Case, 2:13-cv-03600-RGK-AJW Document 158-1 Filed 06/02/14 Page 1 of 17 Page ID #:5138 KAMALA D. HARRIS FILED CLERK, U.S. DISTRICT COURT Attorney General of California SARAH E. MORRISON 1 Supervising Deputy Attorney General OLIVIA W. KARLIN (State Bar No. 150432) 2 SEP 1 6 2014 Deputy Attorney General
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Los Angeles, CA 90013
Telephone: (213) 897-0473 3 CENTRAL DISTRICT OF CALIF 4 Fax: (213) 897-2802 E-mail: Olivia Karlin@doj.ca.gov 5 6 Attorneys for Plaintiff 7 IN THE UNITED STATES DISTRICT COURT 8 FOR THE CENTRAL DISTRICT OF CALIFORNIA 9 10 11 12 STATE OF CALIFORNIA Case No.: CV13-03600 RGK (AJWx) DEPARTMENT OF TOXIC PROPOSEDI CONSENT DECREE BETWEEN PLAINTIFF AND 13 SUBSTANCES CONTROL, 14 Plaintiff. DEFENDANT ESTATE OF HAIG DULGARIAN AND DOUGLAS 15 DULGARIAN AS EXECUTOR FOR THE ESTATE OF HAIG STANDARD NICKEL-CHROMIUM 16 DULGARIAN PLATING COMPANY, a California 17 corporation, et. al, Judge: The Honorable 18 Defendants. R. Gary Klausner 19 20 INTRODUCTION Plaintiff the State of California Department of Toxic Substances 21 1. Control ("Plaintiff" or the "Department") filed a Complaint in this matter pursuant 22 to the Comprehensive Environmental Response, Compensation, and Liability Act 23 ("CERCLA"), 42 U.S.C. § 9601 et seq., against several parties, including 24 Defendant Estate of Haig Dulgarian and Defendant Douglas Dulgarian as the 25 Executor for the Estate of Haig Dulgarian. Through its Complaint, Plaintiff seeks 26 27 ¹ Defendant Estate of Haig Dulgarian, Defendant Douglas Dulgarian as the Executor for the Estate of Haig Dulgarian, and Douglas Dulgarian as the Trustee of the Survivor's Trust 28 (continued...) [PROPOSED] CONSENT DECREE BETWEEN PLAINTIFF AND THE ESTATE OF HAIG DULGARIAN

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the recovery of past "Response Costs" incurred by Plaintiff in responding to releases and/or threatened releases of hazardous substances at or from the properties located at 811, 817/819, 825, and 826 East 62nd Street, Los Angeles, CA 90001, also collectively known as the Standard Nickel property ("Site"), pursuant to CERCLA § 107(a), 42 U.S.C. § 9607(a). Plaintiff also seeks declaratory relief under CERCLA § 113(g)(2), 42 U.S.C. § 9613(g)(2), alleging that defendants are jointly and severally liable for future Response Costs to be incurred by Plaintiff to address the extent of releases and/or threatened of hazardous substances at or from the Site.

- 2. In its Complaint, Plaintiff alleges in relevant part that:
- In approximately 1927, a metal plating facility, called "Dulgarian" a. Sons Standard Plating Company," was established by certain members of the Dulgarian family on property at the Site. The facility operations included plating the chromium plating of pipes for the oil industry. The business was later incorporated in 1946 under the name Standard Nickel-Chromium Plating Company.
- b. Haig Dulgarian co-owned the following portions of the Site during the following time periods: 811 E. 62nd Street from 1961 to 1988; 817/819 E. 62nd Street from 1960 to 1988; 825 E. 62nd Street from 1984 to 1988 and from 1993 to the present; and 826 E. 62nd Street from 1988 to the present. Plating operations were conducted on the Site during this time. The Department contends, but Settling Defendants dispute, that hazardous substances were released into the environment as a result of plating operations on the Site.
 - In June of 1997, the Department conducted a site screening for the c.

