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David H. Yamasaki

Chief Executive Officer/Clerk

Superior Court of CA, County of Santa Clara

Case #1-00-CV-788657 Filing #G-59187

By R. Walker, Deputy

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**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA**

THE PEOPLE OF THE STATE OF
CALIFORNIA,
Plaintiff,

Case No.: 1-00-CV-788657

vs.

**PROPOSED STATEMENT OF
DECISION**

ATLANTIC RICHFIELD COMPANY,
CONAGRA GROCERY PRODUCTS
COMPANY, E.I. DU PONT DE NEMOURS
AND COMPANY, NL INDUSTRIES, INC.,
and THE SHERWIN-WILLIAMS COMPANY,

Defendants.

AND RELATED CROSS-ACTION.

**NOTICE: IN ACCORDANCE WITH §632 OF THE CODE OF CIVIL PROCEDURE
AND RULE 3.1590(g), CALIFORNIA RULES OF COURT, THE PARTIES HAVE 15
DAYS TO OBJECT TO THIS PROPOSED DECISION**

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1 The People seek an order to abate the alleged public nuisance created by lead paint
2 manufactured or sold by five Defendants in ten jurisdictions in California. Filed thirteen years
3 ago, the matter came on for a bench trial on July 15-18, 22-25, 29-30, August 1, August 5-8,
4 August 12-15, August 19-22, 2013 in Department 1 (Complex Civil Litigation), the Honorable
5 James P. Kleinberg presiding. The appearances of counsel for each trial day are as noted in the
6 record. Pursuant to the Court's Order of August 16, 2013 each party simultaneously submitted
7 its detailed version of a proposed statement of decision ("PSOD") for the Court to consider in
8 rendering this opinion. And, on September 23, 2013 the greater part of the day was devoted to
9 closing arguments. Following argument the matter was submitted for decision. On November
10 4, 2013 the Court issued an Order directing the parties to address issues pertaining to the
11 proposed plan of abatement with which the parties complied; the case then stood resubmitted
12 for decision as of November 26, 2013.

13 The Court, having read and considered the oral and written evidence, having observed
14 the witnesses testifying in court, and testimony introduced through depositions, having
15 considered the supporting and opposing memoranda of all parties, having heard and considered
16 the arguments of counsel, and good cause appearing therefore, makes the following findings
17 and conclusions:

18 **I. THE PARTIES**

19 **A. Plaintiff and Cross-defendants**

20 Plaintiff is the People of the State of California (People), acting by and through the
21 County Counsels of Santa Clara, Alameda, Los Angeles, Monterey, San Mateo, Solano, and
22 Ventura Counties and the City Attorneys of Oakland, San Diego, and San Francisco. The
23 People, for purposes of this action, are residents of the counties of Santa Clara, Alameda, Los
24 Angeles, Monterey, San Mateo, Solano, and Ventura Counties and the cities of Oakland, San
25 Diego, and San Francisco (collectively and referred to herein as "Jurisdictions"). Cross-
26 Defendant Counties of Santa Clara, Alameda, Los Angeles, Monterey, San Mateo, Solano, and
27 Ventura are charter or general law counties organized and existing under the Constitution and
28

1 laws of the State of California. Cross-Defendant City and County of San Francisco is a charter
2 city and county organized and existing under the Constitution and laws of the State of
3 California. Cross-Defendant Cities of San Diego and Oakland are charter cities organized and
4 existing under the Constitution and laws of the State of California. In this decision the Plaintiff
5 is referred to as the People and the public entities.

6 Throughout this litigation, the public entities have been represented both by their
7 respective government counsel and by private counsel.¹

8
9 **B. Defendants**

10 Defendants And Cross-Complainant were five of the largest manufacturers and sellers
11 of lead pigment and paint containing lead pigment in the United States in the 20th century.
12 (*Fed. Trade Com. v. Nat. Lead Co.* (1957) 352 U.S. 419, 424; P517 at 1-3, 9.) The predominant
13 use of white lead pigment was for paint applications. (Tr. 543:21-26.)²

14 Defendant Atlantic Richfield Company (“ARCO”) is a Delaware corporation with its
15 principal place of business in Illinois. Defendant ConAgra Grocery Products (“ConAgra”) is a
16 Delaware corporation with its principal place of business in Nevada. Defendant E.I. Du Pont de
17 Nemours and Company (“DuPont”) is a Delaware corporation with its principal place of
18 business in Delaware. Defendant NL Industries (“NL”), formerly known as the National Lead
19 Company, is a New Jersey corporation with its principal place of business in Texas. Defendant
20 Sherwin-Williams Company (“SW”) is an Ohio corporation with its principal place of business
21 in Ohio. SW is also a cross-complainant, seeking declaratory relief.

22
23
24
25 ¹ In *County of Santa Clara v. Superior Court* (2010) 50 Cal. 4th 35 the Supreme Court addressed the issue of
26 whether private counsel retained by the People were entitled to receiver fees and costs through contingent fee
27 arrangements. The Supreme Court held those arrangements were permitted.

