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8 Attorneys for Plaintiff  
9 AS YOU SOW

**FILED**  
San Francisco County Superior Court

MAR 7 - 1996

ALAN CARLSON, Clerk  
BY: A. Douglas  
Deputy Clerk.

10 SUPERIOR COURT OF CALIFORNIA  
11 IN AND FOR THE COUNTY OF SAN FRANCISCO

185  
377 406

12 AS YOU SOW, a non-profit )  
13 corporation, )  
14 Plaintiff )  
15 v. )  
16 RECOCHEM, INC., and DOES 1 )  
17 through 1000, )  
18 Defendants. )  
19 \_\_\_\_\_ )  
20 )  
21 )  
22 )  
23 )  
24 )  
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Case No. 974391  
STIPULATION FOR ENTRY OF  
JUDGMENT AND JUDGMENT ON  
STIPULATION

For Recochem Inc

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


7 Dated: February 7, 1996

by:

  
Jenny Cohn  
Attorney for Plaintiff  
AS YOU SOW

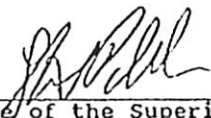
8  
9  
10  
11 Dated: February 8, 1996

by:

  
Daniel Wax  
Attorney for Defendant  
RECOCHEM, INC.

12  
13  
14  
15 IT IS HEREBY ORDERED that judgment be entered in  
16 accordance with the terms of the stipulation between the  
17 parties.

18  
19 Dated: February 27, 1996

  
Judge of the Superior Court  
STUART COUNTY  
NORTH CAROLINA

# **Exhibit A**

SETTLEMENT AGREEMENT

February 21,  
On January \_\_, 1996 in San Francisco, California, As  
You Sow ("AYS") and Recochem, Inc. ("Recochem") agreed to the  
following terms and conditions:

**WHEREAS:**

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

Recochem is a corporation headquartered in Montreal,  
Quebec and Canada that manufactures and/or distributes various  
products in the State of California that contain the following  
chemicals listed pursuant to Proposition 65 toluene and  
chlorinated solvents;

A list of the products that contain one or more of the  
chemicals listed above and which are covered by this Agreement is  
provided in Exhibit A (the "Products");

The Products have been distributed and sold by Recochem  
for use in California;

On July 17, 1995, AYS first served Recochem and all of  
the requisite public enforcement agencies with a document  
entitled "60-Day Notice" which provided Recochem and such public  
enforcers with notice that Recochem was allegedly in violation of  
Health & Safety Code §25249.6 for failing to warn purchasers that  
certain products it sells in California expose users to  
Proposition 65-listed chemicals;

In August 1995, Recochem sent a letter to its customers  
with stickers bearing proper Proposition 65 warnings in an effort  
to provide proper warnings for its products that had entered the  
stream of commerce; and

On December 1, 1995, AYS filed a complaint entitled As  
You Sow v. Recochem Industries, Inc., et al. (No. 970613) in the  
San Francisco Superior Court, naming Recochem as a defendant and  
alleging violations of Business & Professions Code §17200 and  
Health & Safety Code §25249.6 on behalf of individuals in  
California who allegedly are exposed to chemicals listed pursuant  
to Proposition 65 contained in certain Recochem products.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Product Labeling.** Recochem agrees that as of the date of this agreement, it shall not ship (or cause to be shipped) any of the Products for sale or use in or into the State of California unless each such Product contains the appropriate warning statement on its label as follows:

1.1. For Products containing a chemical listed by the State of California as known to cause birth defects or other reproductive harm:

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

1.2. For Products containing a chemical listed by the State of California as known to cause cancer:

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

1.3. For Products containing any combination of chemicals listed by the State of California as known to cause cancer and known to cause birth defects or other reproductive harm:

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

The 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. The parties agree that the sample label attached hereto as Exhibit B satisfies this requirement.

2. **Penalty.** Pursuant to Health & Safety Code §25249.7(b), Recochem shall pay a civil penalty of \$6,500. This penalty shall be due on December 31, 1996. However, all of this payment shall be waived upon Recochem's completion of the Lead Naphthenate Removal From Linseed Oil Project (the "Project"). Pursuant to the Project, Recochem shall initiate a laboratory project to identify an alternative non-toxic dryer to the lead naphthenate that is currently used.

