

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

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This Settlement Agreement and Mutual Release (“Agreement”) confirms and memorializes the settlement of a dispute between **CONSUMER DEFENSE GROUP ACTION** (hereinafter referred to as “**CDGA**”) and **Hewlett-Packard Corporation, Xerox Corporation, Canon USA Inc., Lexmark International Inc., Konica Minolta Business Solutions USA, Inc., Konica Minolta Printing Solutions USA, Inc., Sharp Electronics Corporation, Toshiba America, Inc., Kyocera Mita America, Inc., Brother International Corporation, Panasonic Corporation of North America, Ricoh/Lanier Worldwide, Inc., and International Business Machines Corporation** (hereinafter referred to as the “**COMPANIES**”) regarding the application of California’s Safe Drinking Water and Toxic Enforcement Act of 1986 (“**Proposition 65**”) to certain products manufactured, distributed or sold by the **COMPANIES**.

**WHEREAS, CDGA**, a corporation, incorporated in and operating under the laws of the State of California, represented by the law firm of Graham & Martin, LLP, has served on the **COMPANIES** Notices of Intent to Sue (“**Notices**”), attached hereto as Exhibit A, indicating **CDGA**’s intention to bring a civil action against the **COMPANIES** under Proposition 65; and

**WHEREAS**, such Notices allege that the use of certain electronic printing equipment and supplies, including but not limited to printers, copiers, toners, fusers and fuser kits, identified in the Notices (“**Products**”), that are or were manufactured, distributed or sold by the **COMPANIES** results in exposure to certain chemicals identified in the Notices without prior warning as required under Proposition 65; and

**WHEREAS**, the **COMPANIES** have met with **CDGA** and provided **CDGA** with certain information, data and analyses regarding the potential for exposure to such chemicals from the use of such Products, as well as the opportunity to review the instructions for use and other information for the Products included in the product literature distributed by the **COMPANIES** for use of the Products; and

**WHEREAS, CDGA** has concluded on the basis of such information, data and analyses, and information in such product literature that the reasonably anticipated use of such Products by the average consumer does not result in exposure to such chemicals at levels that would require warnings or result in violations of Proposition 65, such that a civil action to enforce Proposition 65 against the **COMPANIES** is not appropriate and should not be brought; and

**WHEREAS**, the **COMPANIES** and **CDGA** (collectively, the “**PARTIES**”) desire to memorialize their amicable resolution of the controversy described above; now

**THEREFORE**, the **PARTIES** agree to the following:

1. ***Withdrawal Of Notices.*** As a condition precedent to this Agreement, **CDGA** shall (a) withdraw the Notices in their entirety; and (b) withdraw any other Notice of Intent to Sue under Proposition 65 that **CDGA** may have served upon any other person or persons, including any retail sellers, wholesalers, resellers and customers alleging a violation of Proposition 65 in connection with the use of the Products.

2. ***Forbearance From Suit.*** **CDGA** shall refrain from bringing suit under Proposition 65, now and for all time, against (a) the **COMPANIES** on the basis of the allegations in the Notices withdrawn pursuant to paragraph 1(a) above and (b) any other person on the basis of any Notice of Intent to Sue withdrawn pursuant to paragraph 1(b) above.

3. ***Reimbursement Of Attorneys' Fees And Expenses.*** In recognition of the amicable resolution of this dispute and the efforts of **CDGA** in that regard, each of the **COMPANIES** agrees to reimburse **CDGA** in the amount of \$5000.00 for attorneys' fees and other expenses that **CDGA** has incurred in activities related to the Notices, which include, but are not limited to, the following: investigating the claims identified in the Notices; preparing and serving the Notices; and meeting and conferring with, analyzing information presented by, and negotiating with attorneys and technical consultants for, the **COMPANIES**; provided however, that Konica Minolta Business Solutions USA, Inc. and Konica Minolta Printing Solutions USA, Inc., which are subsidiaries of the same corporate parent, shall be treated as a single one of the **COMPANIES** for purposes of this paragraph.

4. ***Individual Obligations.*** The obligations of each of the **COMPANIES** under this Agreement are individual to each of the **COMPANIES** identified herein, and are in no way collective or joint. None of the **COMPANIES** may be held responsible under this Agreement for the failure of any other of the **COMPANIES** to comply.