28 ² As used in this decision, “Tr.” refers to the trial transcript by page and line, “Dkt.” Refers to the Court’s
Complex Civil case-specific website, “P” refers to Plaintiffs’ trial exhibits; Defendants’ trial exhibits are similarly
noted. “¶” refers to paragraphs in the operative complaint. The Court permitted the parties to introduce testimony
by way of depositions subject to objections which the Court ruled upon. The net testimony was admitted along
with attendant exhibits.

1 As described more fully below, the corporate histories of ARCO and ConAgra are of
2 some moment in this litigation.

3
4 **C. ARCO, ConAgra, and successor liability**

5 Both ARCO and ConAgra make the threshold argument that since they were the result
6 of prior mergers and acquisitions, and the alleged bad acts occurred years before the present
7 iteration of these companies, they cannot be liable for any wrongs of their predecessors.

8 The People sue ARCO as alleged successor to The Anaconda Company and certain of
9 its former subsidiaries. (¶ 9.) The evidence shows promotion by two of the subsidiaries:
10 Anaconda Lead Products Company (“ALPC”), and International Smelting & Refining
11 Company (“IS&R”). ALPC operated a lead pigment manufacturing plant in East Chicago,
12 Indiana from 1920 until 1936, when ALPC was dissolved. (Ex. 291_004.) IS&R was the sole
13 shareholder of ALPC at the time of its dissolution. ALPC’s assets and properties were
14 distributed to IS&R upon ALPC’s dissolution. IS&R became the owner of the East Chicago
15 plant at that time, and operated the plant from 1936 until 1946, when it sold the plant to an
16 unrelated entity and exited the lead pigment business. (Exs. 285, 291_004.)

17 When ALPC, and later IS&R, operated the East Chicago plant, the plant produced dry
18 white lead carbonate pigment for sale under the “Anaconda” brand name to manufacturers of
19 paint and to manufacturers of non-paint products such as ceramics. (Ex. 285.) Beginning in
20 1931, the plant also produced white lead-in-oil, which also was sold under the “Anaconda”
21 brand name. (*Id.*) Plaintiffs’ evidence of promotions published by any alleged ARCO
22 predecessor before 1936 consists of promotions published by ALPC.

23
24 ARCO maintains it has not succeeded to the liability, if any, that ALPC would have for
25 those promotions if it still existed. ARCO contends the shareholders of a dissolved corporation
26 do not succeed to its liabilities as a result of the dissolution. Thus, ARCO argues, IS&R did
27 not succeed to the liabilities, if any, of ALPC. Although IS&R later merged with the
28 Anaconda Company, which in turn merged with ARCO, it is submitted those mergers do not

1 provide any basis for holding ARCO to be the successor to the liabilities of ALPC.

2 As for ConAgra, in 1962 W.P. Fuller & Co. merged with Hunt Foods and Industries
3 (“Hunt”) (Ex. 1 to People’s Request for Judicial Notice (“PRJNMA”)); in 1968 Hunt, Canada
4 Dry and McCall consolidated to form Norton-Simon (Ex. 2 to PRJNMA); in 1993 Norton-
5 Simon merged with Beatrice U.S. Food Corp. to form the Beatrice Company (Ex. 3 to
6 PRJNMA); and later in 1993 Beatrice Company merged into Hunt-Wesson, Inc. (Ex. 4 to
7 PRJNMA); in 1999 Hunt-Wesson, Inc. changed its name to ConAgra Grocery Products
8 Company (Ex. 5 to PRJNMA).

9 ConAgra introduced evidence that in 1964, before Hunt merged with Canada Dry and
10 McCall to form Norton-Simon, Hunt transferred all assets and liabilities relating to the paint
11 business of W.P. Fuller & Co. to a separate and distinct subsidiary named W.P. Fuller Paint
12 Co. (Ex. 1447.001-009.) W.P. Fuller Paint Co. remained in business for several years after its
13 creation. (Id. at 11-23.) In 1967 W.P. Fuller Paint Co. sold the assets and liabilities of the
14 paint business to Fuller-O’Brien Corporation (“O’Brien”). Unlike Hunt, O’Brien was a paint
15 company and remained in the paint business years after its acquisition of W.P. Fuller Paint
16 Co.’s assets and liabilities. (Ex. 12 to Anderson Depo at pages 227, 592.) W.P. Fuller Paint
17 Co. changed its name to WPF, Inc. and dissolved in 1968. (Ex. 1447.011-023.) ConAgra
18 maintains that because any paint liabilities of Fuller were never passed to Norton-Simon, the
19 chain of potential successor liability was broken. And, ConAgra argues, because this is an
20 equitable action, the facts and law must be evaluated through the lens of equity and the
21 question is whether imposition of liability would not only be legally appropriate, but would be
22 fair and just under the circumstances.³

23
24 The People have addressed these arguments as follows:

25 “If one corporation has merged into another, the surviving corporation is subject to all
26 liabilities of the merged or now-defunct corporation.” (Cal. Prac. Guide Pers. Inj. Ch. 2(II)-F, §
27