3. **Reimbursement of Fees and Costs.** Recochem agrees to reimburse AYS for its investigation fees and costs, expert

fees, reasonable attorneys' fees, and any other costs incurred as a result of investigating, bringing this matter to Recochem's attention, litigating and negotiating a settlement in the public interest. Recochem shall pay AYS \$2,900 as reimbursement of its investigation fees and costs and \$600 as reimbursement of its attorney fees and costs within three business days of notice of entry of judgment in this matter.

4. **AYS Release.** AYS, its members, officers, directors, attorneys, representatives and affiliates (the "AYS Releasees"), by this Agreement, waive all rights to institute action against Recochem, its distributors, members, officers, directors, attorneys, representatives, customers, affiliates and subsidiaries whether under Proposition 65 or Business & Profession Code §§17200 et seq. based on Recochem's failure to warn about exposure to Proposition 65 listed chemicals contained in any of the Products manufactured on or prior to the date of this Agreement.

5. **Recochem Release.** Recochem, by this Agreement, waives all rights to institute any form of legal action against the AYS Releasees, for all actions or statements made by the AYS Releasees in the course of seeking enforcement of Proposition 65 or Business & Profession Code §§17200 et seq. against Recochem on or prior to the date of this Agreement.

6. **MSDS Revisions.** Recochem agrees to revise the Material Safety Data Sheet ("MSDS") pertaining to each of the Products listed on Exhibit "A" of this Agreement, to include the applicable warning language set forth in §1 of this Agreement. Final MSDSs incorporating the revised warning language will begin to be distributed in the normal course of business on or before December 31, 1995. An example of an acceptable MSDS is attached hereto as Exhibit C.

7. **Warranties and Representations.** The parties make the following representations and warranties:

7.1. Recochem represents and warrants as follows:

7.1.1. Each of the Products listed in Exhibit "A" contains one or more substances known to the state of California to cause cancer or birth defects or other reproductive toxicity, and that Recochem has no analytical, risk assessment, or other data indicating that an exposure to any or all Products listed in Exhibit "A" poses "no significant risk" or will have "no observable effect," as each such standard is applicable and as each is defined under Health & Safety Code § 25249.10(c).

7.1.2. In the event that Recochem obtains analytical, risk assessment, or other data that shows that an exposure to any or all Products listed in Exhibit "A" poses "no significant risk" or will have "no observable effect," as each

such standard is applicable and as each is defined under Health & Safety Code § 25249.10(c), Recochem shall use its best efforts to provide AYS with 90 days prior written notice of its intent to limit or eliminate the warning provisions under Section 1 and shall provide AYS with all such supporting data.

7.1.3. Recochem understands that the sales data provided to AYS by Recochem in a letter dated September 13, 1995 was a material factor upon which AYS has relied to determine the amount of penalties in Section 2 of this agreement. The sales data provided in the above-referenced letter is true and accurate. Recochem acknowledges that, in the event AYS finds that the sales data provided is materially inaccurate, all other parts of this Agreement notwithstanding, AYS will have the right to rescind this Agreement and re-institute an enforcement action against Recochem. In such a case, all applicable statutes of limitation shall be deemed tolled for the period between December 1, 1995 (the date AYS filed the instant action) and the date AYS notifies Recochem that it is rescinding this Agreement pursuant to this subpart.

7.1.4. Changes in Law. In the event that any law, rule, regulation or final decision of any legislative, judicial or executive body with jurisdiction becomes effective or is entered, which renders the warnings agreed to under Section 1 of this Agreement unnecessary or inappropriate to comply with applicable laws, Recochem at its option, may cease placing the warnings required under Section 1 on its labels and MSDSSs; provided, however, that Recochem shall continue to provide any warnings that continue to be required under any other applicable laws, rules and regulations. Recochem shall provide AYS thirty (30) days prior written notice of its intent to so limit the warning provisions under Section 1 of this Agreement and shall provide AYS with a written explanation for the basis of its contention that any new or revised law, rule, regulation or final decision limits or otherwise renders inapplicable the warning provisions of Proposition 65. Notwithstanding the terms of this Section, AYS shall not be required under any circumstances to refund or return any amount paid pursuant to Sections 2 and 3 of this Agreement.

