaded solder points.

17 (b) During January, 2004, the PHILIPS PARTIES shall provide to DIPIRRO a compliance  
18 report (referred to herein as the "First Compliance Report"). The First Compliance Report shall be in  
19 writing and shall include: (i) an updated version of Exhibit A listing the light bulbs being produced by the  
20 PHILIPS PARTIES at that time with leaded solder points that are being sold in California (which shall be  
21 designated and referred to herein as "Exhibit A-1"); (ii) a statement, if accurate, that at least ninety percent  
22 (90%) of the number of the PHILIPS PARTIES' light bulbs being produced at that time that are being sold  
23 by the PHILIPS PARTIES in California do not have leaded solder points, as compared to the current  
24 approximately fifty percent (50%); and (iii) a verification by an officer or employee having knowledge of  
25 the facts set out in the First Compliance Report.

26 (c) During July, 2004, the PHILIPS PARTIES shall provide to DIPIRRO another compliance  
27 report (referred to herein as the "Second Compliance Report"). The Second Compliance Report shall be in  
28 writing and shall include: (i) an updated version of Exhibit A-1 listing the light bulbs being produced by

1 the PHILIPS PARTIES at that time with leaded solder points that are being sold in California (which shall  
2 be designated and referred to herein as "Exhibit A-2"); (ii) a statement, if accurate, that at least ninety-five  
3 percent (95%) of the number of the PHILIPS PARTIES' light bulbs being produced at that time that are  
4 being sold by the PHILIPS PARTIES in California do not have leaded solder points, as compared to the  
5 current approximately fifty percent (50%); and (iii) a verification by an officer or employee having  
6 knowledge of the facts set out in the Second Compliance Report.

7 (d) If the First Compliance Report states that at least ninety-five percent (95%) of the number  
8 of the PHILIPS PARTIES' light bulbs being produced at that time that are being sold by the PHILIPS  
9 PARTIES in California do not have leaded solder points, then the Second Compliance Report shall not be  
10 required.

11 (e) If, after the effective date of this Consent Judgment, the PHILIPS PARTIES  
12 produce additional light bulbs that will or might be sold in California and that would be specified  
13 on Exhibit A to this Consent Judgment if currently produced, the PHILIPS PARTIES shall  
14 include such light bulbs on Exhibit A-1 and Exhibit A-2 required to be submitted by the PHILIPS  
15 PARTIES under this Consent Judgment, and such light bulbs shall be deemed to be included in  
16 the A PRODUCTS under this Consent Judgment so long as the PHILIPS PARTIES meet the  
17 goals required in subsections 2.2 (b) and (c) of this Consent Judgment.

18 **2.3** In the event that the Compliance Report(s) demonstrate(s) that the PHILIPS PARTIES  
19 have not achieved the ninety percent (90%) and ninety-five (95%) goals by the dates specified above in  
20 this section, the Parties shall meet and confer in a good faith attempt to resolve the matter within thirty  
21 (30) calendar days of the PHILIPS PARTIES' transmittal to DIPIRRO of the Compliance Report at issue.  
22 If this good faith attempt fails to resolve DIPIRRO's concerns, DIPIRRO will be entitled to institute NEW  
23 LITIGATION against the PHILIPS PARTIES regarding any A PRODUCTS that, as of the Effective Date  
24 of this Consent Judgment, were being produced with leaded solder points and were being sold by the  
25 PHILIPS PARTIES in California, provided that any such NEW LITIGATION must be commenced within  
26 one hundred and twenty (120) calendar days following DIPIRRO's receipt of the Compliance Report(s)  
27 that demonstrate(s) that the PHILIPS PARTIES have not achieved the goals specified above in this  
28 section.