^{(...}continued)

created under the Dulgarian Family Trust dated September 29, 1992 are sometimes collectively referred to herein as "Settling Defendants." Plaintiff and Settling Defendants are sometimes collectively referred to herein as "Parties." (See, *infra*, Section III.)

² The term "Response Costs" is defined in Section III, *infra*.

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United States Environmental Protection Agency as part of an investigation of the release and/or threatened release of hazardous substances at or from the Site. In 2008, the Department took the lead to further investigate the release and/or threatened release of hazardous substances at or from the Site. The Department's investigation established that hazardous substances including, but not limited to, hexavalent chromium, trivalent chromium, and volatile organic compounds, including the industrial solvents trichloroethylene and perchloroethylene, were present in the soil, soil gas, and groundwater at the Site.

- On or about June 9, 2009, the Department issued an Imminent and d. Substantial Endangerment Determination and Remedial Action Order ("ISE Order") ordering potentially responsible parties to investigate and remediate the release of hazardous substances at or from the Site. On or about December 29, 2010, the Department issued an Amendment to the Imminent and Substantial Endangerment Determination and Remedial Action Order ("Amendment") adding certain parties, including Haig Dulgarian, and amending certain properties identified in the ISE Order.
- None of the potentially responsible parties named in either the ISE Order in the Amendment, including the Estate of Haig Dulgarian, initiated or completed the investigation and remediation of releases and/or threatened releases of hazardous substances at or from the Site as required by the ISE Order and Amendment.
- f. Response actions were and are necessary to remove and remedy the hazardous substances released and/or threatened to be released at and from the Site.
- The Department has incurred Response Costs conducting and overseeing response actions related to the release and/or threatened release of hazardous substances at or from the Site, including contamination of the soil, soil vapor and groundwater. These response actions include, but are not limited to:

- issuing orders to potentially responsible parties requiring response actions at and around the Site; reviewing sampling and analysis of environmental media; performing inspections and preparing reports; reviewing work plans for investigation and remediation; conducting Site visits and overseeing field work; holding public meetings; meeting with potentially responsible parties; and complying with the requirements of the California Environmental Quality Act. Response Costs incurred by Plaintiff remain unpaid.
- h. Plaintiff will continue to incur response costs conducting and/or overseeing response actions related to the release and/or threatened release of hazardous substances at or from the Site in the future.
- 3. The Department contends, but Settling Defendants dispute, that Settling Defendants, as former owners and/or operators of a portion of the Site, are jointly and severally liable under CERCLA for all Response Costs incurred by Plaintiff related to the Site.
- 4. The Parties agree and this Court, by entering this Consent Decree, finds that this Consent Decree has been negotiated by the Parties in good faith, settlement of this matter will avoid expensive, prolonged and complicated litigation between the Parties, and this Consent Decree is fair, reasonable, in the public interest and consistent with the purpose of CERCLA.

THEREFORE, the Court, with the consent of the Parties to this Consent Decree, hereby ORDERS, ADJUDGES, AND DECREES, as follows:

I. JURISDICTION

5. The Court has subject matter jurisdiction over the matters alleged in this action pursuant to 28 U.S.C. § 1331 and CERCLA and personal jurisdiction over each of the Parties. Venue is appropriate in this district pursuant to 28 U.S.C. § 1391(b) and CERCLA. Solely for the purposes of this Consent Decree and the underlying Complaint, Settling Defendants waive all objections and defenses that Settling Defendants may have to the jurisdiction of the Court or to venue in this

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district. Settling Defendants shall not challenge the terms of this Consent Decree or this Court's jurisdiction to enter and enforce this Consent Decree.

6. The Court shall retain jurisdiction over this matter for the purpose of interpreting and enforcing the terms of this Consent Decree if necessary.