8. Stipulated Judgment. The parties shall file a stipulated judgment to be approved pursuant to CCP §664.6 by the San Francisco Superior Court in accordance with the terms of this agreement.

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. Attorneys' Fees. 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.

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

12. **Notices.** All correspondence to AYS shall be mailed to:

Mark Todres, Esq.  
Chanler & Somers  
1700 Montgomery Street, Suite 110  
San Francisco, CA 94111

All correspondence to Recochem shall be mailed to:

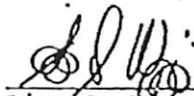
Daniel Wax, Esq.  
McKenna & Cuneo  
444 South Flower Street  
Los Angeles, CA 90071

13. **No Admissions.** Nothing in this Agreement shall be construed as an admission by Recochem of any fact, finding, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by Recochem of any fact, finding, conclusion, issue of law, or violation of law. However, this Section shall not diminish or otherwise affect the obligation, responsibilities, and duties of Recochem under this Agreement.

14. **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 of this Agreement.

AGREED TO:

AS YOU SOW

  
\_\_\_\_\_  
Lisa S. Higgins

January \_\_, 1996  
February 21

AGREED TO:

RECOCHEM, INC.

  
\_\_\_\_\_  
maria K...

January 30, 1996



# **Exhibit A**

EXHIBIT A  
[Product List]

List of California Products:

Liquid Deglosser

Toluol (Toluene)

Furniture Refinisher

Lacquer Thinner

Boiled Linsced Oil

Liquid Sandpaper

Liquid Paint & Varnish Remover

Paint & Varnish Remover

VM & P Naphtha

Methylene Chloride Free Paint Remover Non Drip

Methylene Chloride Free Paint Remover Liquid

*MK*

# **Exhibit B**

EXHIBIT B  
[Exemplary Label]



60-271 EXP

# Toluol (toluene)

speeds curing of oil based paints & lacquers

general purpose solvent & degreaser

removes adhesives, inks

VOC content: 7.21 g/L (g/L)

Vapor pressure:  
22 mm Hg @ 20°C

This product is  
psychochemically inactive

**DANGER!**  
**FLAMMABLE**  
**VAPOR HARMFUL**

**HARMFUL OR FATAL IF SWALLOWED**  
Read carefully other cautions on the back panel.

**1 U.S. QUART (32 fl. oz.) . 946 LITERS**

60-271 EXP

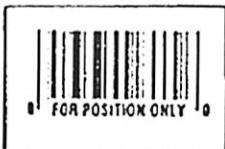
**CAUTION:** Keep away from heat, open flame or sparks. Do not smoke while using. Do not breathe vapors or mist. Use only under well ventilated conditions.

Vapors spread rapidly. Do not take internally. Harmful or fatal if swallowed. Avoid contact with eyes and skin. Close container after each use. Do not transfer contents to unlabeled containers.

**KEEP OUT OF REACH OF CHILDREN.**  
**FIRST AID: CONTAINS TOLUENE.** If swallowed, do not induce vomiting. Call physician or poison control center immediately. If overcome by vapors, move person to fresh air. If not breathing, give artificial respiration and get medical attention. In case of contact with eyes, flush thoroughly with water for at least 15 minutes. Get medical attention.

**WARNING:** This product contains a chemical known to the State of California to cause reproductive toxicity.

**WARNING:** This product contains a chemical known to the State of California to cause reproductive toxicity.



Recochem Inc.  
Montreal Toronto Edmonton Vancouver  
M4T 1P4 L6T 1B5 T9E 7X6 V0C 4P2  
Made in Canada

# **Exhibit C**

EXHIBIT C  
[Exemplary MSDS]



0.1/2/96 MATERIAL SAFETY DATA SHEET : 00000230 PAGE 1:

RECOCEDA INC.  
CONSUMER DIV. COMPLIANCE DEPT.  
131 EAST DRIVE BRAYTON, OREGON 97105  
(903)721-1788

0.1/2/96 MATERIAL SAFETY DATA SHEET : 00000230 PAGE 12  
PRODUCT : TOLUOL (CALIFORNIA)

SECTION 01 : CHEMICAL PRODUCT AND COMPANY IDENTIFICATION  
MANUFACTURER..... RECOCEDA INC.  
950, NORTH DE LINDSEY  
MONTICELLO, OREGON  
514-341-2350  
PRODUCT NAME..... TOLUOL.  
SYNONYMS..... TOLUENE.  
CHEMICAL FAMILY..... AROMATIC  
CHEMICAL FORMULA..... C6H6  
PRODUCT USES..... SOLVENT.