1           **2.4**     If NEW LITIGATION is instituted pursuant to the terms of this Consent Judgment, any  
2 such NEW LITIGATION may not: (i) seek penalties for conduct prior to the Effective Date of this  
3 Consent Judgment; (ii) include claims based on any A PRODUCTS in inventory as of the Effective Date  
4 of this Consent Judgment; (iii) include claims based on any A PRODUCTS for which the PHILIPS  
5 PARTIES have discontinued production, or discontinued the use of leaded solder points, by the dates  
6 specified above in this section; (iv) include claims against any of the PHILIPS PARTIES' distributors,  
7 retailers, advertisers, customers, and/or any other buyers, sellers, or users of the A PRODUCTS (other  
8 than the PHILIPS PARTIES), based on the purchase, sale, advertisement for sale, or use of any  
9 A PRODUCTS; or (v) include any claims relating to the B PRODUCTS.

10           **2.5**     If NEW LITIGATION is instituted pursuant to the terms of this Consent Judgment, the  
11 Parties agree that all fees and costs incurred prior to the Effective Date of this Consent Judgment shall not  
12 be recoverable in such NEW LITIGATION.

13           **2.6**     Nothing in this section 2.0 shall diminish or otherwise affect the obligations,  
14 responsibilities, and duties of the PHILIPS PARTIES or DIPIRRO under this Consent Judgment, and  
15 nothing in this section 2.0 shall be construed to prevent the initiation by the PHILIPS PARTIES or  
16 DIPIRRO of any action to enforce or interpret the terms of this Consent Judgment.

17           **3.0     Releases and Waivers.**

18           **3.1**     DIPIRRO, by this Consent Judgment and subject to the limitations set forth herein, on  
19 behalf of himself, his agents, representatives, attorneys, assigns, and in the interest of the general public,  
20 waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases  
21 all claims, liabilities, obligations, losses, costs, expenses, fines, penalties, fees, and damages, restitutionary  
22 remedies, injunctive remedies, and any other form of relief, whether legal or equitable, against the  
23 PHILIPS PARTIES and their directors, officers, employees, agents, attorneys, parents, subsidiaries,  
24 successors, assigns, distributors, retailers, advertisers, customers, and/or any other buyers, sellers, or users  
25 of the A PRODUCTS or the B PRODUCTS, whether under California Health & Safety Code § 25249.5, *et*  
26 *seq.* (referred to herein as "Proposition 65") or California Business & Profession Code §§ 17200, *et seq.* or  
27 17500, *et seq.*, or otherwise, based on their alleged failure to warn about the presence of, or exposure to,  
28 the LISTED CHEMICALS contained in any of the A PRODUCTS or the B PRODUCTS, including but



1 not limited to the risk of carcinogenicity and reproductive toxicity (subject to the right of DIPIRRO to  
2 commence NEW LITIGATION against the PHILIPS PARTIES as to the A PRODUCTS as set forth in  
3 section 2.0), or other facts alleged or which could have been alleged in the Complaint. This waiver and  
4 release extends to claims which DIPIRRO does not know or suspect exist in his favor at the time of  
5 executing this Consent Judgment, which if known by him, must have materially affected his settlement  
6 with the PHILIPS PARTIES. DIPIRRO understands and acknowledges the significance and consequence  
7 of this waiver and release, and that it was separately bargained for. This waiver and release shall not apply  
8 to, and shall not be interpreted or construed to apply to, any claim for which DIPIRRO and/or his agents,  
9 representatives, attorneys, and assigns do not have standing to waive or release.

10 **3.2** The PHILIPS PARTIES, by this Consent Judgment, waive all rights to institute or  
11 participate in, directly or indirectly, any form of legal action, and release all claims, liabilities, obligations,  
12 losses, costs, expenses, fines, penalties, fees, and damages, restitutionary remedies, injunctive remedies,  
13 and any other form of relief, whether legal or equitable, against DIPIRRO and his agents, representatives,  
14 attorneys, and assigns, for all actions or statements made by DIPIRRO and/or his agents, representatives,  
15 attorneys, or assigns, in the course of seeking enforcement of Proposition 65 or California Business &  
16 Profession Code §§ 17200, *et seq.* or 17500, *et seq.* against the PHILIPS PARTIES in this litigation. This  
17 waiver and release extends to claims which the PHILIPS PARTIES do not know or suspect exist in their  
18 favor at the time of executing this Consent Judgment, which if known by them, must have materially  
19 affected their settlement with DIPIRRO. The PHILIPS PARTIES understand and acknowledge the  
20 significance and consequence of this waiver and release, and that it was separately bargained for.