28

3 ConAgra is occasionally referred to in this decision as Fuller for historical context.

1 2:1681, citing Corp. Code, § 1107.) “Generally, the purchaser of a corporation’s business or
2 assets does not become liable for the transferor’s obligations simply by reason of the purchase.
3 But the rule is otherwise if the purchaser assumes the corporation’s liabilities as part of the
4 purchase price.” (Cal. Prac. Guide Pers. Inj. Ch. 2(II)-F, § 2:1682, citations omitted.) Absent a
5 true merger or express assumption following an asset sale, successor liability may be imposed
6 in the event of a *de facto* merger, whereby a corporate acquisition in the form of an asset
7 purchase achieves the same results as a merger. (*Marks v. Minnesota Mining & Mfg. Co.*
8 (1986) 187 Cal.App.3d 1429, 1435.) Successor liability may also be imposed pursuant to the
9 mere continuation doctrine, where the purchaser acquires the seller’s assets for inadequate
10 consideration or one or more persons were officers, directors or stockholders of both
11 corporations. (*Ray v. Alad* (1977) 19 Cal.3d 22, 29.) “Notwithstanding the absence of a true
12 merger, a ‘de facto’ merger or an express assumption, an assumption of liability may be
13 *implied in law* where it is both ‘fair’ to do so and necessary to prevent injustice.” (Cal. Prac.
14 Guide Pers. Inj. Ch. 2(II)-F, § 2:1682, citing *Alad, supra*, 19 Cal.3d 22, and other cases.)⁴

15
16 **D. Decision on successor liability of ARCO and ConAgra**

17 The Court finds ARCO succeeded to the liabilities of Anaconda and IS&R pursuant to
18 corporate mergers and/or express assumption of liabilities and that IS&R’s liabilities included
19 that of its agent, ASC. IS&R’s liabilities included those of ALPC and ASC, which IS&R
20 succeeded to under the *de facto* merger and/or mere continuation doctrines. And, by
21 succeeding to the liabilities of ALPC, IS&R also succeeded to the liabilities of ALPC’s agent,
22 ASC, pursuant to agency principles. All of these entities are referred to jointly herein as
23
24

25
26 _____
27 ⁴ In response ARCO and ConAgra argue *Ray* offers limited guidance because *Ray* was a products liability case, not an
28 equitable action relating to an alleged public nuisance. In products liability cases, successor liability is imposed
for several policy reasons such as the ability of successor entities to spread the risk of liability among current
purchasers of the product line and the fact that the goodwill of the predecessor is typically enjoyed by the
successor. *Id.* at 25. The Court holds the latter policy reason to be persuasive.

1 “ARCO.” Similarly, the Court finds ConAgra succeeded to Fuller’s liabilities as a result of a
2 series of corporate mergers and/or the express assumption of liabilities. (¶¶ 8-12.)

3 **The Court finds it is fair and appropriate in this case to so hold and necessary to**
4 **prevent an injustice. Therefore, ARCO and ConAgra do not avoid liability on this**
5 **ground.**

6
7 **II. PRE-TRIAL PROCEDURAL HISTORY AND RELEVANT AUTHORITIES**

8 The public entities' claims against defendants originally included causes of action for
9 fraud, strict liability, negligence, unfair business practices, and public nuisance. *County of*
10 *Santa Clara v. Atlantic Richfield Co.* (2006) 137 Cal.App.4th 292, 300 (hereinafter cited as
11 “Appeals Decision”) The Superior Court (Judge Jack Komar) granted defendants' motion for
12 summary judgment on all causes of action. The Court of Appeal reversed the superior court's
13 judgment of dismissal and ordered the lower court to reinstate the public-nuisance, negligence,
14 strict liability, and fraud causes of action. (*Id. at p. 333.*)

15 Thereafter, the public entities filed a fourth amended complaint (“FAC”) that alleged a
16 single cause of action for public nuisance, and sought only abatement; that is the claim at issue
17 in this decision.

18 The relevant statutory law provides:

19
20 “Anything which is injurious to health ... or is indecent or offensive to the senses, or an
21 obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life
22 or property ... is a nuisance.” Civ. Code, § 3479

23 “A public nuisance is one which affects at the same time an entire community or
24 neighborhood, or any considerable number of persons, although the extent of the annoyance or
25 damage inflicted upon individuals may be unequal.” Civ. Code, § 3480

26 Abatement, pursuant to Civ. Code, § 3491 is the result sought in this case.

27 A civil action may be brought in the name of the people of the State of California to
28 abate a public nuisance. Code Civ. Proc., § 731; Gov. Code, § 26528

“[P]ublic nuisances are offenses against, or interferences with, the exercise of rights
common to the public.” (*People ex rel. Gallo v. Acuna* (1997) 14 Cal.4th 1090, 1103) “Of

1 course, not every interference with collective social interests constitutes a public nuisance. To
2 qualify, and thus be enjoined [or abatable], the interference must be both substantial and
3 unreasonable.” *Acuna* at 1105. It is substantial if it causes significant harm and unreasonable if
4 its social utility is outweighed by the gravity of the harm inflicted. *Id.*

