#### A. THE COMPLAINT AND INTRODUCTION

DTSC filed this enforcement action against WIT for Permanent Injunction, Civil Penalties, and Other Equitable Relief ("Complaint") under the California Hazardous Waste Control Law ("HWCL") (Health & Saf. Code, § 25100 et seq.) and its implementing regulations, California Code of Regulations, title 22, division 4.5, section 66260.1, et seq. ("Title 22") in connection with WIT's hazardous waste treatment and storage facility located at 538 Phelan Avenue in San Jose, California where WIT reclaims precious metals from offsite generated wastes and scrap circuit boards ("FACILITY").

On or about May 19, 2015, DTSC inspected the FACILITY for compliance with the HWCL. As a result of the inspection, DTSC found violations of the HWCL.

As set out more fully in the Complaint filed in this action, DTSC alleges that in operating the FACILITY, WIT violated the HWCL and Title 22 by illegally treating hazardous waste, failing to document inspections of FACILITY tank system and surrounding areas of the FACILITY, failing to obtain a certified assessment of its tank system, exceeding the maximum storage capacity, and storing non-permitted hazardous waste.

#### B. AGREEMENT TO SETTLE DISPUTE

DTSC and WIT, collectively "the Parties," enter into this Stipulation pursuant to a compromise and settlement and mutually consent to the entry by this Court of the agreed upon Order and Final Judgment on Consent ("Final Judgment"), which is the form attached to this Stipulation as Exhibit 1. The Parties are each represented by counsel. The Office of the Attorney General of California represents plaintiffs DTSC and the Law Office of Mark Malachowski represents WIT. If the Court does not approve this Stipulation and the agreed upon Final Judgment in the form and substance proposed in Exhibit 1, each Party reserves the right to withdraw both the Stipulation and the proposed Final Judgment, upon written notice to all Parties and the Court.

#### C. JURISDICTION AND VENUE

The Parties agree and hereby stipulate that the Superior Court of the State of California for the County of Alameda ("Court") has subject matter jurisdiction over the matters alleged in the Complaint, personal jurisdiction over the Parties, and that venue in this Court is proper.

#### D. WAIVER OF HEARING AND TRIAL AND ENTRY OF JUDGMENT

By signing and entering into this Stipulation, WIT waives its right to a hearing and trial on the matters alleged in the Complaint and waivers its right to appeal.

#### E. APPLICABILITY

Unless otherwise expressly provided herein, the provisions of this Stipulation and the Final Judgment entered by this Court shall apply to and be binding on: (a) WIT and its officers, directors, employees, representatives acting on behalf of WIT with respect to the subject matter of the injunctive provisions, and successor(s), and, (b) DTSC and any successor agency that may have responsibility for and jurisdiction over the subject matter of the Final Judgment entered in this matter.

#### F. DEFINITIONS

Except where otherwise expressly defined herein, all terms in this Stipulation shall be interpreted as set forth in, and consistent with, the HWCL and Title 22.

#### G. CIVIL PENALTIES

WIT shall pay DTSC a total of ninety thousand dollars (\$90,000) in civil penalties as set forth herein.

#### 1. SETTLEMENT PAYMENTS

Within thirty (30) calendar days of entry of the Final Judgment in this matter, WIT shall pay to DTSC an initial sum of five thousand dollars (\$5,000) as the Initial Settlement Payment. This payment shall be made by cashier's check or electronic fund transfer. If by check, the check shall be made payable to "the Department of Toxic Substances Control," and mailed to:

Cashier
Accounting Office
Department of Toxic Substances Control
P.O. Box 806
Sacramento, CA 95812-0806

A copy of the check shall be sent to:

Ryan Miya, Senior Environmental Scientist Enforcement and Emergency Response Division Hazardous Waste Management Program Department of Toxic Substances Control 700 Heinz Avenue Berkeley, CA 94710-2721

Andrew Wiener
Deputy Attorney General
Office of the Attorney General
1515 Clay Street, 20th Floor
Oakland, CA 94612-0550

The check for the Initial Settlement Payment shall bear the name of this case and court number.