21 **3.3** This Consent Judgment is intended to be a full, final, and binding resolution between the  
22 PHILIPS PARTIES and DIPIRRO (on behalf of himself and in the interest of the general public), of any  
23 violation of Proposition 65, California Business & Professions Code §§ 17200, *et seq.* or 17500, *et seq.*, or  
24 other statutory or common laws, or any other claim that could have been asserted in the litigation based on  
25 the alleged failure to warn about the presence of, or exposure to, the LISTED CHEMICALS contained in  
26 any of the A PRODUCTS or the B PRODUCTS (subject to the right of DIPIRRO to commence NEW  
27 LITIGATION against the PHILIPS PARTIES as to the A PRODUCTS as set forth in section 2.0), or other  
28 facts alleged in the Complaint. The Parties intend that compliance with this Consent Judgment resolves

1 any issue now, in the past, or in the future concerning the A PRODUCTS' and the B PRODUCTS'  
2 compliance with Proposition 65 and California Business & Profession Code §§ 17200, *et seq.* or 17500, *et*  
3 *seq.*, with respect to the LISTED CHEMICALS, so long as the PHILIPS PARTIES comply with this  
4 Consent Judgment.

5       **3.4**       Consistent with the releases and waivers set forth in this Consent Judgment and pursuant  
6 to the relevant factors set forth in California Health & Safety Code § 25249.7(b), including but not limited  
7 to the PHILIPS PARTIES' commitment to continue to use their "commercially reasonable best efforts" to  
8 eliminate the use of leaded solder points on the A PRODUCTS, all civil penalties sought against the  
9 PHILIPS PARTIES are waived.

10       **3.5**       Consistent with the releases and waivers set forth in this Consent Judgment, the Parties  
11 waive any claim for attorney, expert, and investigation fees, and litigation costs incurred prior to the  
12 Effective Date of this Consent Judgment, except as otherwise specifically provided for below in this  
13 subsection 3.5. The Parties acknowledge that, once the injunctive relief provisions and related terms of  
14 this agreement had been resolved, counsel for DIPIRRO and counsel for the PHILIPS PARTIES discussed  
15 reaching an accord on the reimbursement, under the private attorney general doctrine codified at California  
16 Code of Civil Procedure § 1021.5, of certain attorneys' fees and costs incurred by DIPIRRO and his  
17 counsel in this litigation. As a result of these discussions, the PHILIPS PARTIES agree to reimburse  
18 DIPIRRO and his counsel for certain attorneys' fees and costs incurred as a result of investigating,  
19 litigating, and negotiating a settlement in the public interest in this litigation in the amount of sixty-five  
20 thousand dollars (\$65,000.00). In fulfillment of the foregoing, the PHILIPS PARTIES shall transmit via  
21 FedEx or other overnight delivery service the total sum of sixty-five thousand dollars (\$65,000.00) to  
22 Sheffer & Chanler LLP immediately upon the receipt by the PHILIPS PARTIES' counsel of evidence of  
23 the filing with the Court of the Motion for Approval (as defined in section 7.0) required by this Consent  
24 Judgment, or within ten (10) calendar days after the Effective Date of this Consent Judgment, whichever is  
25 later, provided the PHILIPS PARTIES' counsel has received evidence of the filing with the Court of the  
26 Motion for Approval required by this Consent Judgment. If the PHILIPS PARTIES' counsel does not  
27 receive evidence of the filing with the Court of the Motion for Approval required by this Consent  
28 Judgment within ten (10) calendar days after the Effective Date of this Consent Judgment, then the

1 PHILIPS PARTIES shall transmit the payment via FedEx or other overnight delivery service to Sheffer &  
2 Chanler LLP within one (1) business day following the receipt by the PHILIPS PARTIES' counsel of  
3 evidence of the filing with the Court of the Motion for Approval required by this Consent Judgment. At  
4 the hearing on the Motion for Approval, unless the Consent Judgment is not approved by the Court,  
5 DIPIRRO's counsel shall give to the PHILIPS PARTIES' counsel all the light bulbs produced by the  
6 PHILIPS PARTIES which were provided to DIPIRRO's counsel during this litigation, except for any such  
7 light bulbs that DIPIRRO's counsel has provided to its experts for testing prior to the Effective Date of  
8 this Consent Judgment. If, for any reason, the Consent Judgment is not approved by the Court, DIPIRRO  
9 will return all funds, with interest thereon at the prevailing federal funds rate (currently set at 1.25%),  
10 within ten (10) calendar days of notice of the Court's decision.