5 When hearing this case on pleading issues the Appeals Decision held Santa Clara, San
6 Francisco, and Oakland brought a civil action in the name of the People seeking to abate a
7 public nuisance. The public entities alleged that lead causes grave harm, is injurious to health,
8 and interferes with the comfortable enjoyment of life and property. The Court of Appeal found
9 the complaint was adequate to allege the existence of a public nuisance for which these
10 entities, acting as the People, could seek abatement. Subsequently, the Supreme Court declined
11 to review the Appeals Decision. Thus, the following language of the Appeals Decision is
12 controlling:

13 Here, the representative cause of action is a public nuisance action brought *on behalf of*
14 *the People seeking abatement*. Santa Clara, SF, and Oakland are *not seeking damages* for
15 injury to *their* property or the cost of remediating *their* property. Liability is not based merely
16 on production of a product or failure to warn. Instead, liability is premised on defendants'
17 *promotion of lead paint for interior use* with knowledge of the hazard that such use would
18 create. This conduct is distinct from and far more egregious than simply producing a defective
19 product or failing to warn of a defective product; indeed, it is quite similar to instructing the
20 purchaser to use the product in a hazardous manner, which *Modesto [City of Modesto*
Redevelopment Agency v. Superior Court (2004) 119 Cal.App.4th 28] found *could* create
21 nuisance liability. (emphasis in original) *Id.* at 309

22 ***

23 Because this type of nuisance action does not seek damages but rather abatement, a
24 plaintiff may obtain relief before the hazard causes any physical injury or physical damage to
25 property. A public nuisance cause of action is not premised on a defect in a product or a failure
26 to warn but on affirmative conduct that assisted in the creation of a hazardous condition. Here,
27 the alleged basis for defendants' liability for the public nuisance created by lead paint is their
28 affirmative promotion of lead paint for interior use, not their mere manufacture and distribution
of lead paint or their failure to warn of its hazards. *Id.* at 309-310

“[L]iability for nuisance does not hinge on whether the defendant owns, possesses or
controls the property, nor on whether he is in a position to abate the nuisance; the critical
question is whether the defendant *created or assisted in the creation of the nuisance.*”
(emphasis supplied) *Id.* at 306, quoting *Modesto* at 38

1
2 The People sought to prove that defendants assisted in the creation of this nuisance by
3 concealing the dangers of lead, mounting a campaign against its regulation, and promoting lead
4 paint for interior use. The People further claimed defendants did so despite their knowledge for
5 nearly a century that such a use of lead paint was hazardous. Had defendants not done so, it is
6 asserted, lead paint would not have been incorporated into the interiors of such a large number
7 of structures and would not have created the public health hazard that the People contend now
8 exists.

9 “A public nuisance cause of action is not premised on a defect in a product or a failure
10 to warn but on affirmative conduct that assisted in the creation of a hazardous condition. Here,
11 the alleged basis for defendants’ liability for the public nuisance created by lead paint is their
12 affirmative promotion⁵ of lead paint for interior use, not their mere manufacture and
13 distribution of lead paint or their failure to warn of its hazards.” *Appeals Decision* at 309-310

14 While this Court may take judicial notice of decisions from other jurisdictions that
15 pertain to lead paint litigation (e.g., Rhode Island, Wisconsin), those cases are not controlling
16 and are of marginal value because of the varied legal standards involved.

17 **III. TRIAL**

18 Trial to the Court of the sole remaining cause of action – public nuisance – began on
19 July 15, 2013 after years of intense discovery and motion practice.⁶ Over the course of 23 trial
20 days the parties introduced over 450 exhibits into evidence. At the close of live testimony, the
21 parties – as permitted by the Court -- submitted 25 depositions with attendant exhibits, portions
22 of which were admitted into evidence after the Court ruled on objections. During the trial the
23 Court ruled on over 30 written evidentiary objections and motions.⁷

24 ⁵ The Court adopts the standard definition of “promotion”: “the act of furthering the growth or development of
25 something; *especially*: the furtherance of the acceptance and sale of merchandise through advertising, publicity, or
26 discounting” Merriam-Webster Dictionary, 2013

27 ⁶ Retired United States District Judge Eugene M. Lynch served as appointed discovery referee and held over 60
28 hearings and conferences.

