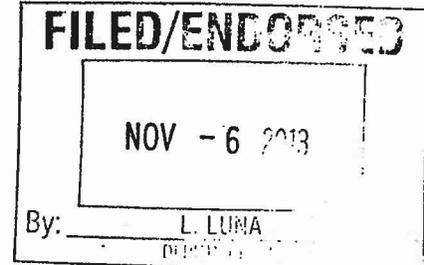


**Attorney General's Office  
Copy**

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8 California, ex rel. Deborah O. Raphael, Director,  
Department of Toxic Substances Control



SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

14 **PEOPLE OF THE STATE OF**  
15 **CALIFORNIA, ex rel. DEBORAH O.**  
16 **RAPHAEL, Director of DEPARTMENT**  
17 **OF TOXIC SUBSTANCES CONTROL,**  
18  
19 **v.**  
20 **R SQUARED CIRCUITS,**  
21 **INCORPORATED,**  
22  
23 **Plaintiff,**  
24  
25 **Defendant.**

Case No. 34-2013-00151864

**STIPULATION FOR ENTRY OF FINAL  
JUDGMENT ON CONSENT**

23 This Stipulation for Entry of Final Judgment on Consent ("Stipulation") is entered into by  
24 and between, Plaintiff, People of the State of California, ex rel. Deborah O. Raphael, Director,  
25 Department of Toxic Substances Control ("DTSC"), and Defendant, R Squared Circuits,  
26 Incorporated ("R Squared Circuits"). DTSC and R Squared Circuits ("the Parties") have agreed  
27 to settle this matter without further litigation on the terms set forth below.

28 ///

1           **A. THE COMPLAINT**

2           Concurrent with this Stipulation, DTSC is filing a complaint for civil penalties and  
3 injunctive relief (“Complaint”) against Defendant pursuant to the California Hazardous Waste  
4 Control Law, Health and Safety Code section 25100 *et seq.* (“HWCL”) and its implementing  
5 regulations. Defendant is an owner and operator of a manufacturing facility located at 120 Blue  
6 Ravine Road, Folsom, California where hazardous waste was generated, treated, and stored (“the  
7 Facility”). The Facility is not currently in operation.

8           This Stipulation settles the matters specifically alleged by DTSC against R Squared Circuits  
9 in the Complaint.

10           **B. JURISDICTION**

11           DTSC and R Squared Circuits stipulate and agree that the Superior Court of the State of  
12 California for the County of Sacramento (the “Court”) has subject matter jurisdiction over the  
13 matters alleged in the Complaint and personal jurisdiction over the Parties.

14           **C. DEFENDANT’S WAIVER OF HEARING, TRIAL, AND APPEAL**

15           By signing and entering into this Stipulation, K Squared Circuits waives its right to hearing  
16 and trial on the matters alleged in the Complaint and to an appeal in this matter.

17           **D. SETTLEMENT OF DISPUTED CLAIMS**

18           DTSC and R Squared Circuits enter into this Stipulation pursuant to a compromise and  
19 settlement of the matters specifically alleged by DTSC against R Squared Circuits in the  
20 Complaint and by mutually consenting to the entry by this Court of the Final Judgment on  
21 Consent (“Final Judgment”) in the form attached hereto as Exhibit 1. The Parties are each  
22 represented by counsel. The Office of the Attorney General represents DTSC. James T. Dufour,  
23 Dufour Law, represents R Squared Circuits. This Stipulation and the Final Judgment were  
24 negotiated and executed in good faith and at arm’s length by the Parties to avoid expensive and  
25 protracted litigation regarding the violations of the HWCL specifically alleged in the Complaint  
26 and to further the public interest. Thus, the Parties each voluntarily enter into this Stipulation and  
27 request entry of the Final Judgment by this Court. Should the Court not approve the Final  
28 Judgment as stipulated, the Parties reserve the right to rescind the Stipulation.

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**E. SETTLEMENT**

The Parties enter into this Stipulation as a compromise and settlement of the disputed claims specifically alleged by DTSC in the Complaint to avoid the expense of litigation and in furtherance of the public interest. The Parties agree that there has been no adjudication of any fact or law.