11 **3.6** If NEW LITIGATION is instituted pursuant to the terms section 2.0 of this Consent  
12 Judgment, the Parties agree that all fees and costs incurred prior to, or in connection with, the Court's  
13 approval of this Consent Judgment shall not be recoverable in such NEW LITIGATION. The Parties also  
14 agree to waive any claim for fees and costs incurred in seeking judicial approval of this Consent Judgment.

15 **3.7** Nothing in this section 3.0 shall diminish or otherwise affect the obligations,  
16 responsibilities, and duties of the PHILIPS PARTIES or DIPIRRO under this Consent Judgment, and  
17 nothing in this section 3.0 shall be construed to prevent the initiation by the PHILIPS PARTIES or  
18 DIPIRRO of any action to enforce or interpret the terms of this Consent Judgment.

19 **4.0 Representations.**

20 **4.1** The PHILIPS PARTIES acknowledge that DIPIRRO's agreement to resolve the instant  
21 litigation as set forth in this Consent Judgment is based upon the following representations hereby made  
22 by the PHILIPS PARTIES: (i) the A PRODUCTS are the PHILIPS PARTIES' light bulbs currently being  
23 produced with leaded solder points that are being sold in California; (ii) the B PRODUCTS are the  
24 PHILIPS PARTIES' light bulbs currently being produced without leaded solder points that are being sold  
25 in California; (iii) the PHILIPS PARTIES will continue to use their "commercially reasonable best  
26 efforts" to eliminate the use of leaded solder points on the A PRODUCTS; (iv) as a result of reformulation  
27 and other means, approximately fifty percent (50%) of the number of the light bulbs currently being  
28 produced by the PHILIPS PARTIES that are being sold by the PHILIPS PARTIES in California do not

1 have leaded solder points; (v) by January, 2004, the PHILIPS PARTIES plan to increase that percentage to  
2 at least ninety percent (90%) of the number of the light bulbs then being produced by the PHILIPS  
3 PARTIES that are being sold by the PHILIPS PARTIES in California, by reformulation or other means;  
4 and (vi) by July, 2004, the PHILIPS PARTIES plan to increase that percentage to at least ninety-five  
5 percent (95%) of the number of the light bulbs then being produced by the PHILIPS PARTIES that are  
6 being sold by the PHILIPS PARTIES in California, by reformulation or other means. To the best of the  
7 PHILIPS PARTIES' knowledge, the representations provided in this section are true and accurate.

8           **4.2**     The PHILIPS PARTIES understand that the representations made in this section are  
9 material factors upon which DIPIRRO has relied to arrive at the terms of this Consent Judgment. In the  
10 event that DIPIRRO discovers facts that demonstrate to a reasonable degree of certainty that the  
11 representations were materially inaccurate, the Parties shall meet and confer in a good faith attempt to  
12 resolve the matter within twenty (20) calendar days of the PHILIPS PARTIES' receipt of notice from  
13 DIPIRRO of his intent to challenge the accuracy of the representations. If this good faith attempt fails to  
14 resolve DIPIRRO's concerns, DIPIRRO shall have the right to commence a new Proposition 65  
15 enforcement action against the PHILIPS PARTIES based upon the 60-Day Notice of Violation relating to  
16 the A PRODUCTS that DIPIRRO served on the PHILIPS PARTIES and various public enforcement  
17 agencies on August 2, 2002. In such case, all applicable statutes of limitation shall be deemed tolled for  
18 the period between August 2, 2002, and the date on which DIPIRRO notifies the PHILIPS PARTIES that  
19 he is commencing a new Proposition 65 enforcement action based upon the 60-Day Notice of Violation  
20 relating to the A PRODUCTS that DIPIRRO served on the PHILIPS PARTIES and various public  
21 enforcement agencies on August 2, 2002.