⁷ The Court allocated 40 hours to each side (Plaintiff on the one hand, Defendants the other) for the presentation
of live testimony (opening statements, motions, closing arguments, and procedural sessions were not included).
Defendants objected to this allocation and asserted that the imposition of time limits for testimony violated due
process. The Court disagrees. Both California and federal courts have regularly upheld time limitations on
testimony. (*Hernandez v. Kieferle* (2011) 200 Cal.App.4th 419, 438; see also *General Signal Corp. v. MCI*

1 **The trial concerned the following issues:**

- 2 • Is white lead carbonate and the paint in which it is a key ingredient harmful,
3 particularly to children?
- 4 • If so, what harms does it cause?
- 5 • Is there a present danger that needs to be addressed by the Court?
- 6 • Did the Defendants promote and sell this product in the Jurisdictions?
- 7 • If so, during what period and to what extent?
- 8 • Did the defendants sell the product with actual or constructive knowledge (if
9 constructive knowledge was deemed sufficient) that it was harmful?
- 10 • To what extent are higher blood lead levels due to non-paint sources, such as deposits
11 from gasoline? Or candies? Or water? And does the existence of these other sources
12 supplant any liability of these defendants?
- 13 • Does intact lead paint pose a hazard? And if so, to what extent?
- 14 • Does the undisputed reduction in tested blood lead levels over time mean the issues in
15 this case are resolved?
- 16 • To what extent do existing programs at all government levels deal with the problem?
- 17 • Is the issue with local governments a lack of resources, or a lack of will by those
18 entities?
- 19 • Is the proposed abatement solution unrealistic as to cost, time, or manageability?
- 20

21 *Telecommunications Corp.* (9th Cir. 1995) 66 F.3d 1500, 1508, citing *Monotype Corp. v. Intl. Typeface Corp.* (9th
22 Cir.1994) 43 F.3d 443, 451 [finding the court's time limit reasonable, even though it provided significantly less
23 time than the parties estimated would be required]. Imposing time limits is well within this Court's discretion (see,
24 e.g., *K.C. Multimedia, Inc. v. Bank of Am. Tech. and Operations, Inc.* (2009) 171 Cal.App.4th 939, 951), and
25 permitted by the Evidence Code. (Evid. Code § 352.) Each Defendant had time to present its case and the Court
26 provided Defendants with extra time after they had exceeded their allotment. (Tr. 3146:20-3147:2; 3239:24-
27 3240:2.) Defendants were able to conduct examinations of their own expert witnesses as well as lengthy cross
28 examinations of the People's witnesses (often in excess of the direct examination times), to present additional
29 testimony through depositions, and to enter hundreds of documents into evidence. Each Defendant had ample
30 opportunity to present the evidence in support of its case through able counsel who brought extensive experience
31 in "lead paint" litigation to this case. Finally, after reviewing Defendants' offers of proof regarding testimony that
32 may have been presented with additional time [Dkt. Nos. 3459, 3460, 3461, 3462, 3463, 3464, 3465, 3466, 3467,
33 3468 & 3473], it is noteworthy that the Defendants did not claim surprise as to any of the People's testimony at
34 trial, and the Court does not find that Defendants' proffered testimony would have changed its findings or
35 conclusions.

- 1 • Is the proposed abatement solution itself unlikely to be successful in the long run?
- 2 • Do other defenses, such as those raising constitutional issues, preclude liability?

3 **IV. THRESHOLD FINDINGS**

4 Two threshold issues are disposed of as follows:

5
6 **First, the question of “pigment” versus “paint.”** SW in particular strenuously argued
7 that lead pigment must be differentiated from lead paint. It is undisputed that certain companies
8 made pigment and sold it as a component for paint. Therefore, and in contrast, the argument is
9 since paint was produced by many companies, it is wrong to hold these five defendants liable
10 for paint manufactured and installed by others. The Court adopts a different position: that lead
11 pigment is, by itself, not applied to walls and woodwork but is the dangerous component of
12 paint. The Appeals Decision speaks of “lead paint” and, as it must, the Court is bound by that
13 definition of the product at issue.

14 **Second, the Court has considered the issue of exterior versus interior paint.** Again,
15 the Appeals Decision provides direction: “Here, the alleged basis for defendants' liability for
16 the public nuisance created by lead paint is their affirmative promotion of lead paint **for**
17 **interior use**, not their mere manufacture and distribution of lead paint or their failure to warn
18 of its hazards.” (emphasis supplied) *Id.* at 310 Further, after hearing testimony and reviewing
19 documentary evidence from both sides, the Court is convinced the People have not sustained
20 their burden of proof regarding exterior paint. There are multiple causes for lead found on the
21 outside of houses, including the residue from leaded gasoline and that tracked from other
22 locations, that make it improper for the court to connect these defendants to outside hazards.

23 **Therefore, based on the language of the Appeals Decision and the evidence or lack**
24 **thereof, this decision is based solely on the issue of lead paint as produced, promoted,**
25 **sold, and used for interior use.**
26
27
28

1 **V. PLAINTIFF’S LEGAL AND EVIDENTIARY POSITIONS**

2 **Plaintiff contends as follows:**⁸

3
4 **A. Legal standards**

5 In a public nuisance case seeking only abatement, “the burden of the People [is] to
6 prove the case only by a preponderance of the evidence.” (*People v. Frangadakis* (1960) 184
7 Cal.App.2d 540, 549-50; see also Evid. Code, § 115 [“Except as otherwise provided by law,
8 the burden of proof requires proof by a preponderance of the evidence”].)