II. SETTLEMENT OF DISPUTED CLAIMS

- 7. This Consent Decree resolves Settling Defendants' alleged liability in connection with the release and/or threatened release of hazardous substances at or from the Site under CERCLA § 107, 42 U.S.C. § 9607, in exchange for payment by Settling Defendants to reimburse a portion of Plaintiff's Response Costs incurred and to be incurred at or in connection with the Site.
- 8. Settling Defendants do not admit any of the allegations of the Complaint. Nothing in this Consent Decree shall be construed as an admission of any issue of law or fact or of any violation of law. Except as otherwise provided by this Consent Decree, this Consent Decree shall not prejudice, waive or impair any right, remedy or defense that Settling Defendants may have in any other or further legal proceeding.
- 9. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final judgment between and among the Parties.

III. DEFINITIONS

- 10. Unless otherwise expressly provided herein, terms used in this Consent Decree that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them therein. Whenever terms listed below are used in this Consent Decree, the definitions below shall apply.
- 11. "The Department" or "Plaintiff' shall mean the State of California. Department of Toxic Substances Control, and its predecessors and successors. The Department is a public agency of the State of California organized and existing under and pursuant to California Health and Safety Code § 58000 et seq. Under California law, the Department is the state agency responsible for

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determining whether there has been a release and/or threatened release of hazardous substances into the environment, and for determining the actions to be taken in response thereto.

- 12. "Effective Date" shall mean the date the Court enters an Order approving this Consent Decree.
- 13. "Parties" shall mean Plaintiff, the Estate of Haig Dulgarian, Douglas Dulgarian as Executor for the Estate of Haig Dulgarian, and Douglas Dulgarian, as Trustee of the Survivor's Trust created under the Dulgarian Family Trust dated September 29, 1992 (the "Haig Survivor's Trust"), collectively.
- 14. "Party" shall mean Plaintiff, the Estate of Haig Dulgarian, Douglas Dulgarian, as Executor for the Estate of Haig Dulgarian, or Douglas Dulgarian, as Trustee of the Haig Survivor's Trust, individually.
- 15. "Response Costs" shall mean all costs of "removal," "remedial action," or "response," as those terms are defined by CERCLA § 101, 42 U.S.C.§ 9601, related to the release and/or threatened release of hazardous substances at or from the Site, including the soil and groundwater.
- 16. "Settling Defendants" shall mean the Estate of Haig Dulgarian and Douglas Dulgarian as Executor for the Estate of Haig Dulgarian, and Douglas Dulgarian, as Trustee of the Haig Survivor's Trust, collectively. However, as specified in Paragraph 18, below, the obligations of Settling Defendants outlined in this Consent Decree are joint and several.
- 17. The "Site" shall mean the properties located at 811, 817/819, 825, and 826 East 62nd Street, Los Angeles, CA 90001, also collectively known as the Standard Nickel property, including the extent of the releases of hazardous substances at or from the Site, including its various parcels, into the environment, including the soil and groundwater.

IV. SETTLING DEFENDANTS' OBLIGATIONS

18. The obligations of Settling Defendants under this Consent Decree are

21. By no later than thirty (30) calendar days of the Effective Date, Settling Defendants shall have provided to the Department copies of any and all records, documents, and information within their possession or control, or that of their agents, relating to: (a) the ownership, operation or control of the Site; (b) the purchase, storage, use, handling, generation, treatment, transportation, or disposal of hazardous substances in connection with the Site; (c) releases and/or threatened releases of hazardous substances at or from the Site, including the soil and

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- 22. If after the Effective Date, Settling Defendants obtain any records, documents or information described in Paragraph 21 not previously provided to Plaintiff, Settling Defendants agree to provide Plaintiff with copies of the additional records, documents or information within ten calendar days of the date Settling Defendants obtained the records, documents or information.
- 23. Settling Defendants may assert confidentiality claims covering part or all of the documents or information submitted to Plaintiff under this Consent Decree to the extent permitted by and in accordance with California Health and Safety Code § 25358.2. Documents or information determined to be confidential by Plaintiff will be afforded the protection specified in California Health and Safety Code § 25358.2. Settling Defendants may also assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Settling Defendants assert such a privilege in lieu of providing documents, Settling Defendants shall provide Plaintiff with a description of the document withheld and the basis for asserting the privilege.