**F. MONETARY SETTLEMENT REQUIREMENTS**

Judgment shall be entered in this matter for civil penalties in the amount of one hundred thousand dollars (\$100,000). DTSC has determined that the appropriate amount of penalties for the violations it alleges to be four hundred forty-five thousand three hundred thirty-four dollars (\$445,334). R Squared Circuits has represented under penalty of perjury, and it further certifies by signing below, that it does not have the financial resources to pay the full penalty determined by DTSC for the violations alleged in the Complaint. Accordingly, in reliance on the financial representations and certifications by R Squared Circuits' authorized representative, and in settlement of this matter, the Parties agree that the civil penalties shall be paid in accordance with Section F.1 below.

**1. INITIAL PENALTY PAYMENT**

a. Within thirty (30) calendar days of entry of the Final Judgment in this matter, R Squared Circuits shall pay to DTSC seventy-five thousand dollars (\$75,000) in civil penalties. This payment shall be made by cashier's check, payable to "the Department of Toxic Substances Control," and mailed to:

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

b. The check to DTSC shall bear the name of this case, "People v. R Squared Circuits," and the court case number.

c. An electronic (i.e., pdf) copy or paper photocopy of the check shall be sent concurrently to each of the following:

1 Dr. Sangat Kals  
2 State Oversight and Enforcement Branch  
3 Department of Toxic Substances Control  
4 8800 Cal Center Drive, MS R1-3  
5 Sacramento, CA 95826-3200

6 Richard Driscoll  
7 Office of Legal Affairs  
8 Department of Toxic Substances Control  
9 P.O Box 806  
10 Sacramento, CA 95812-0806

11 Kirk McInnis  
12 Deputy Attorney General  
13 Office of the Attorney General  
14 1515 Clay Street, 20th Floor  
15 Oakland, CA 94612-0550

16 **2. SUSPENDED PENALTY**

17 a. Of R Squared Circuits' total liability of one hundred thousand dollars  
18 (\$100,000), twenty-five thousand dollars (\$25,000) shall be suspended, as set forth below.

19 b. If DTSC determines that R Squared Circuits has violated one or more of the  
20 injunctive provisions provided for by Section G of this Stipulation, DTSC may file a noticed  
21 motion requesting that the Court impose a suspended penalty. R Squared Circuits retains the  
22 right to oppose the motion.

23 c. If the Court finds that R Squared Circuits violated any of the provisions of  
24 Section G of this Stipulation on one or more occasion, for each violation, it shall require R  
25 Squared Circuits to pay a suspended penalty of five thousand dollars (\$5,000). Suspended  
26 penalties may be imposed until the entire suspended penalty amount of twenty-five thousand  
27 dollars (\$25,000) is exhausted.

28 d. R Squared Circuits shall pay a suspended penalty within twenty (20) days of the  
entry of an order imposing a suspended penalty unless R Squared Circuits files a timely appeal.  
In that event, R Squared Circuits shall pay the suspended penalty within twenty (20) days of any  
order on appeal affirming imposition of the suspended penalty.

e. Nothing in this section is meant to limit the Court's power to enforce the Final  
Judgment on Consent through its contempt power.

///

1           **3. LATE PAYMENTS**

2           In addition to any payments due to DTSC pursuant to the provision of Sections F.1  
3 and F.2, R Squared Circuits shall be and is hereby deemed liable for, and shall pay DTSC, two  
4 thousand five hundred dollars (\$2,500) per day for the first seven (7) days that a payment required  
5 under Sections F.1 or F. 2 is late. If the payment is more than seven (7) days late, beginning on  
6 the eighth day the payment is late, in addition to the late payments for days 1-7, R Squared  
7 Circuits shall be and is hereby deemed liable for, and shall pay DTSC, five thousand dollars  
8 (\$5,000) per day for each additional day a payment required under Sections F.1 or F.2 is late.