WIT shall also make thirty-two (32) payments, one each month on the first day of each month for the following 32 months, in the amount of two thousand six hundred fifty-six dollars and twenty-five cents (\$2656.25). The Monthly Payments shall be paid in the same manner—either by cashier's check or by electronic funds transfer—as the Initial Settlement Payment described in the preceding paragraph. The first Monthly Payment shall be due on the first day of the month after DTSC receives WIT's Initial Settlement Payment. The Initial Settlement Payment and each Monthly Payment shall be accompanied by the Payment Voucher that is attached to this Stipulation as Exhibit 2. Thereafter, WIT shall make Monthly Payments on the first day of the month for the next thirty-one (31) months until such time as it has made payments totaling \$90,000.

### 2. LATE PAYMENTS, POST JUDGMENT INTEREST and ENFORCEMENT of JUDGMENT COSTS

WIT shall pay a late payment of two hundred and fifty dollars (\$250) per day for each day any payment is late. In addition, WIT shall pay DTSC post-judgment interest as provided in Code of Civil Procedure section 685.010 (10%) from the date of default. Further, WIT is obligated to pay costs incurred by DTSC in enforcing the money judgment against WIT, in this matter, including, but not limited to reasonable attorneys' fees.

#### H. INJUNCTIVE RELIEF

#### 1. GENERAL INJUNCTIVE PROVISIONS

WIT, shall be, and is permanently enjoined as follows:

Pursuant to the provisions of the Health and Safety Code sections 25181 and 25184, WIT shall comply with the HWCL, Title 22, and its Permit at, and in connection with, the operations of the FACILITY. Failure to comply with the specific injunctive provisions that follow may subject WIT to the enforcement provisions set forth below.

#### 2. SPECIFIC INJUNCTIVE PROVISIONS

- 2.1 WIT shall not treat hazardous waste except as provided pursuant to Health and Safety Code sections 25201, subdivision (a).
- 2.2 WIT shall conduct inspections of the FACILITY each operating day of the 's Tank System and areas immediately surrounding the externally accessible portion of the Tank System, including the secondary containment system as required by California Code of Regulations, title 22, section 66264.195, subdivision (d). WIT shall document the inspections in the FACILITY's operating record and shall make such documentation available upon request by DTSC.
- 2.3 Every five years, WIT shall have its tank system reviewed and certified by an independent, qualified, registered professional engineer attesting that the tank system has sufficient structural integrity and is acceptable for transferring, storing, and treating hazardous waste as required by California Code of Regulations, title 22, Section 66264.192, subd. (i)(1). WIT's current certified tank system, which is dated March 16, 2017, is valid through March 13, 2022. WIT shall make the certified tank assessment available to DTSC upon request.
- 2.4 WIT shall not exceed the maximum storage capacity and/or store non-permitted hazardous waste as established by its Permit and as required by Health and Safety Code section 25201, subdivision (a) and California Code of Regulations, title 22, section 66270.30(a).

#### I. ENFORCEMENT OF CONSENT JUDGMENT

- 1. DTSC has the right to enforce this Stipulation and the Final Judgment as provided herein and pursuant to applicable law.
- 2. WIT reserve all rights to oppose any motion brought by DTSC to enforce any provision of the Final Judgment.

3. Nothing in the forgoing is intended to, nor shall be construed to, restrict DTSC's authority to pursue a new action under the HWCL against WIT and to seek injunctive relief and penalties, except as provided below in section I, "Matters Covered and Reserved Claims."

#### J. EFFECT OF CONSENT JUDGMENT

Other than "Covered Matters" as defined in Paragraph K.1 below, nothing herein is intended, nor shall it be construed, to preclude DTSC, or any state, county, or local agency, department, board, or entity from exercising its authority under any law, statute, or regulation.

#### K. MATTERS COVERED AND RESERVED CLAIMS

- 1. This Stipulation and the Final Judgment entered in this matter is a final and binding resolution and settlement of the violations specifically alleged by DTSC in the causes of action against WIT in the Complaint. The matters described in the previous sentence are "Covered Matters."
- 2. DTSC reserves its authority to pursue any claim, violation, or cause of action that is not a Covered Matter ("Reserved Claims").

Any violations that are not specifically alleged by DTSC in the causes of action against WIT in the Complaint are Reserved Claims and are not resolved, settled, or covered by the Stipulation and Final Judgment, including, but not limited to, violations, if any, that occurred after May 19, 2015.