VI. COVENANT NOT TO SUE BY PLAINTIFF

24. Except as expressly provided in Section VII (Reservation of Rights) of this Consent Decree, Plaintiff covenants not to sue Settling Defendants, pursuant to CERCLA, the California Hazardous Substances Account Act ("HSAA"), California Health and Safety Code § 25300 et seq., or any other statute, regulation, or common law theory to: (a) recover Plaintiff's Response Costs and all other damages (with the exception of natural resource damages) related to the Site; or (b) require Settling Defendants to conduct response actions, including removal or remedial actions, related to the release and/or threatened release of hazardous substances at or from the Site, including the soil and

groundwater. This Covenant Not to Sue is conditioned upon the complete and satisfactory performance by Settling Defendants of all their obligations under this Consent Decree. However, this Covenant Not to Sue shall be revoked and deemed not effective if Settling Defendants fail to make the payment required by Paragraph 19 of this Consent Decree.

VII. RESERVATION OF RIGHTS

25. Obligations Under This Decree

In the event Plaintiff initiates any legal proceedings against Settling
Defendants for non-compliance with this Consent Decree, Settling Defendants
shall not contest their obligation to fully comply with this Consent Decree.
However, in such proceedings, Settling Defendants may raise any and all defenses
that Settling Defendants deem to be relevant to the issue of whether or not they
have complied with the terms of the Consent Decree.

26. Claims Regarding Other Sites

Nothing in this Consent Decree is intended or shall be construed to limit the rights of any Party with respect to claims arising out of or relating to the deposit, release, or disposal of hazardous substances at any location other than the Site subject to this Consent Decree. This subsection, however, shall not limit the covenants not to sue and releases in this Consent Decree that apply to claims arising from the spread or passive migration of hazardous substances from the Site.

27. Claims Against Other Persons and Entities

Nothing in this Consent Decree shall constitute or be construed as a release or covenant not to sue regarding any claim or cause of action against any person (as defined in CERCLA § 101(21), 42 U.S.C. § 9601(21), who is not a signatory to this Consent Decree, for any liability he, she or it may have arising out of or relating to the Site. The legal and equitable rights retained include, but are not limited to: (i) the Department's right to compel any person who is not a signatory

- to the Consent Decree to conduct response actions for hazardous substance 1 contamination at or from the Site; and (ii) the rights of the Parties to seek 2 reimbursement and/or other relief from any person who is not a signatory to this 3 Consent Decree for Response Costs incurred as a result of such contamination. 4 Except as provided in Paragraph 34 (Parties Bound), nothing in this Consent 5 Decree shall be construed to create any rights in, or grant any cause of action to, 6 any person not a party to this Consent Decree. 7 28. **Reservation of Claims** 8 The Plaintiff's Covenants Not to Sue (Section VI) do not pertain to the 9 following matters: 10 Failure of Settling Defendants to meet the requirements of this 11 Consent Decree: 12 Damage to natural resources, as defined in CERCLA § 101(6), 42 13 U.S.C. § 9601(6), including all costs incurred by any natural resources trustees; 14 Settling Defendants' introduction of any hazardous substance, 15 c. pollutant, or contaminant to the Site after the Effective Date: 16 Overt acts by Settling Defendants after the Effective Date that cause 17 the exacerbation of the hazardous substance conditions existing at or from the 18 Site; 19 Claims based on liability arising from the past, present, or future 20 disposal of hazardous substances at sites or locations other than the Site. This 21 subsection (e), however, shall not limit the covenants not to sue in this Consent 22 Decree that apply to claims arising from the passive migration of hazardous 23 substances from the Site; and 24 25
 - f. Claims based on criminal liability. At present, however, Plaintiff has no pending criminal claim or investigation, nor is it aware of any facts that would give rise to a criminal investigation, against any Settling Defendants.

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29. Other Rights Reserved

Except as expressly provided in the Consent Decree, nothing in the Consent Decree is intended nor shall it be construed to preclude the Department from exercising its authority under any law, statute or regulation, including, but not limited to, taking action in the future to require the owner of the Site to record an Environmental Restrictions Covenant. Furthermore, nothing in the Consent Decree is intended, nor shall it be construed, to preclude any other state agency, department, board or entity or any federal entity from exercising its authority under any law, statute or regulation.