9           **G. INJUNCTION**

10          R Squared Circuits is not currently engaged in the generation, handling, transportation,  
11 storage, treatment, or disposal of hazardous wastes in the State of California. Should R Squared  
12 Circuits again become engaged in the generation, handling, transportation, storage, treatment, or  
13 disposal of hazardous wastes, whether at the Facility or at another location in the State of  
14 California, R Squared Circuits, its officers, directors, managers, employees, agents, and  
15 successors in interest shall comply with the following in connection with the site where such  
16 generation, handling, transportation, storage, treatment, or disposal of hazardous wastes occur  
17 (“the Site”):

18           a.     R Squared Circuits shall prepare and maintain a written inspection schedule for  
19 the Site and a log of inspections conducted at the Site as required pursuant to Health and Safety  
20 Code section 25200.3(c)(5). Such records will be maintained at the Site for a period of five years  
21 as required pursuant to Health and Safety Code section 25200.3(c)(7).

22           b.     R Squared Circuits shall maintain written operating instructions for the Site and  
23 a record of the dates, concentration, amounts, and types of hazardous waste generated at the Site,  
24 as required pursuant to Health and Safety Code section 25200.3(c)(6). Such records will be  
25 maintained at the Site for a period of five years, as required pursuant to Health and Safety Code  
26 section 25200.3(c)(7).

27           c.     Before using a hazardous waste tank system or components at the Site, R  
28 Squared Circuits shall obtain a written assessment reviewed and certified by an independent,

1 qualified professional engineer, registered in California, attesting that the tank system or  
2 components have sufficient structural integrity, are acceptable for the waste handling activity, and  
3 are suitably designed, as required by California Code of Regulations, title 22, section  
4 66265.192(a). R Squared Circuits shall further conduct periodic assessments of the hazardous  
5 waste tank systems or components, as required by California Code of Regulations, title 22,  
6 section 66265.192(h). Records of such assessments shall be maintained at the Site, as required by  
7 California Code of Regulations, title 22, section 66265.192(a) and (c).

8  
9 d. R Squared Circuits shall develop and follow a written waste analysis plan for  
10 the Site and keep the plan at the Site, as required by California Code of Regulations, title 22,  
11 section 66265.13. R Squared Circuits shall also obtain and record detailed analyses of wastes  
12 treated at the Site available for review by DTSC, as required by California Code of Regulations,  
13 title 22, section 66265.13.

14 e. R Squared Circuits shall conduct and document daily inspections at the Site of  
15 hazardous waste tank systems, data from monitoring and leak detection equipment, and the area  
16 immediately surrounding the tank system to detect corrosion, releases of wastes, or signs of  
17 releases of wastes, as required by California Code of Regulations, title 22, section 66265.195.

18 f. R Squared Circuits shall file Phase I environmental assessments for the Site  
19 with the local Certified Unified Program Agency, as required by Health and Safety Code section  
20 25200.14.

21 g. R Squared Circuits shall not treat hazardous waste at the Site unless it holds a  
22 hazardous waste facilities permit or the treatment is otherwise authorized under the DTSC's  
23 regulations, as required by Health and Safety Code section 25201(a).

24 h. R Squared Circuits shall not engage in electrowinning of hazardous waste water  
25 at the Site without prior authorization from DTSC, as required by Health and Safety Code section  
26 25201(a).

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1           **J.   MATTERS COVERED AND RESERVED CLAIMS**

2           1.     The Final Judgment entered in this matter is a final and binding resolution and  
3 settlement of the violations and causes of action specifically alleged by DTSC against R Squared  
4 Circuits in the Complaint through December 28, 2011. The matters described in the previous  
5 sentence are "Covered Matters." DTSC reserves the right to pursue any claim, violation, or cause  
6 of action that is not a Covered Matter ("Reserved Claims"). Claims, violations, or causes of action  
7 against independent contractors of R Squared Circuits, if any, are not resolved by the Final  
8 Judgment.

9           2.     Any violations or causes of action that are not specifically alleged in the Complaint  
10 against R Squared Circuits, including, but not limited to, any alleged violations that occurred after  
11 December 28, 2011 are not resolved, settled, or covered by the Final Judgment.

12          3.     Notwithstanding any other provision of the Final Judgment, Reserved Claims  
13 include, but are not limited to, any claims or causes of action for performance of corrective  
14 action, response action, or recovery of costs of actions, concerning or arising out of actual past or  
15 future releases, spills, leaks, discharges, or disposal of hazardous materials, hazardous wastes,  
16 and/or hazardous substances.