5. ***Release By CDGA Of Claims Against The COMPANIES AND OTHERS IN THE CHAIN OF COMMERCE.*** This Agreement is a final and binding resolution of any and all Claims (as defined below) that **CDGA** and its agents and attorneys have or hereafter may have against the **COMPANIES** that arise or may arise from actions or omissions committed by the **COMPANIES** or by any other person or entity within their chain of distribution, including but not limited to retail sellers, wholesalers, resellers and customers in the sale, distribution, use or maintenance of the Products. For purposes of this Agreement, the term "Claims" shall include any and all manner of actions, causes of action or proceedings, in law or in equity, administrative actions, petitions, whether under Proposition 65 or any other statute or regulation, or at common law. **CDGA**, for itself and its agents and attorneys, hereby waives and releases

any and all Claims that **CDGA** has, may have or hereafter may have against the **COMPANIES**, any parent companies, subsidiaries, affiliates, divisions or subdivisions of such **COMPANIES**, and their respective directors, officers, employees, agents and attorneys, and any customers, distributors, wholesalers, retail sellers, resellers or any other person who may or did sell, resell, distribute, use or maintain the Products. Without limitation of the foregoing, this release expressly includes all Claims against any and all customers, distributors, wholesalers, retail sellers, and resellers, including any other person who may or did sell, resell, distribute, use or maintain the Products in the course of providing commercial, retail, or "walk-up" copying or printing services, and all of these companies or persons are intended to be third-party beneficiaries of this release. For purposes of this paragraph and the release it prescribes, the term "products" refers to any copier, printer, item of printing equipment or supplies identified specifically in the notices by model name or model number and also to any copier, printer, item of printing equipment and supplies that might be identified more generally as similar to and/or derived from the copier, printer, or item of printing equipment and supplies identified specifically by model name or number, whether new, used, remanufactured, reconditioned, or refurbished.

6. **Unknown Claims.** **CDGA** waives and releases any and all Claims against the **COMPANIES**, and acknowledges that it has read and waives the provisions of California Civil Code § 1542:

**"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."**

**CDGA** understands and acknowledges the significance of this waiver of Section 1542 of the Civil Code is that even if it discovers additional claims or causes of action, **CDGA** will not be able to enforce or prosecute those claims or causes of action. Furthermore, **CDGA** acknowledges that it intends these consequences even as to claims or causes of action that may exist as of the date of this release but which **CDGA** does not know exists, and which, if known, would materially affect **CDGA's** decision to execute this release, regardless of whether **CDGA's** lack of knowledge is a result of ignorance, oversight, error, negligence, or any other cause.

7. **Release By The COMPANIES of Claims Against CDGA.** This Agreement is a final and binding resolution of any and all Claims (as defined above)

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that the **COMPANIES** and their respective agents and attorneys have or hereafter may have against **CDGA** that arise from the investigation, preparation and service of the Notices, or from pursuit of the Claims therein.

**8. Disputes.** Any disputes regarding the validity, construction, performance or enforcement of this Agreement shall be governed by, construed, adjudicated and determined in accordance with the laws of California in effect at the time of execution of this Agreement, without regard to principles of choice of law. Any action to interpret or enforce the terms of this Agreement shall be brought in the Superior Court for the County of San Francisco, California. In any such dispute, the prevailing party shall be entitled to collect its reasonable attorneys' fees and costs.

**9. Counterpart Signatures.** This Agreement may be executed in counterparts, and/or by facsimile, which taken together shall be deemed to constitute the Agreement as a single document.

**10. Entire Agreement.** This Agreement is the sole and entire agreement and includes all of the understandings of the **PARTIES** with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, understandings and commitments related thereto. Modifications, if any, may be made only in a writing executed by all **PARTIES**.

**11. No Admissions.** **CDGA** acknowledges and agrees that, as a compromise of disputed claims, the terms of this settlement, the execution of this Agreement and the payment of any consideration under this Agreement do not constitute, are not intended as and shall not be construed in any way as an admission of liability or wrongdoing whatsoever by any of the **COMPANIES**, and that the **COMPANIES** specifically disclaim any violation of law as alleged in the Notices and any liability to, or wrongdoing of any nature whatsoever against, **CDGA** or any other person.

**12. Reporting.** After execution of this Agreement by the **PARTIES**, **CDGA** shall submit to the Attorney General a Report of Settlement Form, as may be required pursuant to California Civil Code § 25249.7(f)(1).

**13. Public Statements.** No party to this Agreement shall issue any press release and/or make any other public statement, or statement to persons not party to this Agreement, regarding the fact or terms of the resolution of this matter, except (a) as may be necessary in connection with taxes, insurance, audits, reports to a parent or subsidiary corporation and governmental reporting requirements, provided that the **PARTIES** and their respective counsel use their best efforts to ensure that such third parties maintain the confidentiality of this information; (b) as required by law upon receipt of a final and

binding court order, subpoena or other compulsory process, provided that notice of such court order, subpoena or other compulsory process is given to the other party promptly upon receipt, prior to disclosure, so that the other party may have an opportunity to take action with respect to preserving the confidentiality of the information sought to be disclosed; and (c) the **COMPANIES** shall reserve the right to correct any misstatement or misimpression made by **CDGA**, anyone acting on **CDGA**'s behalf, or any third party regarding the terms of this settlement and to disclose to any third party who may raise similar claims and allegations against any of the **COMPANIES** in the future the fact that **CDGA** previously raised similar claims and, after full investigation, refrained from filing suit against the **COMPANIES**.