30. Plaintiff's Further Reservation

Notwithstanding any other provision in the Consent Decree, Plaintiff reserves the right to institute proceedings in this action or in a new action, seeking to compel Settling Defendants, or any of them, to perform additional response actions at the Site and/or to reimburse Plaintiff for additional Response Costs if:

- a. After the Effective Date of the Consent Decree, the Department receives information previously unknown to the Department, indicating that the information provided by Settling Defendants regarding their involvement at the Site and upon which the Department relied upon in entering into the Consent Decree is false, or in any material respect, inaccurate.
- b. Conditions previously unknown to Plaintiff, for which Settling Defendants or any of them, is liable under any statute or law, are discovered at the Site after the Effective Date, and these previously unknown conditions indicate a release and/or threat of release of hazardous substances into the environment.

VIII. COVENANT NOT TO SUE BY SETTLING DEFENDANTS

31. Settling Defendants covenant not to sue and agree not to assert any claims or causes of action against Plaintiff or its contractors or employees that arise out of the transaction or occurrence that is the subject matter of Plaintiff's Complaint or for any injuries, losses, costs, or damages caused or incurred as a

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result of the performances or requirements of this Consent Decree or the Department's response actions at the Site. The Settling Defendants reserve the right to take action to compel the Plaintiff to comply with the terms of this Consent Decree.

IX. CONTRIBUTION PROTECTION

- 32. With regard to claims for contribution against Settling Defendants for "Matters Addressed" in this Consent Decree, the Parties agree, and the Court finds as follows:
- a. This Consent Decree constitutes a judicially approved settlement within the meaning of CERCLA section 113(f)(2), 42 U.S.C. § 9613(f)(2).
- b. This Consent Decree requires that Settling Defendants pay certain costs with respect to their liability at the Site.
- c. Settling Defendants are entitled to the contribution protection provided by CERCLA section 113(f)(2), 42 U.S.C. § 9613(f)(2), and by state statutory and common law for the "Matters Addressed" in this Consent Decree, except for actions and claims identified in the Department's Reservation of Rights (Section VII).
- d. The "Matters Addressed" in this Consent Decree include: (1) all past and future Response Costs and all other damages (with the exception of natural resource damages) incurred by or on behalf of the Department with respect to the Site, including the Department oversight costs; (2) all past and future Response Costs that have been and/or may be incurred by or on behalf of any other person, including any past, present or future Site owner or operator, with respect to the Site; and (3) interest on amounts referred to in subsections (1) and (2).
- e. The protection provided for in this Section IX is conditioned upon receipt by the Department of the timely payment required by the Settling Defendants pursuant to this Consent Decree.
 - f. Nothing in this Consent Decree diminishes the right of the

such provision shall not preclude it from later enforcing the same or any other provision of this Consent Decree.

36. No Findings

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The statements of fact set forth in this Consent Decree are not intended to constitute a finding by the Department as to the risks to human health or the environment that may be posed by contamination at the Site. This Consent Decree does not constitute a representation by the Department that the Site, or any part thereof, is fit for any particular purpose.

37. Governmental Liability

Nothing herein is intended, nor shall be construed, to limit, impair, or prejudice the governmental tort, statutory or sovereign immunities available to the Department under applicable law for its oversight or other activities with respect to the Site.

38. Modification

This Consent Decree may be modified upon written approval of the Parties and with the consent of the Court.

39. Recording

Within thirty (30) calendar days of the Effective Date, Plaintiff shall record a copy of this Consent Decree with the Los Angeles County Recorder with respect to the Site, solely for the purpose of informing future purchasers of the Site, or of any portion of the Site, of the contribution protection and covenants not to sue that are provided by this Consent Decree. The Parties shall cooperate and provide assistance in taking the steps necessary to achieve the recording of this Consent Decree.