17          4.     In any subsequent action that may be brought in the name of DTSC based on any  
18 Reserved Claims, R Squared Circuits agrees that it will not assert that the failure to pursue the  
19 Reserved Claims as part of this action constitutes claim-splitting or laches or is otherwise  
20 inequitable because of this asserted failure. This Paragraph does not bar R Squared Circuits from  
21 asserting any statute of limitations that may be applicable to any Reserved Claims or any other  
22 defense, except as provided herein.

23           **K.   NOTICE TO OFFICERS, MANAGERS, BOARD MEMBERS, AND**  
24           **SUCCESSORS IN INTEREST**

25          1.     Within fourteen (14) calendar days of the entry of Final Judgment by this Court, R  
26 Squared Circuits shall provide a copy of the Stipulation and Final Judgment to all officers,  
27 managers, and board members. The officers, managers, and board members of R Squared Circuits  
28

1 shall sign an acknowledgement of receipt of the Stipulation and Final Judgment. The signed  
2 acknowledgments shall be provided to DTSC within 21 days of the entry of Final Judgment.

3           2. R Squared Circuits shall provide a copy of the Final Judgment to any successor in  
4 interest of R Squared Circuits. R Squared Circuits shall also provide DTSC with written  
5 verification that a copy of the Stipulation and Final Judgment was provided to the authorized  
6 representative of any successor in interest within seven (7) days of completion of the transfer of  
7 ownership.

8           **L. NOTICE TO THE PARTIES**

9           1. All submissions and notices required by this Stipulation and the Final Judgment shall  
10 be in writing and sent to:

11           a. For Plaintiff:

12                           Dr. Sangat Kals  
13                           Statewide Emergency Response and Sacramento Enforcement Branch  
14                           Department of Toxic Substances Control  
15                           8800 Cal Center Drive, MS R1-3  
16                           Sacramento, CA 95826-3200

17                           Richard Driscoll  
18                           Office of Legal Affairs  
19                           Department of Toxic Substances Control  
20                           P.O Box 806  
21                           Sacramento, CA 95812-0806

22                           Kirk McInnis  
23                           Deputy Attorney General  
24                           Office of the Attorney General  
25                           1515 Clay Street, 20th Floor  
26                           Oakland, CA 94612-0550

27           b. For R Squared Circuits:

28                           Dave Adams, Office Manager  
                          R-Squared Circuits  
                          90 Blue Ravine Road, Suite 1  
                          Folsom, CA 95630

///

1 James T. Dufour  
2 Dufour Law  
3 819 F Street  
4 Sacramento, CA 95814

5 Any party may change its notice and name and address by informing the other party in  
6 writing by certified mail. The change shall be effective within seven calendar days of the date of  
7 the written notice.

8 **M. NECESSITY FOR WRITTEN APPROVALS**

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

14 **N. NO LIABILITY OF DTSC**

15 R Squared Circuits covenants not to pursue any civil or administrative claims against DTSC  
16 or against any governmental unit of the State of California, any counties, or municipalities in the  
17 State of California, or against their officers, employees, representatives, agents, or attorneys for  
18 actions taken against R Squared Circuits arising out of or related to Covered Matters in this  
19 proceeding.

20 Further, DTSC shall not be liable for any injury or damage to persons or property resulting  
21 from acts or omissions by R Squared Circuits, its officers, directors, employees, agents,  
22 representatives, successors, or contractors, in carrying out activities pursuant to this Stipulation or  
23 the Judgment, nor shall DTSC be held as a party or guarantor of any contract entered into by R  
24 Squared Circuits, its officers, directors, employees, agents, representatives, successors, or  
25 contractors, in carrying out the requirements of this Stipulation or the Judgment.

26 **O. NO WAIVER OF RIGHT TO ENFORCE**

27 The failure of DTSC to enforce any provision of this Stipulation or the Final Judgment shall  
28 neither be deemed a waiver or modification of such provision, nor in any way affect the validity

1 of this Stipulation or the Final Judgment. The failure of DTSC to enforce any such provision  
2 shall not preclude it from later enforcing the same or other provisions of this Stipulation or the  
3 Final Judgment. No oral advice, guidance, suggestions, or comments by employees or officials of  
4 DTSC or R Squared Circuits, or people or entities acting on behalf of R Squared Circuits,  
5 regarding matters covered in this Stipulation or the Final Judgment shall be construed to relieve R  
6 Squared Circuits of its obligations under this Stipulation or the Final Judgment.