9 Among the rights common to the public is the right to public health. This includes the
10 right to be free from the harmful effects of lead in paint. Lead in homes in the Jurisdictions is
11 injurious to health and interferes with the comfortable enjoyment of life and property. (¶¶ 31-
12 36, 82-95, 100-103.), is a nuisance that affects entire communities and a considerable number
13 of persons residing in those Jurisdictions (FAC ¶¶ 37-41, 46-72.), and causes and is likely to
14 cause significant harm to children, families, and the community at large. (FAC ¶¶ 31-72, 82-
15 95, 100-103, 218-221, 228-231.)

16
17 **B. Defendants’ Knowledge**

18 Each Defendant is liable for public nuisance if it promoted “lead paint for . . . use with
19 knowledge of the hazard that such use would create.” Appeals Decision at 317. Each
20 Defendant’s knowledge of that hazard may be actual or *constructive*. (*See Selma Pressure*
21 *Treating Co. v. Osmose Wood Preserving Co. of America, Inc.* (1990) 221 Cal.App.3d 1601,
22 1620 [holding that defendant may be liable for public nuisance if it “knew or should have
23 known” that its disposal practices might threaten the water supply]; *Ileto v. Glock Inc.* (9th
24 Cir.) 349 F.3d 1191, 1214-15 [holding, under California nuisance law, that defendants may be
25 liable if they knew or should have known of hazard caused by their promotion, distribution,
26 and sale of firearms].)

27
28 ⁸ In this decision the Court draws heavily upon the detailed PSODs supplied by the parties.

1 This is consistent with general tort law principles – which require only proof of
2 constructive knowledge – as well as nuisance law. (See *John B. v. Superior Court* (2006) 38
3 Cal.4th 1177, 1190 [reviewing constructive knowledge requirement within general negligence
4 principles]; *Leslie Salt Co. v. San Francisco Bay Conservation & Development Com.* (1984)
5 153 Cal.App.3d 605 [discussing property owners’ liability for nuisance where the owners knew
6 or should have known of the condition that constitutes the nuisance].) Each Defendant’s actual
7 or constructive knowledge may be proven by both direct *and* circumstantial evidence. “Both
8 direct and circumstantial evidence are admissible in proof of a disputed fact,” and “[n]either is
9 entitled to any greater weight than the other.” (3 Witkin, Cal. Evid. (4th ed.) § 846.) “A verdict
10 or finding may be founded on circumstantial evidence alone, even on circumstantial evidence
11 that is opposed by direct and positive testimony.” (*Id.* at § 856.)

12
13 Courts have held in a variety of tort cases that actual knowledge may be proven by
14 circumstantial evidence. (See, e.g., *Axis Surplus Ins. Co. v. Reinoso* (2012) 208 Cal.App.4th
15 181, 190, [circumstantial evidence used to prove knowledge of dangerous property conditions];
16 *Santillan v. Roman Catholic Bishop of Fresno* (2012) 202 Cal.App.4th 708, 723
17 [circumstantial evidence used to prove knowledge for purposes of notice requirement for
18 sexual abuse case]; *Yuzon v. Collins* (2004) 116 Cal.App.4th 149, 163-64 [circumstantial
19 evidence used to prove landlord’s knowledge of animal’s dangerous propensities].)

20 As recited in Civil Jury Instruction 202:

21 Evidence can come in many forms. It can be testimony about what someone saw or heard or
22 smelled. It can be an exhibit admitted into evidence. It can be someone's opinion.
23 Direct evidence can prove a fact by itself. For example, if a witness testifies she saw a jet plane
24 flying across the sky, that testimony is direct evidence that a plane flew across the sky. Some
25 evidence proves a fact indirectly. For example, a witness testifies that he saw only the white
26 trail that jet planes often leave. This indirect evidence is sometimes referred to as
27 "circumstantial evidence." In either instance, the witness's testimony is evidence that a jet plane
28 flew across the sky. As far as the law is concerned, it makes no difference whether evidence is
direct or indirect. You may choose to believe or disbelieve either kind. Whether it is direct or
indirect, you should give every piece of evidence whatever weight you think it deserves.

1 Even if the People have not proven that each Defendant had *actual* knowledge of the
2 hazard that was created by the use of lead paint on homes in the Jurisdictions, the People
3 contend they have proven that each Defendant had *constructive* knowledge of that hazard.
4 (FAC ¶¶73-136.)

5 **The Court finds this constructive knowledge took a variety of forms, including:**

