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**EXEMPT FROM FILING FEES  
GOVERNMENT CODE § 6103**

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SACRAMENTO**

**PEOPLE OF THE STATE OF  
CALIFORNIA, ex rel. Barbara A. Lee,  
Director of the CALIFORNIA  
DEPARTMENT OF TOXIC  
SUBSTANCES CONTROL,**

**Plaintiff,**

**v.**

**SIMS RECYCLING SOLUTIONS, INC.,**

**Defendant.**

Case No.

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

Action Filed:

Plaintiff People of the State of California, ex rel. Barbara A. Lee, Director of the California Department of Toxic Substances Control (hereinafter "DTSC"), and Defendant Sims Recycling Solutions, Inc. ("SRS") enter into this Stipulation for Entry of Final Judgment ("Stipulation"), and agree as follows:

## **1.ee GENERAL BACKGROUND**

SRS owns and operates a 200,000 square foot facility located at 8855 Washington Boulevard, Roseville, Placer County, California 95678 ("the Roseville Facility"). At the time of DTSC's inspections, described in Section 2 of this Stipulation, SRS recycled various types of discarded electronic devices ("e-waste"), which were regulated pursuant to DTSC's universal waste regulations. (Cal. Code Regs., tit. 22, Division 4.5, section 66273.1, et seq. (Chapter 23, Standards for Universal Waste Management)). SRS received large volumes of e-waste, including but not limited to, cathode ray tube ("CRT") devices, computers, laptops, and various items containing electronic components, which were sorted, disassembled, and shredded at the Roseville Facility. A large shredder was used by SRS at the Roseville Facility to shred e-waste into small pieces and mechanically sort the output downstream. A "baghouse" attached to the shredder collected the residue created by the shredding process. This residue is typically referred to as "baghouse dust" and can contain various metals and other hazardous waste constituents. SRS has informed DTSC that this shredder is no longer in use. A smaller shredder continues to be used at the Roseville Facility.

Prior to July 2, 2012, SRS shipped the contents of the baghouse dust to a smelter in Canada. SRS's management of baghouse dust, and other hazardous wastes generated by its e-waste recycling operations are regulated by DTSC pursuant to the California Hazardous Waste Control Law, Health and Safety Code § 25100 et seq. ("HWCL"), and its implementing regulations, Cal. Code Regs., tit. 22, Division 4.5, sections 66260.1 et seq. ("Title 22"). In the Complaint filed in this action, DTSC has alleged that SRS violated the HWCL and Title 22 at the Roseville Facility.

## **2. DTSC INSPECTIONS**

As set forth more fully in the Complaint, on or about August 9, 2011, DTSC inspected the Roseville Facility for compliance with the HWCL and Title 22 ("2011 Inspection"). DTSC discovered violations of the HWCL and Title 22, which DTSC noted in a Summary of Violations ("SOV") issued to SRS on October 5, 2011. DTSC issued Supplemental SOV's to SRS on March 27, 2012 and July 26, 2013 regarding the Roseville Facility.

On March 19, 2015, DTSC again inspected the Roseville Facility and found additional violations of the HWCL and Title 22 ("2015 Inspection"). These violations differed from those<sup>ee</sup> found during the 2011 Inspection. On May 15, 2015, DTSC issued an SOV to SRS for the violations found on March 19, 2015. DTSC conducted further inspections of the Roseville Facility on February 10, 2016 and January 25, 2017, during which no violations were identified.

### **3. THE COMPLAINT**

DTSC has filed its Complaint in this action seeking, among other things, injunctive relief and civil penalties against SRS pursuant to the HWCL and Title 22 based on the results of the 2011 Inspection and the 2015 Inspection of the Roseville Facility, and as set forth in the SOV's issued to SRS. DTSC's Complaint alleges that SRS violated certain provisions of the HWCL and Title 22.