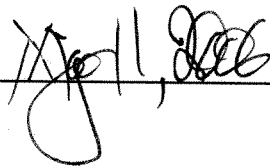
**14. Construction Of Agreement.** The **PARTIES** acknowledge that the drafting of this Agreement was a joint effort of the **PARTIES**, and therefore, the language hereof shall not be construed in favor of or against any of the **PARTIES** by virtue of the identity of its preparer.

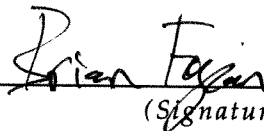
**15. Authorization.** Each person executing this Agreement below hereby warrants that he/she is authorized to do so and to bind the party on whose behalf he/she executes this Agreement to comply with its terms.

**16. Effective Date.** This Agreement shall become effective when executed by all of the **PARTIES** identified above.

**IT IS SO AGREED.**

Dated: \_\_\_\_\_





(Signature)

Brian Fagan

(Name)

President

(Title)

**CONSUMER DEFENSE GROUP  
ACTION, INC.**

binding court order, subpoena or other compulsory process, provided that notice of such court order, subpoena or other compulsory process is given to the other party promptly upon receipt, prior to disclosure, so that the other party may have an opportunity to take action with respect to preserving the confidentiality of the information sought to be disclosed; and (c) the **COMPANIES** shall reserve the right to correct any misstatement or misimpression made by **CDGA**, anyone acting on **CDGA**'s behalf, or any third party regarding the terms of this settlement and to disclose to any third party who may raise similar claims and allegations against any of the **COMPANIES** in the future the fact that **CDGA** previously raised similar claims and, after full investigation, refrained from filing suit against the **COMPANIES**.

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**16. Effective Date.** This Agreement shall become effective when executed by all of the **PARTIES** identified above.

**IT IS SO AGREED.**

Dated: May 5, 2006

Anthony Graham  
(Signature)  
Anthony Graham  
(Name)  
Counsel  
(Title)

**CONSUMER DEFENSE GROUP  
ACTION, Inc. ~~Inc.~~ *Inc.***

Settlement Agreement And Mutual Release (cont'd)

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Dated: 5/31/06

Rick Seymour  
(Signature)

Rick Seymour  
(Name)

Vice President  
(Title)

**HEWLETT-PACKARD COMPANY**

*signatures continued on next page*

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**CANON USA, INC.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**LEXMARK INTERNATIONAL, INC.**

Settlement Agreement And Mutual Release (cont'd)

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**HEWLETT-PACKARD COMPANY**

*signatures continued on next page*

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**CANON USA, INC.**

Dated: May 22, 2006

*S. Liebman*  
\_\_\_\_\_  
(Signature)

*S. Liebman*  
\_\_\_\_\_  
(Name)

*EVP*  
\_\_\_\_\_  
(Title)

**LEXMARK INTERNATIONAL, INC.**  
CANON USA ESC





*Settlement Agreement And Mutual Release (cont'd)*

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Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**HEWLETT-PACKARD COMPANY**

*signatures continued on next page*

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**CANON USA, INC.**

Dated: MAY 9, 2006

  
(Signature)

VINCENT J. COLE  
(Name)

VICE PRESIDENT, GENERAL COUNSEL  
(Title) AND SECRETARY

**LEXMARK INTERNATIONAL, INC.**

Settlement Agreement And Mutual Release (cont'd)

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Dated: 5/9/06

Patricia A. Calkins  
(Signature)

PATRICIA A. CALKINS  
(Name)

V.P. EHRS  
(Title)

**XEROX CORPORATION**

*signatures continued on next page*

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**KONICA MINOLTA BUSINESS  
SOLUTIONS USA, INC.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**KONICA MINOLTA PRINTING  
SOLUTIONS USA, INC.**

*Settlement Agreement And Mutual Release (cont'd)*

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Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**XEROX CORPORATION**

*signatures continued on next page*

Dated: 5/12/06

  
\_\_\_\_\_  
(Signature)

Jun Haraguchi  
\_\_\_\_\_  
(Name)

President & CEO  
\_\_\_\_\_  
(Title)

**KONICA MINOLTA BUSINESS  
SOLUTIONS USA, INC.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**KONICA MINOLTA PRINTING  
SOLUTIONS USA, INC.**

