

## **SETTLEMENT AGREEMENT**

### **1. INTRODUCTION**

#### **1.1 Parties**

This Settlement Agreement is entered into by and between:

Michael DiPirro

(referred to herein as “DiPirro”) represented by his attorneys,

Law Office of David R. Bush and Jeremy Fietz, Attorney-at-Law; and,

K&M Sheet Metal LLC

(referred to herein as “Noticed Party”) represented by its attorneys,

Alston & Bird LLP.

DiPirro is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. For purposes of this Settlement Agreement only, Noticed Party employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 *et seq.* (“Proposition 65”).

#### **1.2 General Allegations**

DiPirro alleges that the Noticed Party manufactures, imports, sells, or distributes for sale, in the State of California Products (as defined in Section 1.3) containing lead and lead compounds without first providing the clear and reasonable exposure warning required by Proposition 65. Lead and lead compounds is listed pursuant to Proposition 65 as a chemical that is known to the State of California to cause cancer and birth defects or other reproductive harm (hereinafter the “Listed Chemical”).

#### **1.3 Product Description**

The products covered by this Settlement Agreement are Solder Bars containing the Listed Chemical that are manufactured, sold, or distributed for sale in California by the Noticed Party, including, but not limited to the:

1 lb. Solder Bar 50/50 Mix - Tin/Lead (1/4 lb. Sticks) (the “Products”).

#### **1.4 Notice of Violation**

On or about August 16, 2024, DiPirro served Noticed Party and certain requisite public enforcement agencies with a 60-Day Notice of Violation (the “Notice”), a document that informed the recipients of DiPirro’s allegation that Noticed Party violated Proposition 65 by failing to warn its customers and consumers in California that the Products expose users to the Listed Chemical. To the best of the DiPirro’s knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

#### **1.5 No Admission**

Noticed Party denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products they have manufactured, sold, or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by the Noticed Party of any fact, finding, conclusion of law, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by the Noticed Party of any fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically denied by the Noticed Party. This section shall not, however, diminish or otherwise affect the Noticed Party’s obligations, responsibilities, and duties under this Settlement Agreement.

#### **1.6 Effective Date**

For purposes of this Settlement Agreement, the term “Effective Date” shall mean the day the final requisite signature is applied to the Settlement Agreement.

### **2. INJUNCTIVE RELIEF: PRODUCT WARNINGS**

Pursuant to the terms set forth below in subsections 2.1 through 2.4, Noticed Party, at its option, agrees to either (1) reformulate the Products, or (2) provide clear and reasonable Proposition 65 warnings for Products shipped to any California resident consumer, or any agent, distributor, or affiliated company working on behalf of Noticed Party, for potential sale to California consumers. The requirements in subsections 2.1 (reformulation) and 2.2 (on-product warnings) do not apply to

Products that were manufactured prior to the Effective Date.


**2.1 Reformulation Standards.** A “Reformulated Product” is a Product that (a) contains the Listed Chemical in concentrations that do not exceed 90 parts per million, equivalent to 0.009%, in an exterior part analyzed pursuant to U.S. Environmental Protection Agency (EPA) methodologies 3050B and 6010B, or (b) yields a result of no more than 1.0 micrograms of lead when the exterior is sampled according to NIOSH 9100 protocol and analyzed according to EPA 6010B. In addition to the above tests, Noticed Party may use equivalent methods utilized by any California or federal agency to determine the content of the Listed Chemical in a solid substance.

**2.2 Warnings for Products Sold In-Stores.** Commencing within thirty (30) days of the Effective Date for any of the Noticed Party’s Products that are not Reformulated Products and are sold by Noticed Party in brick-and-mortar retail stores located in California, Noticed Party shall provide a clear and reasonable warning on the label of each Product as set forth in Section 2.4. Each warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which specific Product the warning applies, so as to minimize the risk of consumer confusion.

**2.3 Internet Warnings.** For all Products that Noticed Party offers for sale directly to consumers in California via the internet, Noticed Party shall provide a warning for such Products by including the warning set forth below in Section 2.4 or a clearly marked hyperlink using the word “WARNING” on the product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase. For purposes of this subsection, a warning is not prominently displayed if the purchaser must search for it in the general content of the website.

**2.4 Text of the Warning.** The Noticed Party shall use one of the warning options set forth below, which shall include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline as shown below (the symbol


may be black or white if the color yellow is otherwise not used on the Product's packaging):

 **WARNING:** This product can expose you to chemicals including lead and lead compounds, which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

*Or*

 **WARNING:** Risk of cancer and reproductive harm from exposure to lead and lead compounds. See [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

*Or*

 **WARNING:** Can expose you to lead and lead compounds, a carcinogen and reproductive toxicant. See [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

Instead of the word “**WARNING**” the Noticed Party may instead, at its discretion, use the words “**CA WARNING**” or “**CALIFORNIA WARNING**.”

**Foreign Language Requirement.** Where a product sign, label or shelf tag used to provide a warning includes consumer information in a language other than English, the Warning must also be provided in that language in addition to English.