### **4. AGREEMENT TO SETTLE DISPUTE**

DTSC and SRS (collectively, the "Parties" and singularly, "Party") enter into this Stipulation pursuant to a compromise and settlement. The Parties agree that there has been no adjudication of any fact or law, and SRS does not admit any fact, liability, or violation of law. Each of the Parties consents to the entry by the Superior Court of Sacramento County (the "Court") of the Final Judgment Pursuant to Stipulation in the substance and form attached hereto as Exhibit A ("Final Judgment"). The Stipulation and Final Judgment were negotiated and executed in good faith and at arms' length by each of the Parties, with their respective counsel, to avoid expensive and protracted litigation regarding violations of the HWCL and Title 22 alleged by DTSC in the Complaint, and to further the public interest. Nothing herein shall inure to the benefit of any persons not Parties to this Stipulation.

### **5. JURISDICTION AND VENUE**

The Parties agree that the Court has subject matter jurisdiction over the matters alleged in the Complaint and personal jurisdiction over SRS. Venue is proper in this Court pursuant to Health & Safety Code section 25183.

**6.ee WAIVER OF TRIAL AND ENTRY OF JUDGMENT**

By signing and entering into this Stipulation, SRS waives its right to a hearing and trial on the matters alleged in the Complaint and to appeal. Further, the Parties each request entry of the Judgment on the terms set forth in this Stipulation.

**7.ee MATTERS COVERED BY THIS STIPULATION**

7.1 This Stipulation is a final and binding resolution and settlement of all violations against SRS regarding the Roseville Facility that DTSC alleged in its inspection reports stemming from the 2011 Inspection and 2015 Inspection of the Facility, the SOV's issued to SRS in 2011 and 2015 regarding the Roseville Facility, and the violations and causes of action that were specifically alleged in the Complaint against SRS regarding the Roseville Facility ("Matters Covered"). The provisions of this paragraph become effective when the Final Judgment is entered and SRS has made full payment of the amount in Paragraph 11. Nothing in this Stipulation or the Final Judgment shall constitute or be construed as a satisfaction or release from liability for any conditions or claims arising as a result of past, current, or future operations of SRS, its predecessors in interest, and its officers, directors, shareholders, partners, employees, representatives, and agents, except for the Matters Covered. DTSC reserves its right to initiate further actions pursuant to its regulatory authority to protect public health or welfare or the environment on matters not within the scope of Matters Covered, notwithstanding SRS's compliance with the terms of the Final Judgment.

7.2 Paragraph 7.1 does not limit the ability of DTSC to enforce the terms of this Stipulation or the Final Judgment.

**8.ee PARTIES BOUND**

The provisions of this Stipulation and the Final Judgment shall apply to and be binding on SRS and its successors, officers, directors, and employees, and on DTSC and any successor agency of the DTSC that may have responsibility for and jurisdiction over the subject matter of the Final Judgment.

9. **NO WAIVER OF RIGHT TO ENFORCE**

The failure of DTSC to enforce any provision of the Stipulation or Final Judgment shall neither be deemed a waiver of such provision, nor in any way affect the validity of the Final Judgment or DTSC's enforcement authority. The failure of DTSC to enforce any such provision of this Stipulation or the Final Judgment shall not preclude it from later enforcing the same or other provisions. No oral advice, guidance, suggestions, or comments by employees or officials of the DTSC or SRS, or people or entities acting on behalf of SRS, regarding Matters Covered in this Stipulation or the Final Judgment shall be construed to relieve SRS of its obligations under this Stipulation or the Final Judgment.

10. **INJUNCTIVE REQUIREMENTS**

To ensure SRS's compliance with the HWCL and Title 22, SRS agrees to undertake the following with respect to its ownership and operations of the Roseville Facility:

- (a) In its operation of the Roseville Facility, SRS and its employees, agents, representatives, and all other persons acting within the control of SRS shall comply with all applicable provisions of the HWCL and Title 22, including, but not limited to, the operation of any metal shredding equipment at the Roseville Facility.
- (b) SRS shall not operate a misting system at the Roseville Facility that applies water to any hazardous waste treatment unit or process operating at the Roseville Facility.
- (c) SRS shall comply with all applicable notification, annual reporting, and recordkeeping requirements specified in Title 22, section 66273.74.

11. **MONETARY SETTLEMENT REQUIREMENTS**

Within 30 days of the entry of judgment in this matter, SRS shall pay DTSC the sum of \$400,000. Of this amount, \$275,000 will be considered payment of penalties attributable to the alleged violations alleged in the Complaint, and \$125,000 will be considered reimbursement for DTSC's costs in investigating and pursuing enforcement in this matter.