7 **P. APPLICABILITY OF STIPULATION AND FINAL JUDGMENT**

8 Unless otherwise expressly provided herein, the provisions of this Stipulation and the Final  
9 Judgment shall apply to and be binding upon: (a) R Squared Circuits, and upon its officers  
10 directors, managers, employees, agents, successors, assignees, and other "persons," as that term is  
11 defined under the Health and Safety Code section 25118, acting, by, through, or on behalf of R  
12 Squared Circuits; and (b) DTSC and any successor agency of DTSC that may have responsibility  
13 for and jurisdiction over the subject matter of the Final Judgment.

14 **Q. AUTHORITY TO ENTER INTO STIPULATION**

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

18 **R. CONTINUING JURISDICTION**

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

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1                   **S.     EQUAL AUTHORSHIP**

2                   This Stipulation and the Final Judgment were drafted equally by the signatories hereto.  
3                   The signatories agree that the rule of construction holding that ambiguity is construed  
4                   against the drafting party shall not apply to the interpretation of this Stipulation and the  
5                   Final Judgment.

6                   **T.     COUNTERPART SIGNATURES**

7                   This Stipulation may be executed in several counterpart original signatures, all of which  
8                   taken together shall constitute an integrated document.

9                   **U.     INTEGRATION**

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

13                  **V.     AMENDMENTS TO THIS STIPULATION AND THE FINAL**  
14                  **JUDGMENT**

15                  This Stipulation and the Final Judgment may only be amended pursuant to a written  
16                  agreement signed by the Parties, followed by written approval by the Court, or by an order of the  
17                  Court following the filing of a motion or application.

18                  **W.     COSTS AND ATTORNEYS' FEES**

19                  Except as provided for herein, each Party to this Stipulation and Final Judgment shall  
20                  bear its own costs and attorneys' fees.

21                  **X.     ENTRY OF FINAL JUDGMENT PURSUANT TO STIPULATION**

22                  The Parties further stipulate that upon submission of this Stipulation to the Court, the Court  
23                  shall enter the Final Judgment in this matter in the form set forth in the attached Exhibit 1. The  
24                  "Effective Date" of the Final Judgment is the date the Final Judgment is entered by the Court. If  
25                  the Court does not approve the Final Judgment in the form and substance proposed in Exhibit 1  
26                  hereto, each Party reserves the right to withdraw both the Stipulation and the Final Judgment  
27                  upon written notice to all Parties and the Court.

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**IT IS SO STIPULATED**

Plaintiff, People of the State of California, *ex rel.* Deborah O. Raphael, Director, Department of Toxic Substances Control

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Paul Kewin, Division Chief  
Enforcement and Emergency Response Division,  
Hazardous Waste Management Program  
Department of Toxic Substances Control

R Squared Circuits, Inc.:

DATED: 10/10/13

By: Original signed by Dave Adams  
Dave Adams, Office Manager  
R-Squared Circuits, Inc.

Approved as to form:

Original signed by Kirk McInnis

~~Kirk McInnis~~  
Office of the Attorney General

Original signed by James T. Dufour

~~James T. Dufour~~  
Dufour Law

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**IT IS SO STIPULATED**

Plaintiff, People of the State of California, *ex rel.* Deborah O. Raphael, Director, Department of Toxic Substances Control

DATED: 10-25-2013

By: Original signed by Paul Kewin  
Paul Kewin, Division Chief  
Enforcement and Emergency Response Division,  
Hazardous Waste Management Program  
Department of Toxic Substances Control

R Squared Circuits, Inc.:

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Dave Adams, Office Manager  
R-Squared Circuits, Inc.

Approved as to form:

\_\_\_\_\_  
Kirk McInnis  
Office of the Attorney General

\_\_\_\_\_  
James T. Dufour  
Dufour Law