22           **5.0     No Admission.**

23           **5.1**     This Consent Judgment, and/or its terms, and/or compliance with this Consent Judgment  
24 shall not constitute or be construed as any admission(s) by the PHILIPS PARTIES of any fact, finding,  
25 conclusion, issue of law, or violation of law. Moreover, this Consent Judgment, and/or its terms, and/or  
26 compliance with this Consent Judgment shall not be admissible to establish liability in any NEW  
27 LITIGATION (as defined in section 2.0 of this Consent Judgment) or any other litigation.

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1           **5.2**     Nothing in this section 5.0 shall diminish or otherwise affect the obligations,  
2 responsibilities, and duties of the PHILIPS PARTIES or DIPIRRO under this Consent Judgment, and  
3 nothing in this section 5.0 shall be construed to prevent the initiation by the PHILIPS PARTIES or  
4 DIPIRRO of any action to enforce or interpret the terms of this Consent Judgment.

5           **6.0     Notices.**

6           All correspondence to the Parties sent pursuant to, or concerning, this Consent Judgment shall be  
7 directed to the following addresses, or to such alternate address as a Party may otherwise designate in the  
8 future by written notification to the other Parties:

9           All correspondence to DIPIRRO shall be mailed to:

10                           Gregory M. Sheffer  
11                           Sheffer & Chanler LLP  
12                           160 Sansome Street, 2nd Floor  
13                           San Francisco, CA 94104-3706

14           All correspondence to the PHILIPS PARTIES shall be mailed to:

15                           Lynn A. Esposito-Marshall  
16                           Vice President & General Counsel  
17                           Philips Lighting Company  
18                           200 Franklin Square Drive  
19                           PO Box 6800  
20                           Somerset, NJ 08875-6800

21                           and

22                           Roseann C. Stevenson  
23                           Law Offices of Roseann C. Stevenson  
24                           A Professional Corporation  
25                           6809 Trevino Drive, Suite 315  
26                           Moorpark, CA 93021

27           **7.0     Motion for Judicial Approval.**

28           **7.1**     The Parties agree to file a Joint Motion to Approve Proposition 65 Settlement and to Enter  
Consent Judgment (the "Motion for Approval") pursuant to the terms of this Consent Judgment within ten  
(10) calendar days after the Effective Date of this Consent Judgment. The PHILIPS PARTIES agree to  
submit a proposed Motion for Approval to DIPIRRO's counsel within one (1) calendar day of the  
Effective Date of this Consent Judgment. DIPIRRO's counsel agrees to file with the Court the final  
Motion for Approval within ten (10) calendar days after the Effective Date of this Consent Judgment and

1 to immediately thereupon transmit evidence of such filing to the PHILIPS PARTIES' counsel.  
2 DIPIRRO's counsel shall also timely serve the Motion for Approval and the Court's subsequent judgment  
3 thereon on all defendants in this consolidated litigation who, as of the Effective Date of this Consent  
4 Judgment, have not been dismissed and/or who have not entered into a Consent Judgment which has been  
5 approved and entered by the Court.

6           **7.2**     The Parties acknowledge that the reporting provisions of California Health & Safety Code  
7 § 25249.7(f) may apply to this Consent Judgment. Counsel for DIPIRRO shall serve a copy of the Motion  
8 for Approval, this Consent Judgment, and all other documents required to be served pursuant to California  
9 Code of Regulations, title 11, § 3000, *et seq.*, along with any reporting form required by California Health  
10 & Safety Code § 25249.7(f), on the California Attorney General's Office, more than forty-five (45)  
11 calendar days prior to the Motion for Approval hearing date.

12           **8.0     Actions to Enforce or Interpret this Consent Judgment.**

13           In the event that a dispute arises between the Parties to this Consent Judgment with respect to the  
14 enforcement or interpretation of any provision(s) of this Consent Judgment, reasonable attorneys' fees  
15 incurred in the resolution of such dispute shall be awarded to the prevailing Party.