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All payments under the Final Judgment shall be made by cashier's check, payable to the "Department of Toxic Substances Control" and bearing the notation "Sims Recycling Solutions (SRS) – Roseville Facility," sent by overnight mail to:

Cashier  
Accounting Office, MS-21A  
Department of Toxic Substances Control  
P.O. Box 806  
Sacramento, CA 95812-0806.

A photocopy of each payment made pursuant to the Final Judgment, including overnight mail tracking information, shall be sent by e-mail or first-class U.S. mail, at the same time, to:

Sangat Kals  
Environmental Scientist (Supervisor)  
Enforcement and Emergency Response Division  
Emergency Response and Sacramento Enforcement Branch  
Department of Toxic Substances Control  
8810 Cal Center Drive  
Sacramento, California 95826-3200  
E-mail: [Sangat.Kals@dtsc.ca.gov](mailto:Sangat.Kals@dtsc.ca.gov)

Christopher Cho, Assistant Chief Counsel  
Office of Legal Counsel  
Department of Toxic Substances Control  
1001 I Street  
P.O. Box 806  
Sacramento, CA 95812-0806  
E-mail: [Christopher.Cho@dtsc.ca.gov](mailto:Christopher.Cho@dtsc.ca.gov)

and to:

Dennis L. Beck, Jr.  
Deputy Attorney General  
State of California, Department of Justice  
Attorney General's Office  
1300 I Street, Suite 125  
Sacramento, CA 95814  
E-mail: [Dennis.Beck@doj.ca.gov](mailto:Dennis.Beck@doj.ca.gov)

12. **NOTICE**

All submissions and notices required by the Stipulation or Final Judgment shall be in writing, and shall be sent to:

Sangat Kals  
Environmental Scientist (Supervisor)  
Enforcement and Emergency Response Division  
Emergency Response and Sacramento Enforcement Branch  
Department of Toxic Substances Control  
8810 Cal Center Drive  
Sacramento, California 95826-3200  
Email: [Sangat.Kals@dtsc.ca.gov](mailto:Sangat.Kals@dtsc.ca.gov)

Christopher Cho, Assistant Chief Counsel  
Office of Legal Counsel  
Department of Toxic Substances Control  
1001 I Street  
P.O. Box 806  
Sacramento, CA 95812-0806  
E-mail: [Christopher.Cho@dtsc.ca.gov](mailto:Christopher.Cho@dtsc.ca.gov)

**SRS:**

Abram A. Martinez  
Plant Manager  
Sims Recycling Solutions, Inc.  
8855 Washington Blvd.  
Roseville, CA 95678  
Email: [Abram.Martinez@simsmm.com](mailto:Abram.Martinez@simsmm.com)

With simultaneous copy to counsel for SRS:

Margaret Rosegay, Esq.  
Pillsbury Winthrop Shaw Pittman LLP  
Four Embarcadero Center, 22nd Floor  
P.O. Box 2824  
San Francisco, CA 94126-2824  
Fax: (415) 983-1305  
Email: [margaret.rosegay@pillsburylaw.com](mailto:margaret.rosegay@pillsburylaw.com)

All approvals and decisions regarding any matter requiring approvals or decisions under these terms of this Stipulation or the Final Judgment shall be communicated in writing. Each Party may change its respective representative(s) for purposes of notice by providing the name and

address of the new representative, in writing, to all Parties. Any such change will be effective seven (7) calendar days after the date of the written notice.

No advice, guidance, suggestions, or comments by employees or officials of DTSC regarding submittals or notices shall be construed to relieve SRS of its obligation to obtain any final written approvals required by the Final Judgment.

**13. NO LIABILITY OF DTSC**

Neither DTSC nor any of the State of California's agencies, boards, or departments (collectively, "State Entities") shall be liable for any injury or damage to persons or property resulting from acts or omissions by SRS, its directors, officers, employees, parent companies, affiliates, agents, representatives, or contractors in carrying out activities pursuant to this Stipulation or the Final Judgment, nor shall DTSC or any of the State Entities be held as a party to or guarantor of any contract entered into by SRS, its directors, officers, employees, agents, representatives, parent companies, affiliates, or contractors in carrying out the requirements of this Stipulation or the Final Judgment.