6 Defendants' Internal publications (SW and NL)

7 Litigation (the *Pigeon* case described below) (ConAgra)

8 Internal manuals (SW)

9 Marketing contrasting newer, safe products to lead paint (DuPont)

10 Information and industry positions via trade associations (LIA and NVLP) of which
11 defendants were members

12 Specific testimonial references include:

13 Bartlett Article (1878) at p. 34 Tr. 1168

14 Sinkler Article (1894) at p. 42 Tr. 1174

15 Newmark (1895) Tr. 1174

16 Gibson (1904) Ex. P28 Tr. 1184-85 (found in Index MediProperties)

17 Osher (1907) Tr. 1186

18 Blackfan (1917) Ex. P22 Tr. 1190

19 McKhann (1933) Ex. P23 Tr. 1194

20 Medical Journal of Australia (1933) Ex. P30 Tr. 1197-98

21 Aub (1926) Ex. P31 Tr. 1203

22 Porritt (1931) Ex. P29 Tr. 1206

23 New York Journal of Medicine (1935) Ex. P 55 Tr. 1208

24 Minot (1938) Ex. P24

25 UK Ministry of Health (1938) Ex. P69 Tr. 1213

26 Journal of Diseases of Children (1943) Ex. P21 Tr. 1215
27
28

1 Despite this actual and constructive knowledge, each Defendant promoted lead pigment
2 and/or lead paint for home use. (FAC ¶¶ 73-217.) (*See Jones v. Vilsack* (8th Cir. 2001) 272
3 F.3d 1030, 1035 [“promotional activities take many forms” including retail displays, coupons,
4 and samples].) Defendants’ assertion that they were not aware of the effects of low-level lead
5 exposure until long after they stopped producing and promoting lead paint is of no moment.
6 Each Defendant certainly knew or should reasonably have known that exposure to lead at high
7 levels, including exposure to lead paint, was fatal or at least detrimental to children’s health.
8 That knowledge alone should have caused each Defendant to cease its promotion and sale of
9 lead pigment and/or lead paint for home use. Instead, after becoming aware of the hazards
10 associated with lead paint, they continued to sell it. (FAC ¶¶ 73-221.) Defendants’ argument
11 that they should not be held liable because they did not understand the full panoply of harms
12 caused by lead poisoning is simply not persuasive and contrary to law. (*Crowe v. McBride*
13 (1944) 25 Cal.2d 318, 322 [“As said in the Restatement, Torts, section 435: ‘If the actor's
14 conduct is a substantial factor in bringing about harm to another, the fact that the actor neither
15 foresaw nor should have foreseen the *extent* of the harm or the *manner* in which it occurred
16 does not prevent him from being liable.’”], (emphasis added.)

17
18 And, as the Court of Appeals stated: “The fact that the pre-1978 manufacture and
19 distribution of lead paint was ‘in accordance with all existing statutes does not immunize it
20 from subsequent abatement as a public nuisance.’” Appeals Decision at 310.

21 **C. Harm from Lead is Well-Documented**

22 According to the Centers for Disease Control and Prevention (“CDC”),

23
24 Lead is a poison that affects virtually every system in the body. It is particularly
25 harmful to the developing brain and nervous system of fetuses and young
26 children. . . . The risks of lead exposure are not based on theoretical calculations.
27 They are well known from studies of children themselves and are not extrapolated
28 from data on laboratory animals or high-dose occupational exposures.

1 (CDC, *Preventing Lead Poisoning in Young Children* (1991) Ex. 7. Children are particularly
2 susceptible to lead poisoning because they absorb lead much more readily than adults, and
3 because their brains and nervous systems are still developing.

4 In 1978, the U.S. Consumer Product Safety Commission banned the use of lead-based
5 paint in order to reduce the risk of lead poisoning in children. Eight years later the California
6 Legislature declared childhood lead exposure the most significant childhood environmental
7 health problem in the state, and enacted statutes and regulations aimed at reducing human
8 exposure to lead. (*See, e.g.*, Cal. Health & Saf. Code § 124125.) Despite this federal and
9 statewide effort, California children continue to be harmed by lead-based paint each year, and
10 lead-based paint remains the leading cause of lead poisoning in children who live in older
11 housing.

12 On May 16, 2012, the CDC eliminated the blood lead level of concern that had been
13 used to define lead poisoning in recognition of the fact that “no safe blood lead level in
14 children has been identified.” (*See CDC Response to Advisory Committee on Childhood Lead
15 Poisoning Prevention Recommendations in “Low Level Lead Exposure Harms Children: A
16 Renewed Call of Primary Prevention,”* U.S. CDC (May 16, 2012) (“CDC Response”).)⁹

17 Since antiquity, it has been well known that lead is highly toxic and causes severe
18 health consequences when ingested. (Tr. 2723:14-2725:1.) Infants and toddlers are most
19 vulnerable to lead poisoning because they absorb far more lead than adults and older children.
20 Because their brains and other organs are still rapidly developing, infants and toddlers also
21 sustain far greater damage when exposed to lead. (Tr. 109:20-110:20; 134:23-136:8.) When
22 ingested in large quantities, lead is fatal. High-level lead exposure can cause seizures and
23 coma, necessitating hospitalization, invasive medical procedures, and administration of drugs
24 with significant side effects. It can also cause brain swelling, kidney damage, anemia,
25

26
27 ⁹ Defendants asserted that Dr. Mary Jean Brown, Chief of the Healthy Homes/Lead Poisoning Prevention Branch of
28 the CDC said on November 14, 2011 that the lead problem had been solved. This is incorrect, as pointed out in Ex.
1583.406 where Dr. Brown states “one of the things we’re fighting, one of the myths we’re fighting is that lead has
been solved.”

