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SACRAMENTO COURTS
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

<p>PEOPLE OF THE STATE OF CALIFORNIA, <i>ex rel.</i> DEBORAH O. RAPHAEL, Director of DEPARTMENT OF TOXIC SUBSTANCES CONTROL,</p> <p>Plaintiff,</p> <p>v.</p> <p>R SQUARED CIRCUITS, INCORPORATED,</p> <p>Defendant.</p>	<p>Case No. 34-2013-00151864</p> <p>[PROPOSED] FINAL JUDGMENT ON CONSENT</p>
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People of the State of California, *ex rel.* Deborah O. Raphael, Director, Department of Toxic Substances Control (“DTSC”), and Defendant, R Squared Circuits, Incorporated (“R Squared Circuits”), having consented pursuant to stipulation to the entry of this Final Judgment on Consent (“Final Judgment”) prior to the taking of any proof and without trial or adjudication of any fact or law herein; and

The Court having considered the pleadings, which include without limitation, the Complaint for Civil Penalties and Injunctive Relief, the parties’ Stipulation for Entry of Final

1 Judgment on Consent (“Stipulation”), and the proposed Final Judgment on Consent;

2 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:**

3 **A. JURISDICTION**

4 Jurisdiction exists over this matter pursuant to Health and Safety Codes sections 25181,
5 25182, 25189, and 25189.2.

6 **B. PAYMENT OF CIVIL PENALTIES**

7 Judgment is entered in this matter for civil penalties in the amount of one hundred
8 thousand dollars (\$100,000). The civil penalties shall be paid in accordance with Section B.1
9 below.

10 **1. INITIAL PENALTY PAYMENT**

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

15
16 Cashier
17 Department of Toxic Substances Control
18 Accounting Office
19 P.O. Box 806
20 Sacramento, CA 95812-0806

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

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

25 Dr. Sangat Kals
26 State Oversight and Enforcement Branch
27 Department of Toxic Substances Control
28 8800 Cal Center Drive, MS R1-3
Sacramento, CA 95826-3200

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

1 Kirk McInnis
2 Deputy Attorney General
3 Office of the Attorney General
4 1515 Clay Street, 20th Floor
5 Oakland, CA 94612-0550

6 **2. SUSPENDED PENALTY**

7 a. Of R Squared Circuits' total liability of one hundred thousand dollars
8 (\$100,000), twenty-five thousand dollars (\$25,000) shall be suspended, as set forth below.

9 b. If DTSC determines that R Squared Circuits has violated one or more of the
10 injunctive provisions provided for by Section C of this Final Judgment, DTSC may file a noticed
11 motion requesting that the Court impose a suspended penalty. R Squared Circuits retains the
12 right to oppose the motion.

13 c. If the Court finds that R Squared Circuits violated any of the provisions of
14 Section C of this Final Judgment on one or more occasion, for each violation, it shall require R
15 Squared Circuits to pay a suspended penalty of five thousand dollars (\$5,000). Suspended
16 penalties may be imposed until the entire suspended penalty amount of twenty-five thousand
17 dollars (\$25,000) is exhausted.

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

22 e. Nothing in this section is meant to or shall limit the Court's power to enforce
23 the Final Judgment through its contempt power.

24 **3. LATE PAYMENTS**

25 In addition to any payments due to DTSC pursuant to the provision of Sections B.1
26 and B.2, R Squared Circuits shall pay DTSC, two thousand five hundred dollars (\$2,500) per day
27 for the first seven (7) days that a payment required under Sections B.1 or B.2 is late. If the
28 payment is more than seven (7) days late, beginning on the eighth day the payment is late, in
addition to the late payments for days 1-7, R Squared Circuits shall be and is hereby deemed

1 liable for, and shall pay DTSC, five thousand dollars (\$5,000) per day for each additional day a
2 payment required under Sections B.1 or B.2 is late.

3 **C. INJUNCTION**

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

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

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

21 c. Before using a hazardous waste tank system or components at the Site, R
22 Squared Circuits shall obtain a written assessment reviewed and certified by an independent,
23 qualified professional engineer, registered in California, attesting that the tank system or
24 components have sufficient structural integrity, are acceptable for the waste handling activity, and
25 are suitably designed, as required by California Code of Regulations, title 22, section
26 66265.192(a). R Squared Circuits shall further conduct periodic assessments of the hazardous
27 waste tank systems or components, as required by California Code of Regulations, title 22,
28

1 section 66265.192(h). Records of such assessments shall be maintained at the Site, as required by
2 California Code of Regulations, title 22, section 66265.192(a) and (c).

3 d. R Squared Circuits shall develop and follow a written waste analysis plan for
4 the Site and keep the plan at the Site, as required by California Code of Regulations, title 22,
5 section 66265.13. R Squared Circuits shall also obtain and record detailed analyses of wastes
6 treated at the Site available for review by DTSC, as required by California Code of Regulations,
7 title 22, section 66265.13.

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

12 f. R Squared Circuits shall file Phase I environmental assessments for the Site
13 with the local Certified Unified Program Agency, as required by Health and Safety Code section
14 25200.14.

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

18 h. R Squared Circuits shall not engage in electrowinning of hazardous waste water
19 at the Site without prior authorization from DTSC, as required by Health and Safety Code section
20 25201(a).

21 i. R Squared Circuits shall not store hazardous waste at the Site for more than 90
22 days without a proper permit or authorization, as required by Health and Safety Code section
23 25201(a).