**14. COMPLIANCE WITH APPLICABLE LAW**

SRS shall implement the terms of the Final Judgment entered by the Court in this matter in compliance with all local, state, and federal requirements, including, but not limited to, requirements to obtain permits or other required forms of authorization and to assure worker safety.

**15. ACCESS**

Nothing in this Stipulation or the Final Judgment is intended to limit in any way the right of entry or inspection of the Roseville Facility that DTSC or any other agency may otherwise have by operation of any law.

**16. INTEGRATION**

The Stipulation, together with exhibits, and the Final Judgment constitute the entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and may not be amended or supplemented except as provided for in this Stipulation or in the Final



Judgment. No representations, oral or written, express or implied, other than those expressly set forth herein have been made by any party hereto. No other agreements not specifically referred to herein, oral or written, shall be deemed to exist or to bind either of the Parties.

**17. AUTHORITY TO ENTER STIPULATION.**

Each signatory to the 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.

**18. MODIFICATION OF STIPULATION AND FINAL JUDGMENT**

Neither the Stipulation nor the Final Judgment may be modified without written stipulation of the Parties hereto and approval by the Court or by ruling of the Court upon a noticed motion.

**19. EFFECT OF STIPULATION AND FINAL JUDGMENT**

Except as provided in Paragraph 7.1, nothing herein or in the Final Judgment is intended, nor shall it be construed, to preclude DTSC, or any state, county, or local agency, department, board, or entity, or any Certified Unified Program Agency, from taking appropriate enforcement action or otherwise exercising its authority under any law, statute, or regulation.

**20. GOVERNING LAW**

The terms of the Final Judgment shall be governed by the laws of the State of California.

**21. RETENTION OF JURISDICTION**

The Parties agree that the Court has continuing jurisdiction to interpret and enforce the provisions of this Stipulation and the Final Judgment.

**22. EQUAL AUTHORSHIP**

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

**23. COUNTERPARTS**

The Stipulation may be executed in several counterparts, each of which shall be deemed an

1 original, and all such counterparts taken together shall constitute an integrated document.  
2 Facsimile signature and PDF signatures shall be deemed original for the purposes of this  
3 Stipulation.

4 **24. ENTRY OF JUDGMENT PURSUANT TO STIPULATION**

The Parties further stipulate that upon approval of this Stipulation by the Court, the Court shall enter the Final Judgment in this matter in the form set forth in the attached Exhibit A. The effective date of this Stipulation is the date this Stipulation is filed with the Court. The effective date of the Final Judgment is the date the Final Judgment is entered by the Court. If the Court does not approve this Stipulation and the Final Judgment in the form and substance proposed in Exhibit A hereto, each party reserves the right to withdraw both the Stipulation and the Final Judgment upon written notice to all Parties and the Court.

**IT IS SO STIPULATED:**

PEOPLE OF THE STATE OF CALIFORNIA, ex rel  
Barbara A. Lee, Director of the DEPARTMENT OF  
TOXIC SUBSTANCES CONTROL

Dated: NOV 3, 2017

By:

Original Signed  
Rizgar Ghazi  
DEPUTY DIRECTOR  
HAZARDOUS WASTE MANAGEMENT PROGRAM

SIMS RECYCLING SOLUTIONS, INC.

Dated: OCT

By:

Original Signed  
SKURNAC, PRESIDENT

**APPROVED AS TO FORM:**

XAVIER BECERRA  
Attorney General of California  
MARGARITA PADILLA  
Supervising Deputy Attorney General

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

By:

DENNIS L. BECK, JR  
Deputy Attorney General  
*Attorneys for Plaintiff People of the State of California  
ex rel. Barbara A. Lee, Director of the California  
Department of Toxic Substances Control*

PILLSBURY WINTHROP SHAW PITTMAN LLP

Dated: Oct. 19, 2017

By:

Original Signed  
MARGARET ~~RO~~ SEGAY  
*Attorneys for Defendant SRS*