DTSC reserves its authority under the Hazardous Waste Control Law to: (a) enforce the Final Judgment, (b) use the violations in the complaint and WIT's admissions to those violations to seek enhanced penalties in any subsequent administrative or civil action to show a pattern or course of conduct or a history of non-compliance; (c) use the violations alleged in the complaint and WIT's admissions to those violations in DTSC's permit decision process.

3. Notwithstanding any other provision of the Final Judgment, Reserved Claims also include, and are not limited to, any claims or causes of action for: cost recovery or performance of response action, concerning or arising out of past or future releases, spills, leaks, discharges, or disposal of hazardous materials, hazardous wastes, and/or hazardous substances.

Fred Rex, Owner and President 538 Phelan Avenue San Jose, CA 95112 fredrex@witrefining.com

With a copy to:

Mark Malachowski Law Office of Malachowski & Associates 870 Market Street, Suite 1048 San Francisco, CA 94102 mark@marklawsf.com

Any party may change its notice and name and address by informing the other parties in writing by certified mail. The change shall be effective upon receipt of the certified mail.

2. Except as expressly stated herein, all notices and communications required or permitted under the Final Judgment that are properly addressed as provided in this section are effective upon delivery if delivered personally or by overnight delivery, or are effective five (5) days following deposit in the United States mail, postage prepaid, if delivered by mail, or are effective the next court day that electronic mail is sent before 5 p.m. (PST) to the electronic mail addresses of the designated recipient for notice concurrent with sending the notice by United States mail.

#### M. NECESSITY FOR WRITTEN APPROVALS

All notices, approvals, and decisions of DTSC under the terms of this Stipulation or the Final Judgment shall be communicated to WIT in writing. No oral advice, guidance, suggestions, or comments by employees or officials of DTSC regarding submissions or notices shall be construed to relieve WIT of its obligations to obtain any final written approval required by this Stipulation or the Final Judgment.

#### N. NO LIABILITY OF DTSC

DTSC shall not be liable for any injury or damage to persons or property resulting from acts or omissions by WIT or its respective officers, directors, employees, agents, representatives, contractors, successors, or assigns, in carrying out activities pursuant to the Final Judgment, nor shall DTSC be held as a party to or guarantor of any contract entered into by WIT or its

respective officers, directors, employees, agents, representatives, contractors, successors, or assigns, in carrying out the requirements of this Stipulation or the Final Judgment.

#### O. ADMISSION OF LIABILITY BY WIT

WIT admits the violations of law as set forth in each of the causes of action alleged in the Complaint. WIT also agrees that it will not assert equitable defenses including but not limited to laches, in connection with DTSC's use of violations alleged in the complaint in future enforcement actions or permitting proceeding(s) and/or permit decision(s).

#### P. NO WAIVER OF RIGHT TO ENFORCE

The failure of DTSC to enforce any provision of this Stipulation or the Final Judgment shall neither be deemed a waiver of such provision, nor in any way affect the validity of this Stipulation or the Final Judgment. The failure of DTSC to enforce any such provision shall not preclude it from later enforcing the same or other provision of this Stipulation or the Final Judgment. No oral advice, guidance, suggestions, or comments by employees or officials of DTSC regarding matters covered in this Stipulation or the Final Judgment shall be construed to relieve WIT of its obligations under this Stipulation or the Final Judgment.

#### O. FUTURE REGULATORY CHANGES

Nothing in this Stipulation or the Final Judgment shall excuse WIT from meeting any more stringent requirements that may be imposed by changes in applicable law.

#### R. APPLICATION OF CONSENT JUDGMENT

This Stipulation and the Final Judgment shall apply to and be binding upon DTSC and upon WIT, and upon its officers, managers, employees, agents, contractors, successors, and assigns in their official capacity.

#### S. AUTHORITY TO ENTER INTO STIPULATION

Each signatory to this Stipulation certifies that he or she is fully authorized by the party he or she represents to enter into this Stipulation, to execute it on behalf of the party represented, and to legally bind that party.

#### T. CONTINUING JURISDICTION

The Parties agree that this Court has continuing jurisdiction to interpret and enforce this Stipulation and the Final Judgment. The Court shall retain continuing jurisdiction to enforce the terms of this Stipulation and the Final Judgment and to address any other matters arising out of or regarding this Stipulation and the Final Judgment.