*Settlement Agreement And Mutual Release (cont'd)*

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Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**XEROX CORPORATION**

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Dated: \_\_\_\_\_

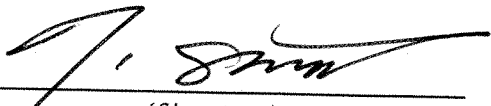
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\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**KONICA MINOLTA BUSINESS  
SOLUTIONS USA, INC.**

Dated: May 12, 2006

  
\_\_\_\_\_  
(Signature)

TAKASHI SHIRAWA  
\_\_\_\_\_  
(Name)

CEO  
\_\_\_\_\_  
(Title)

**KONICA MINOLTA PRINTING  
SOLUTIONS USA, INC.**

*Settlement Agreement And Mutual Release (cont'd)*

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**KONICA MINOLTA BUSINESS  
SOLUTIONS USA, INC.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**KONICA MINOLTA PRINTING  
SOLUTIONS USA, INC.**

Dated: 5/26/06

  
\_\_\_\_\_  
(Signature)

Stewart Mitchell  
(Name)

CSO & Senior Vice President  
(Title)

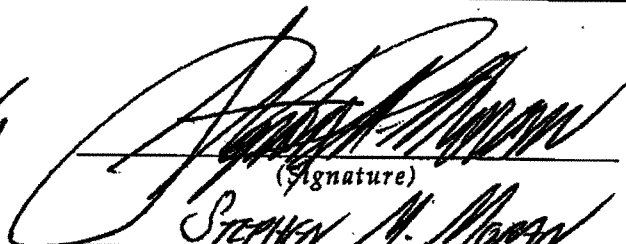
**SHARP ELECTRONICS CORPORATION**

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Settlement Agreement And Mutual Release (cont'd)

Dated:

May 17, 2006

  
\_\_\_\_\_  
(Signature)

STEPHEN A. MORAN  
\_\_\_\_\_  
(Name)

VICE PRESIDENT  
\_\_\_\_\_  
(Title)

**TOSHIBA CORPORATION**

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**PANASONIC CORPORATION OF  
NORTH AMERICA**

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**RICOH COMPANY LTD./LANIER  
WORLDWIDE, INC.**

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*Settlement Agreement And Mutual Release (cont'd)*

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Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**TOSHIBA CORPORATION**

Dated: \_\_\_\_\_

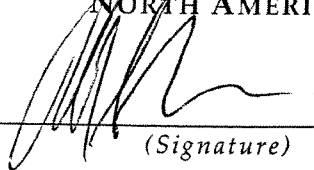
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(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**PANASONIC CORPORATION OF  
NORTH AMERICA**

Dated: May 17, 2006

  
\_\_\_\_\_  
(Signature)

Robert S. Marin, Esq.

\_\_\_\_\_  
(Name)

Vice President & General Counsel

\_\_\_\_\_  
(Title)

**RICOH COMPANY LTD./LANIER  
WORLDWIDE, INC.**

*signatures continued on next page*

*Settlement Agreement And Mutual Release (cont'd)*

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Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**TOSHIBA CORPORATION**

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**PANASONIC CORPORATION OF  
NORTH AMERICA**

Dated: 5/17/04

  
\_\_\_\_\_  
(Signature)

ALLAN A. HANKS  
(Name)

VP + General Counsel  
(Title)

**RICOH CORPORATION/LANIER  
WORLDWIDE, INC.**

*signatures continued on next page*



*Settlement Agreement And Mutual Release (cont'd)*

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Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**PANASONIC CORPORATION OF  
NORTH AMERICA**

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**RICOH/LANIER WORLDWIDE, INC.**

*signatures continued on next page*

Dated: 6/5/06

Marcy Siskind  
(Signature)

Marcy Siskind  
(Name)

Senior Counsel  
(Title)

**INTERNATIONAL BUSINESS  
MACHINES CORPORATION**

Settlement Agreement And Mutual Release (cont'd)

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Dated: 5-30-06



(Signature)

CALVIN R. ROSEN

(Name)

Se. Vice President & General Counsel

(Title)

**KYOCERA MITA AMERICA, INC.**

Dated: \_\_\_\_\_

(Signature)

(Name)

(Title)

**BROTHER INTERNATIONAL  
CORPORATION**

Settlement Agreement And Mutual Release (cont'd)

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Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**KYOCERA MITA AMERICA, INC.**

Dated: May 24, 2006

  
\_\_\_\_\_  
(Signature)

HENRY J. SAECO, JR.  
\_\_\_\_\_  
(Name)

VP, Chief Legal Officer  
\_\_\_\_\_  
(Title)

**BROTHER INTERNATIONAL  
CORPORATION**