24 j. R Squared Circuits shall clearly mark each tank used at the Site for the
25 accumulation of hazardous waste with the words "Hazardous Waste," as required by California
26 Code of Regulations, title 22, section 66262.34(f).

1 k. R Squared Circuits shall have a training plan for employees at the Site, ensuring
2 that personnel at the Site participate in hazardous waste training classes and keep records of the
3 training received by each employee as required by California Code of Regulations, title 22,
4 section 66265.16. Employees and personnel at the Site shall also receive annual updates of this
5 training, as required by California Code of Regulations, title 22, section 66265.16. The training
6 plan and the records of training shall be kept at the Site, as required by California Code of
7 Regulations, title 22, section 66265.16.

8 l. R Squared Circuits shall maintain and test fire protection equipment, spill
9 control equipment, and decontamination equipment to assure its proper operation in time of
10 emergency at the Site as required by California Code of Regulations, title 22, section 66265.33.

11 **D. ENFORCEMENT OF FINAL JUDGMENT**

12 1. DTSC has the right to enforce the Final Judgment as provided herein and pursuant to
13 applicable law.

14 2. R Squared Circuits reserves all rights to oppose any motion brought by DTSC to
15 enforce any provisions of the Final Judgment.

16 **E. EFFECT OF FINAL JUDGMENT**

17 Other than "Covered Matters" as defined in Paragraph F.1 below, nothing in this Final
18 Judgment is intended, nor shall it be construed, to preclude DTSC, or any state, county, or local
19 agency, department, board, or entity from exercising its authority under any law, statute, or
20 regulation. Nothing herein precludes DTSC from taking action to enforce the terms of the
21 Stipulation and Final Judgment.

22 **F. MATTERS COVERED AND RESERVED CLAIMS**

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

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

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

11 4. In any subsequent action that may be brought in the name of DTSC based on any
12 Reserved Claims, R Squared Circuits may not assert that the failure to pursue the Reserved
13 Claims as part of this action constitutes claim-splitting or laches or is otherwise inequitable
14 because of this asserted failure. This Paragraph does not bar R Squared Circuits from asserting
15 any statute of limitations that may be applicable to any Reserved Claims or any other defense,
16 except as provided herein.

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18 **G. NOTICE TO OFFICERS, MANAGERS, BOARD MEMBERS, AND
19 SUCCESSORS IN INTEREST**

20 1. Within fourteen (14) calendar days of the entry of Final Judgment, R Squared Circuits
21 shall provide a copy of the Stipulation and Final Judgment to all officers, managers, and board
22 members. The officers, managers, and board members of R Squared Circuits shall sign an
23 acknowledgement of receipt of the Stipulation and Final Judgment. The signed acknowledgments
24 shall be provided to DTSC within 21 days of the entry of Final Judgment.

25 2. R Squared Circuits shall provide a copy of the Final Judgment to any successor in
26 interest of R Squared Circuits. R Squared Circuits shall also provide DTSC with written
27 verification that a copy of the Stipulation and Final Judgment was provided to the authorized
28

1 representative of any successor in interest within seven (7) days of completion of the transfer of
2 ownership.

3 **H. NOTICE TO THE PARTIES**

4 1. All submissions and notices required by this Final Judgment shall be in writing and
5 sent to:

6 a. For Plaintiff:

7
8 Dr. Sangat Kals
9 Statewide Emergency Response and Sacramento Enforcement Branch
10 Department of Toxic Substances Control
11 8800 Cal Center Drive, MS R1-3
12 Sacramento, CA 95826-3200

13 Richard Driscoll
14 Office of Legal Affairs
15 Department of Toxic Substances Control
16 P.O Box 806
17 Sacramento, CA 95812-0806

18 Kirk McInnis
19 Deputy Attorney General
20 Office of the Attorney General
21 1515 Clay Street, 20th Floor
22 Oakland, CA 94612-0550

23 b. For R Squared Circuits:

24 Dave Adams, Office Manager
25 R-Squared Circuits
26 90 Blue Ravine Road, Suite 1
27 Folsom, CA 95630

28 James T. Dufour
Dufour Law
819 F Street
Sacramento, CA 95814

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

4 **I. NECESSITY FOR WRITTEN APPROVALS**

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

10 **J. NO WAIVER OF RIGHT TO ENFORCE**

11 The failure of DTSC to enforce any provision of the Stipulation or the Final Judgment shall
12 neither be deemed a waiver or modification of such provision, nor in any way affect the validity
13 of this Stipulation or the Final Judgment. The failure of DTSC to enforce any such provision
14 shall not preclude it from later enforcing the same or other provisions of this Stipulation or the
15 Final Judgment. No oral advice, guidance, suggestions, or comments by employees or officials of
16 DTSC or R Squared Circuits, or people or entities acting on behalf of R Squared Circuits,
17 regarding matters covered in this Stipulation or the Final Judgment shall be construed to relieve R
18 Squared Circuits of its obligations under the Stipulation or the Final Judgment.

19 **K. APPLICABILITY OF STIPULATION AND FINAL JUDGMENT**

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

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L. CONTINUING JURISDICTION

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

M. AMENDMENTS TO THIS FINAL JUDGMENT

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

N. COSTS AND ATTORNEYS' FEES

Except as provided for herein, DTSC and R Squared Circuits shall bear their own costs and attorneys' fees.

IT IS SO ORDERED.

RAYMOND M. CADEI

DATED:

NOV 25 2013

JUDGE OF THE SUPERIOR COURT