40. Integration

This Consent Decree constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Consent Decree. The Consent Decree may not be amended or

supplemented except as provided for in the Consent Decree.

41. Attorneys' Fees and Costs

Settling Defendants agree to reimburse the Department for all of its costs, and the reasonable fees and costs that the Attorney General bills to the Department, related to the negotiation, approval and entry of this Consent Decree, the total amount not to exceed twenty thousand dollars (\$20,000). The payment specified in this paragraph, shall be made in accordance with Paragraph 20 above, except that it shall instead bear on its face the phrase, "Site Code 300683/308401." This paragraph shall have no effect on the rights of the Department or Settling Defendants to recover such fees or costs from any other party.

If the Department brings an action against Settling Defendants to enforce this Consent Decree, and is successful in such action, the Settling Defendants against whom enforcement is sought shall reimburse the Department for all costs of such action, including, but not limited to, attorneys' fees.

42. Counterparts

This Consent Decree may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

43. Applicable Law

This Consent Decree is entered into and shall be construed and interpreted in accordance with the laws of the State of California and, where applicable, the laws of the United States.

44. Notice

The Settling Defendants have each hereby appointed and authorized the agent(s) identified on their signature page and Section X to this Consent Decree to receive notices, on behalf of each of them, with respect to all matters arising under or relating to this Consent Decree.

45. Lodging and Public Notice

This Consent Decree shall be lodged with the Court for a period of not less than thirty (30) calendar days. The Consent Decree also is subject to a public comment period of not less than thirty (30) calendar days. The Department may modify or withdraw its consent to this Consent Decree if comments received during the public comment period disclose facts or considerations that indicate that this Consent Decree is inappropriate, improper or inadequate. Settling Defendants consent to the entry of this Consent Decree without further notice.

46. **Probate Court Approval**

This Consent Decree is conditioned upon approval by the Orange County Superior Court - Probate Division ("Probate Court"). Within 15 days of the lodging of this Consent Decree, Settling Defendants will petition the Probate Court for approval of the Consent Decree. The Consent Decree will not be effective or binding on any Party until and unless Probate Court approval of the Consent Decree is approved. If, for any reason, the Probate Court fails to approve the Consent Decree, then the Consent Decree will be void and unenforceable and may not be used as evidence in any litigation between the parties.

47. Court Refusal to Enter Consent Decree

If, for any reason, the Court declines to approve this Consent Decree in the form presented, this agreement is voidable at the sole discretion of any Party and the terms of the Consent Decree may not be used as evidence in any litigation between the Parties.

48. **Signatories**

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

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1	The Settling Defendants consent to this Consent Decree by its duly authorized
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4	FOR THE ESTATE OF HAIG DULGARIAN AND DOUGLAS DULGARIAN AS THE EXECUTOR FOR THE ESTATE OF HAIG DULGARIAN:
5	AS THE EXECUTOR FOR THE ESTATE OF HAIG DULGARIAN:
6	Date 5/28/14
7	Douglas Dulgarian Executor for the Estate of Haig Dulgarian
8	Executor for the Estate of Haig Dungarian
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10	FOR THE SURVIVOR'S TRUST CREATED UNDER THE DULGARIAN FAMILY TRUST DATED SEPTEMBER 29, 1992:
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12	Douglas Dulgarian Date 5 / 28/14
13	Trustee for the Survivor's Trust Created Under the Dulgarian Family Trust Dated
14	September 29, 1992
15	Plaintiff consents to this Consent Decree by its duly authorized representative as
16	follows:
17 18	FOR THE DEPARTMENT OF TOXIC SUBSTANCES CONTROL:
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20	8W Saurig Date 5/28/14
21	Stephen W. Lavinger Chatsworth Cleanup Program Brownfields and Environmental Restoration Program
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23	IT IS SO ORDERED, ADJUDGED, AND DECREED.
24	CCD * a *
25	Dated: SEP 1 6 2014, 2014
26	The Honorable R. Gary Klausner United States District Court Judge
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	[PROPOSED] CONSENT DECREE BETWEEN PLAINTIFF