SECTION 02 : COMPOSITION/IMPURIFICATION OR ISOMERISERS

	C.A.S. / E.I.V.	LD/50, NOCTE, SPECIES	LC/50, NOCTE, SPECIES
TOLUENE	108-88-3	5000 mg/kg	8000ppm RAT/INHAL.
	100 ppm	RAT/ORAL	(4R)

SECTION 03 : HAZARDOUS IDENTIFICATION  
EFFECTS OF ACUTE EXPOSURE..... CAN CAUSE IRRITATION OR DERMATITIS.  
SKIN CONTACT..... NO KNOWN HAZARD DUE TO SKIN ABSORPTION.  
INHALATION..... IRRITATING TO THE RESPIRATORY TRACT.  
INGESTION..... MAY CAUSE IRRITATION, MAY CAUSE GASTRIC INJURY  
AND CONJUGATION.  
EFFECTS OF CHRONIC EXPOSURE..... IRRITATION OF EYES, RESPIRATORY TRACT AND SKIN.  
CALIFORNIA PROPOSITION 65..... WARNING: THIS PRODUCT CONTAINS A CHEMICAL KNOWN  
TO THE STATE OF CALIFORNIA TO CAUSE REPRODUCTIVE  
TOXICITY.

SECTION 04 : FIRST AID MEASURES  
EYES CONTACT..... RINSE WITH SOAP AND WATER.  
INHALATION..... REMOVE PATIENT TO FRESH AIR. PROVIDE ARTIFICIAL  
RESPIRATION IF NECESSARY.  
INGESTION..... DO NOT INDUCE VOMITING. OBTAIN MEDICAL ATTENTION  
IMMEDIATELY.  
SKIN CONTACT..... RINSE WITH WATER FOR AT LEAST 15 MINUTES.

SECTION 05 : FIRE FIGHTING MEASURES  
FLASH POINT (deg) METRO..... 37.2 F (3.2 C)  
AUTO IGNITION TEMP. (deg)..... 896 F  
UPPER FLAMMABLE LIMIT (1 VOL)..... 7.0  
LOWER FLAMMABLE LIMIT (1 VOL)..... 1.1 C

SECTION 05 : FIRE FIGHTING MEASURES  
EXTINGUISHING MEDIA..... CARBON DIOXIDE, DRY CHEMICAL OR FOAM.  
HAZARDOUS COMBUSTION PRODUCTS..... CARBON MONOXIDE AND CARBON DIOXIDE.  
SUSCEPTIBILITY TO EXPLOSION..... NO  
IMPACT SENSITIVITY TO STATIC..... YES  
DISCHARGE

SECTION 06 : ACCIDENTAL RELEASE MEASURES  
EFFECTIVE ALL SOURCES OF IGNITION. CLEAN UP WITH  
ABSORBENT MATERIAL.

SECTION 07 : HANDLING AND STORAGE  
HANDLING PROCEDURES..... KEEP AWAY FROM OPEN FLAME AND HEAT SOURCE.  
STORAGE..... STORE IN A COOL, DRY PLACE. KEEP AWAY FROM  
CHILDREN. KEEP CONTAINER CLOSED WHEN NOT IN USE.

SECTION 08 : EXPOSURE CONTROLS / PERSONAL PROTECTION  
PROTECTIVE EQUIPMENT..... FOR NORMAL USE CONDITIONS:  
EYES/FACE..... SAFETY GLASSES.  
RESPIRATOR/TYPE..... APPROVED ORGANIC VAPOR RESPIRATOR.  
GLOVES / TYPE..... NEAR IMPERVIOUS GLOVES.  
CLOTHING/TYPE..... NEAR IMPERVIOUS PROTECTIVE CLOTHING.  
FOOTWEAR/TYPE..... RUBBER SAFETY BOOTS.  
VENTILATION REQUIREMENTS..... LOCAL EXHAUST AT POINTS OF EMISSION.