#### U. ABILITY TO INSPECT AND COPY RECORDS AND DOCUMENTS

WIT shall permit any duly authorized representative of DTSC, as authorized by law, to exercise their respective regulatory authority to inspect and copy WIT's records and documents to, inter alia, determine whether WIT is in compliance with the terms of this Stipulation and the Final Judgment.

#### V. INTERPRETATION OF STIPULATION AND FINAL JUDGMENT

This Stipulation and Final Judgment shall be deemed to have been drafted equally by the Parties hereto. DTSC and WIT agree that the rule of construction holding that ambiguity is construed against the drafting party shall not apply to the interpretation of this Stipulation and the Final Judgment.

#### W. JUDGMENT PURSUANT TO STIPULATION

The Parties further stipulate that upon approval of this Stipulation by the Court, the Court may enter Final Judgment in this matter in the form set forth in the attached Exhibit 1. If the Court does not approve this Stipulation and the agreed upon Final Judgment in the form and substance proposed in Exhibit 1 hereto, each Party reserves the right to withdraw both the Stipulation and the proposed Final Judgement, upon written notice to all Parties and the Court.

#### X. COUNTERPART SIGNATURES

This Stipulation may be executed in counterpart signatures.

#### Y. INTEGRATION

This Stipulation and the Final Judgment constitutes the entire agreement between DTSC and WIT with respect to the matters specifically alleged in the Complaint and may not be amended or supplemented except as provided for in this Stipulation or the Final Judgment.

#### Z. MODIFICATION OF FINAL JUDGMENT

1	This Stipulation and the Final Judgment may be modified by express written agreement of		
2	the Parties, with the approval of the Court, or by an order of the Court in accordance with law.		
3	AA. COSTS AND ATTORNEYS' FEES		
4	Except as otherwise provided in this Stipulation and the Final Judgment, each Party		
5	to this Stipulation and the Final Judgment shall bear its own costs and attorneys' fees.		
6			
7	IT IS SO STIPULATED		
8	Plaintiffs, PEOPLE OF THE STATE OF CALIFORNIA, ex rel. Barbara A. Lee, Director,		
9	California Department of Toxic Substances Control		
10	DATED: 4/17/18 Original signed by Keith Kihara		
11	By:		
12	Keith Kihara, Chief Enforcement and Emergency Response Division		
13	Hazardous Waste Management Program Plaintiff People of the State of California, ex rel.		
14	Barbara A. Lee, Director, California Department of Toxic Substances Control		
15			
16	WIT SALES and REFINING		
17	DATED: 3/27/18 Original signed by Fred Rex		
18	Byl Fred Rex		
19	WIT SALES and REFINING		
20	Title: Owner		
21			
22			
23			
24			
25			
26			
27			
28			
	11		

## EXHIBIT 1

[PROPOSED] FINAL JUDGMENT AND PERMANENT INJUNCTION ON CONSENT PURSUANT TO STIPULATION

1	Xavier Becerra				
2	Attorney General of the State of California SUSAN FIERING				
	Supervising Deputy Attorney General				
3	ANDREW WIENER, State Bar No. 282414  Deputy Attorneys General				
4	1515 Clay Street, 20th Floor P.O. Box 70550				
5	Oakland, CA 94612-0550				
6	Telephone: (510) 879-1975 Fax: (510) 622-2270				
7	Email: Andrew.Wiener@doj.ca.gov				
8	Attorneys for the People of the State of California, ex rel. Barbara A. Lee, Director, California Department of Toxic Substances Control				
9	SUPERIOR COURT OF THE	STATE OF CALIFORNIA			
10		FOR THE COUNTY OF ALAMEDA			
11	POR THE COUNT	OF ALAMEDA			
12	· 				
13	PEOPLE OF THE STATE OF	Case No.			
14	CALIFORNIA, ex rel. BARBARA A. LEE, DIRECTOR, CALIFORNIA				
	DEPARTMENT OF TOXIC SUBSTANCES CONTROL,	[PROPOSED] FINAL			
15	Plaintiffs,	JUDGMENT AND PERMANENT			
16	<b>v.</b>	INJUNCTION ON CONSENT PURSUANT TO STIPULATION			
17	MANTREX INC. dba WIT SALES AND REFINING,	(Code of Civil Procedure § 664.6)			
18	Defendant.	,			
19	Delondant.				
20		I			
21	Having reviewed the Stipulation for Entry	of Order and Final Judgment on Consent			
22	(the "Stipulation") executed by Plaintiffs the People of the State of California, ex rel. Barbara				
	A. Lee, Director, California Department of Toxic Substances Control and Defendant Mantrex				
23					
24	Inc. dba WIT Sales and Refining, and good cause appearing herein, the Court finds that the				
25	settlement between the Plaintiff and the Defendant as set forth in the Stipulation is fair and in				
26	the public interest and approves the Stipulation.				
27	Accordingly, the Court enters this Final Jud	dgment on Consent on the terms set forth in			
28					