16           **9.0     Court Approval.**

17           If, for any reason, this Consent Judgment is not ultimately approved by the Court, this Consent  
18 Judgment shall be deemed null and void, except the Parties agree that: (i) the existing case management  
19 deadlines in this litigation shall be continued from the Effective Date of this Consent Judgment through a  
20 date at least forty-five (45) calendar days following the hearing on the Motion for Approval; and (ii) the  
21 Parties shall jointly request that the Court schedule a Case Management Conference to establish new case  
22 management deadlines in this litigation, including but not limited to a new trial date.

23           **10.0    Enforcement of Consent Judgment.**

24           The terms of this Consent Judgment shall be enforced exclusively by the Parties hereto. The  
25 Parties may, by noticed motion or order to show cause before the Court, giving the notice required by law,  
26 enforce the terms and conditions contained herein. In any proceeding brought by either Party to enforce  
27 this Consent Judgment, such Party may seek whatever fines, costs, penalties, or remedies as may be  
28 provided by law for any violation of this Consent Judgment.

1           **11.0    Governing Law.**

2           The terms of this Consent Judgment shall be governed by the laws of the State of California,  
3 without reference to any conflict of laws provisions.

4           **12.0    Complete Agreement.**

5           Each of the Parties represents and warrants for the benefit of the other Parties that: (i) the wording  
6 of this Consent Judgment was reviewed and approved by legal counsel for each Party prior to it being  
7 signed by them; (ii) they have been fully advised by their legal counsel of the legal effect of this Consent  
8 Judgment; (iii) this Consent Judgment is the product of informed negotiations between the Parties; (iv) no  
9 verbal agreements or understandings have been entered into between the Parties; and (v) this Consent  
10 Judgment is intended by the Parties as a final expression and a complete and exclusive statement of the  
11 terms of their agreement.

12           **13.0    Construction.**

13           The Parties agree that: (i) if any part of this Consent Judgment is deemed to be unclear or  
14 ambiguous, it shall be construed as if it were drafted jointly by the Parties; (ii) no provision contained  
15 herein shall be construed against a Party to this Consent Judgment based solely on that Party's drafting of  
16 all or any portions of this Consent Judgment; and (iii) the section headings in this Consent Judgment are  
17 for convenience only and shall not be considered in interpreting or construing this Consent Judgment.

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1           **14.0 Severability.**

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

4           **15.0 Counterparts and Facsimile.**

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

7           **16.0 Authorization.**

8           The undersigned are authorized to execute this Consent Judgment on behalf of their respective  
9 Party(ies), and have read, understand, and agree to all of the terms and conditions of this Consent  
10 Judgment.

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AGREED TO EFFECTIVE JULY 17, 2003:

**MICHAEL DIPIRRO**  
Plaintiff  
**PHILIPS LIGHTING COMPANY**

By: *John A. Esposito*

Its: *Via President: Joseph Corwell*

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Gregory M. Sheffer  
SHEFFER & CHANLER LLP  
Attorneys for Plaintiff  
MICHAEL DIPIRRO

**PHILIPS ELECTRONICS NORTH AMERICA CORPORATION**

By: *[Signature]*

Its: CEO

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Roseann C. Stevenson  
LAW OFFICES OF  
ROSEANN C. STEVENSON  
Attorneys for Defendants  
PHILIPS LIGHTING COMPANY and  
PHILIPS ELECTRONICS NORTH  
AMERICA CORPORATION.