SECTION 09 : PHYSICAL AND CHEMICAL PROPERTIES  
APPEARANCE..... COLORLESS.  
PHYSICAL STATE..... LIQUID.  
ODOR..... FIELD HYDROCARBON ODOR.  
ODOR THRESHOLD (PPM)..... > 10 PPM.  
SPECIFIC GRAVITY (Wt-1)..... 0.8660  
VAPOR PRESSURE (mmHg @ deg)..... > 22 @ 68 F  
VAPOR DENSITY (AIR=1)(mg/m3)..... 3.1  
EVAPORATION RATE (lbmuc)..... 2.24  
BOILING POINT (deg)..... 110.6 F  
MELTING POINT (deg)..... NOT APPLICABLE.  
SOLUBILITY IN WATER (1 W/1)..... 5.2 G/G.  
COEFFICIENT OF VAPOR..... 2.79  
DISTRIBUTION COEFFICIENT..... NOT AVAILABLE.  
FLASHING POINT (deg)..... 39 F  
FLASHING POINT (deg)..... 7.2: lbs./gal.  
VOC BY WEIGHT.....

SECTION 10 : STABILITY AND REACTIVITY  
HAZARDOUS POLYMERIZATION..... WILL NOT OCCUR.  
STABILITY..... YES.

SECTION 9 : STABILITY AND REACTIVITY  
INCOMPATIBILITY.....STRONG OXIDIZING AGENTS, LEWIS ACIDS OR MINERAL ACIDS.  
CONDITIONS OF REACTIVITY.....AVOID EXCESSIVE HEAT, OPEN FLAME AND ALL SOURCES OF IGNITION.  
HAZARDOUS PRODUCTS OF.....NONE KNOWN.  
DISPOSITION.....NONE KNOWN.

SECTION 11 : TOXICOLOGICAL INFORMATION  
HARMFULNESS OF MATERIAL.....MILD IRRITANT.  
SUSCEPTIBLE CAPABILITY OF.....NONE.  
MATERIAL  
CARCINOGENICITY OF MATERIAL.....NO KNOWN EFFECTS.  
TERATOGENICITY.....NO KNOWN EFFECTS.  
MUTAGENICITY.....NO KNOWN EFFECTS.  
REPRODUCTIVE EFFECTS.....NO KNOWN EFFECTS.  
SENSITIZING MATERIALS.....NO KNOWN EFFECTS.

SECTION 12 : ECOLOGICAL INFORMATION  
ENVIRONMENTAL.....FOLLOW ALL FEDERAL, PROVINCIAL AND MUNICIPAL REGULATIONS.  
BIODEGRADABILITY.....NOT AVAILABLE.

SECTION 13 : DISPOSAL CONSIDERATIONS  
WASTE DISPOSAL.....IN ACCORDANCE WITH MUNICIPAL, PROVINCIAL AND FEDERAL REGULATIONS.

SECTION 14 : TRANSPORT INFORMATION  
SHIPPING NAME.....POLYOL  
CLASSIFICATION.....J (9.2)  
P.L.N.....OR 1174  
PACKING GROUP.....II  
LABEL REQUIRED.....FLAMMABLE LIQUID.

SECTION 15 : REGULATORY INFORMATION  
CFR COMPLIANCE.....THIS PRODUCT HAS BEEN CLASSIFIED IN ACCORDANCE WITH THE HAZARD CRITERIA OF THE CFR AND THE MSDS CONTAINING ALL OF THE INFORMATION REQUIRED BY THE CFR.

SECTION 16 : OTHER INFORMATION  
PREPARED BY.....G. LARSEN  
TRANSPORTATION REQUIREMENTS.....CALL CHEMTEC (413) 994-6666  
OTHER REGULATIONS.....CALL (903) 791-1788  
PREPARATION DATE.....JAN 12/76