FOR SETTLEMENT PURPOSES ONLY		
the Stipulation.		
IT IS SO ORDERED AND ADJUDGED.		
DATED:	HON. JUDGE OF THE SUPERIOR COURT	
	HON. JUDGE OF THE SUPERIOR COURT	
	2 [Proposed] Final Consent Judgment and Permanent Injunction [CASE NO	

### EXHIBIT 2

PAYMENT VOUCHER

# STATE OF CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY DEPARTMENT OF TOXIC SUBSTANCES CONTROL

#### **PAYMENT VOUCHER**

Docket No.:

HWCA20167296

Respondent:

MANTREX INC. dba WIT SALES AND REFINING

ID No.:

CAD980888598

County:

Santa Clara County

Total Due:

\$90,000.00

Administrative Costs \$0

Penalty/Fine

\$90,000.00

Payment Number	Date Due	Payment Amount
Initial Payment	Within thirty (30) calendar days of	\$5,000.00
	entry of the Final Judgment	
Monthly Payment # 1	First day of the second month	\$2656.25
	following entry of the Final Judgment	
Monthly Payment # 2	First day of the third month following	\$2656.25
	entry of the Final Judgment	
Monthly Payment # 3	First day of the fourth month following	\$2656.25
	entry of the Final Judgment	
Monthly Payment # 4	First day of the fifth month following	\$2656.25
	entry of the Final Judgment	
Monthly Payment # 5	First day of the sixth month following	\$2656.25
	entry of the Final Judgment	
Monthly Payment # 6	First day of the seventh month	\$2656.25
	following entry of the Final Judgment	
Monthly Payment # 7	First day of the eighth month following	\$2656.25
	entry of the Final Judgment	
Monthly Payment # 8	First day of the ninth month following	\$2656.25
AND RESIDENCE OF THE SECOND SE	entry of the Final Judgment	
Monthly Payment # 9	First day of the tenth month following	\$2656.25
	entry of the Final Judgment	
Monthly Payment # 10	First day of the eleventh month	\$2656.25
	following entry of the Final Judgment	
Monthly Payment # 11	First day of the twelfth month following	\$2656.25
	entry of the Final Judgment	

Payment Number	<u>Date Due</u>	Payment Amount
Monthly Payment # 12	First day of the thirteenth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 13	First day of the fourteenth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 14	First day of the fifteenth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 15	First day of the sixteenth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 16	First day of the seventeenth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 17	First day of the eighteenth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 18	First day of the nineteenth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 19	First day of the twentieth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 20	First day of the twenty-first month following entry of the Final Judgment	\$2656.25
Monthly Payment # 21	First day of the twenty-second month following entry of the Final Judgment	\$2656.25
Monthly Payment # 22	First day of the twenty-third month following entry of the Final Judgment	\$2656.25
Monthly Payment # 23	First day of the twenty-fourth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 24	First day of the twenty-fifth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 25	First day of the twenty-sixth month following entry of the Final Judgment	\$2656.25

Payment Number	<u>Date Due</u>	Payment Amount
Monthly Payment # 26	First day of the twenty-seventh month following entry of the Final Judgment	\$2656.25
Monthly Payment # 27	First day of the twenty-eighth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 28	First day of the twenty-ninth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 29	First day of the thirtieth month following entry of the Final Judgment	\$2656.25
Monthly Payment # 30	First day of the thirty-first month following entry of the Final Judgment	\$2656.25
Monthly Payment # 31	First day of the thirty-second month following entry of the Final Judgment	\$2656.25
Monthly Payment # 32	First day of the thirty-third month following entry of the Final Judgment	\$2656.25