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Stephen M. Lowry  
RUSSO & LOWRY LLP  
Attorneys for Defendants  
PHILIPS LIGHTING COMPANY and  
PHILIPS ELECTRONICS NORTH  
AMERICA CORPORATION

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AGREED TO EFFECTIVE JULY 17, 2003:

**MICHAEL DIPIRRO**  
Plaintiff  
**PHILIPS LIGHTING COMPANY**

**PHILIPS ELECTRONICS NORTH  
AMERICA CORPORATION**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**APPROVED AS TO FORM:**

**APPROVED AS TO FORM:**

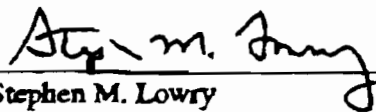
By: \_\_\_\_\_

By: \_\_\_\_\_

Gregory M. Sheffer  
**SHEFFER & CHANLER LLP**  
Attorneys for Plaintiff  
**MICHAEL DIPIRRO**

Roseann C. Stevenson  
**LAW OFFICES OF  
ROSEANN C. STEVENSON**  
Attorneys for Defendants  
**PHILIPS LIGHTING COMPANY and  
PHILIPS ELECTRONICS NORTH  
AMERICA CORPORATION.**

**APPROVED AS TO FORM:**

By: 

Stephen M. Lowry  
**RUSO & LOWRY LLP**  
Attorneys for Defendants  
**PHILIPS LIGHTING COMPANY and  
PHILIPS ELECTRONICS NORTH  
AMERICA CORPORATION**

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AGREED TO EFFECTIVE JULY 17, 2003:

**MICHAEL DIPIRRO**  
Plaintiff  
**PHILIPS LIGHTING COMPANY**

**PHILIPS ELECTRONICS NORTH AMERICA CORPORATION**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

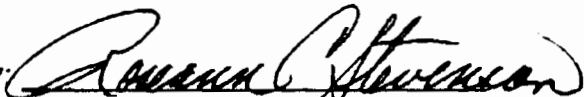
Its: \_\_\_\_\_

**APPROVED AS TO FORM:**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Gregory M. Sheffer  
SHEFFER & CHANLER LLP  
Attorneys for Plaintiff  
MICHAEL DIPIRRO

By: 

Roseann C. Stevenson  
LAW OFFICES OF  
ROSEANN C. STEVENSON  
Attorneys for Defendants  
PHILIPS LIGHTING COMPANY and  
PHILIPS ELECTRONICS NORTH  
AMERICA CORPORATION.

**APPROVED AS TO FORM:**

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Attorneys for Defendants  
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PHILIPS ELECTRONICS NORTH  
AMERICA CORPORATION

1 **AGREED TO EFFECTIVE JULY 17, 2003:**

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3 \_\_\_\_\_

4 **MICHAEL DIPIRRO**  
5 **Plaintiff**

6 **PHILIPS LIGHTING COMPANY**

**PHILIPS ELECTRONICS NORTH  
AMERICA CORPORATION**

7

8 By: \_\_\_\_\_

By: \_\_\_\_\_

9 Its: \_\_\_\_\_

Its: \_\_\_\_\_

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11 **APPROVED AS TO FORM:**

**APPROVED AS TO FORM:**

12

13 By: 

14 **Gregory M. Sheffer**  
15 **SHEFFER & CHANLER LLP**  
16 **Attorneys for Plaintiff**  
17 **MICHAEL DIPIRRO**

By: \_\_\_\_\_

**Roseann C. Stevenson**  
**LAW OFFICES OF**  
**ROSEANN C. STEVENSON**  
**Attorneys for Defendants**  
**PHILIPS LIGHTING COMPANY and**  
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**AMERICA CORPORATION.**

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By: \_\_\_\_\_

**Stephen M. Lowry**  
**RUSSO & LOWRY LLP**  
**Attorneys for Defendants**  
**PHILIPS LIGHTING COMPANY and**  
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**AMERICA CORPORATION**

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4 **MICHAEL DIPIRRO**  
5 **Plaintiff**

6 **PHILIPS LIGHTING COMPANY**

**PHILIPS ELECTRONICS NORTH AMERICA CORPORATION**

7  
8 **By:** \_\_\_\_\_

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**APPROVED AS TO FORM:**

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13 **By:** \_\_\_\_\_

**By:** \_\_\_\_\_

14 **Gregory M. Sheffer**  
15 **SHEFFER & CHANLER LLP**  
16 **Attorneys for Plaintiff**  
17 **MICHAEL DIPIRRO**

**Roseann C. Stevenson**  
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**AMERICA CORPORATION.**

**APPROVED AS TO FORM:**

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