### **3. PENALTIES & PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)**

**3.1 Civil Penalty Payment Pursuant to Health & Safety Code § 25249.7(b).** The Noticed Party shall make a civil penalty payment of \$1,000 as a component of this settlement. The penalty payment will be allocated by DiPirro's counsel in accordance with California Health & Safety Code § 25249.12(c)(1) & (d), with 75% of the penalty funds remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to DiPirro.

### **4. REIMBURSEMENT OF FEES AND COSTS**

The parties acknowledge that DiPirro and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby

leaving this fee issue to be resolved after the material terms of the agreement had been settled. The Noticed Party then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The parties then attempted to (and did) reach an accord on the compensation due to DiPirro and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this agreement. The Noticed Party shall pay a total of \$33,500 for fees and costs incurred as a result of investigating, working with toxicology experts, bringing this matter to the Noticed Party's attention, document preparation, post-settlement compliance audit, and negotiating a settlement in the public interest.

## **5. PAYMENT AND FORM 1099**

**5.1 Payment.** The complete settlement payment in the amount of \$34,500 shall be delivered within seven business days of the Effective Date, to the bank account of Jeremy Fietz, Attorney at Law (via wire transfer, or ACH payment; number provided upon request) or by physical check to the office of Jeremy Fietz, Attorney at Law, 4241 Montgomery Drive, #123, Santa Rosa CA 95405, and for the latter option shall be in the form of a check made payable to: "Jeremy Fietz, Attorney at Law". For any payment that is returned for any reason, including insufficient funds, a payment must be made by Noticed Party in form of a cashier's check within three (3) calendar days of notification of insufficient funds, plus a 10% service fee paid to DiPirro's attorneys. Any payment that is not actually received by the due date will also be subject to a 10% late fee.

**5.2 Issuance of 1099 Form.** The Noticed Party shall provide DiPirro's counsel, Jeremy Fietz, Attorney-at-Law, with one 1099 form for the entire settlement amount. Such 1099 shall be made on the Form 1099 MISC with the amount reported in box 10 ("Gross proceeds paid to an attorney"). The Noticed Party acknowledges that 1099 shall NOT be issued under form 1099 NEC. A W9 shall be provided by Jeremy Fietz, Attorney-at-Law after this Agreement has been fully executed by the Parties to this agreement.

## **6. CLAIMS COVERED AND RELEASED**

### **6.1 DiPirro's Release of Noticed and Related Parties**

This Settlement Agreement is a full, final, and binding resolution between DiPirro and the Noticed Party of any violation of Proposition 65 that was or could have been asserted by DiPirro, on behalf of himself, or on behalf of his past and current agents, representatives, attorneys, successors, and assignees, against any of the Noticed Party, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom either Noticed Party directly or indirectly distributes or sells the Products ("Releasees"), including its downstream distributors and retailers, but not including its upstream suppliers and manufacturers, for unwarned exposures to the Listed Chemical from the Products manufactured, distributed, sold or distributed for sale in California by the Noticed Party prior to the Effective Date.

In further consideration of the promises and agreements herein contained, DiPirro, on his own behalf and on behalf of his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims that he may have against the Noticed Party and Releasees, including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses, including, without limitation, investigation fees, expert fees, and attorneys' fees against Noticed Party and the Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted against Noticed Party and Releasees regarding exposing persons to the Listed Chemical in Products sold or offered for sale by Noticed Party and Releasees in California prior to the Effective Date, and Products imported, manufactured, or distributed by Noticed Party prior to the Effective Date and sold in California by Noticed Party and Releasees within 90 days after the Effective Date.

## **6.2 Noticed Party's Release of DiPirro**

Noticed Party, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims that it may have against DiPirro and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by DiPirro and his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

## **7. SEVERABILITY**

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

## **8. GOVERNING LAW**

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then the Noticed Party may provide written notice to DiPirro of any asserted change in the law, and have no further obligations pursuant to this Settlement Agreement, with respect to, and to the extent that, the Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Noticed Party from any obligation to comply with any pertinent state or federal toxics control laws.

## **9. NOTICES**

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered or certified mail, return receipt requested; or (iii) a recognized overnight courier on any party by the other party at the following addresses:

For K&M Sheet Metal LLC:

Greg Berlin  
Alston & Bird  
350 South Grand Avenue,  
51<sup>st</sup> Floor  
Los Angeles, CA, 90071

AND

For Michael DiPirro:

Jeremy Fietz, Attorney-at-Law  
4241 Montgomery Drive, #123  
Santa Rosa CA 95405

Any party may, from time to time, specify in writing to the other party a change of address to which all notices and other communications shall be sent.

**10. COUNTERPARTS; FACSIMILE SIGNATURES**

This Settlement Agreement may be executed in counterparts, and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

**12. POST-EXECUTION ACTIVITIES**

DiPirro agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f).

**13. MODIFICATION**

This Settlement Agreement may be modified only by a written agreement of the parties to this agreement.

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**14. AUTHORIZATION**

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

AGREED TO:

Date: 01/10/2025

By: \_\_\_\_\_  
Michael DiPirro

AGREED TO:

Date: 01/14/2025

By: \_\_\_\_\_  
K&M Sheet Metal LLC  
Print Name: Mike Tenover  
Title: Owner