1 disintegration of blood cells, and severe abdominal complaints. Intermediate lead exposure is
2 associated with damage to hemoglobin, calcium and vitamin D metabolism, and nerve
3 conduction. (Tr. 350:11-351:10 [discussing P278_002], 354:10-355:24 [relying on P40],
4 1090:4-18, 1094:1-1095:15.)

5 Even relatively low levels of lead exposure have severe health consequences. Blood
6 lead levels (BLLs) between 5 and 10 µg/dL are associated with adverse effects on
7 development, delayed puberty, decreased growth and hearing, as well as increased anti-social,
8 delinquent, and criminal behavior. (Tr. 350:11-351:10 [discussing P278_2], 356:3-23 [relying
9 on P35], 361:8-362:23 [discussing P48], 363:19-364:15 [relying on P278 at 6-7], 398:19-
10 401:15 [discussing P18], 954:25-956:3, 2796:225 [discussing P18 at 47]; P18 at 20, 21, 30, 45
11 & 47, P19 at 11 & 25, P20 at 2, P40 at 1, P45 at 18-19 & P48.)

12 Any level of lead exposure significantly lowers a child's Intelligence Quotient (IQ).
13 The decline in IQ is steepest at lower BLLs. Thus, even BLLs below 5 µg/dL are associated
14 with decreased IQ and academic abilities, difficulty with problem solving, memory
15 impairment, attention-related behaviors such as ADHD, and anti-social behavior. (Tr. 350:11-
16 351:10 [discussing P 278 at 2]; 358:13-360:27 [relying on P38]; 388:26-389:14 [discussing
17 P278 at 11], 954:25-955:10, 966:1-8, 2316:18-2317:1; P18 at 20, 21, 30, 45 & 47, P19 at 11 &
18 25, P20_2, P45 at 18-19, P48, P54.)

19 Consequently, the drop in IQ of a lead-poisoned child substantially reduces his or her
20 likelihood of leading a happy, productive life. (Tr. 385:2-389:14; 397:22-398:18 [discussing
21 P54], 420:11-16 [same], 2320:22-2321:18; P54, P278A.) Such a drop in IQ lowers the
22 community's average IQ, increases the number of people considered mentally retarded, and
23 reduces the number of people considered gifted. Lead exposure has been associated with the
24 loss of 23 million IQ points among a cohort of American children. This IQ drop diminishes the
25 productivity and well-being of each affected community and society as a whole. (Tr. 385:2-
26 389:14; 397:22-398:18 [discussing P54], 420:11-16 [same], 2320:22-2321:18; P54, P278A.)
27
28

1 Lead poisoning is most common among poor children living in older properties. (Tr.
2 905:20-906:9, 986:21-987:18, 999:12-1000:23, 1365:19-23, 1370:18-1371:10, 2309:21-
3 2310:8; P45.) African American children and, to a lesser extent, Latino children have much
4 higher average BLLs than white children. (Tr. 986:21-987:18; 2583:5-9, P45.)

5 These consequences are not recent discoveries. Over 100 years ago, in 1900, SW’s
6 internal publication stated, “It is also familiarly known that *white lead is a deadly cumulative*
7 *poison*, while zinc white is innocuous. It is true, therefore, that *any paint is poisonous in*
8 *proportion to the percentage of lead contained in it.*” Ex. 155

9
10 **D. The Inevitable Deterioration of Lead Paint is Not Disputed**

11
12 Lead paint inevitably deteriorates, leaving behind lead-contaminated chips, flakes, and
13 dust. Dust from deteriorating lead paint deposits on floors, windowsills, and other interior
14 surfaces. (Tr. 190:28-191:27, 1262:16-28; 3092:21-3093:8, 3130:22-28; 3131:13-3133:4; P10,
15 table 5.7.) Deterioration is dramatically accelerated when lead paint is on high friction
16 surfaces, such as windowsills and doors. (Tr. 175:16-22, 160:13-24, 992:21-993:1, 3129:7-14.)
17 Deterioration of lead paint on the exterior of homes contaminates surrounding soil. Lead
18 contaminated soil is often tracked into homes. (Tr. 176:14-27, 982:23-983:10 [relying on P16,
19 P28_16], 986:5-13, 2053:2-7.) Lead contamination in soil and dust in older homes is almost
20 always due to lead in paint rather than other environmental contaminates. (Tr. 192:23-194:22
21 [relying on P10 at 4-5, Table 6.3, P11 at 1-6], P277_18, 985:4-27 [relying on P16, P280_17],
22 1500:16-24, 1501:6-1502:18; P45_40.)

23
24 **E. Young Children are at Greatest Risk**

25 As part of normal development, young children engage in hand-to-mouth behavior, and
26 often ingest dust, soil, and other particles. Young children also regularly chew on accessible
27 surfaces and objects, including windowsills and other interior woodwork. (Tr.134:23-136:8,
28 161:1-16, 1374:22-28, 1461:3-14, 1462:16-28.) Through these normal developmental

1 behaviors, children in homes containing lead paint ingest that paint in the form of dust, paint
2 chips or flakes. (Tr. 159:10-160:12.) A chip of lead paint that is approximately the size of a
3 period at the end of a sentence is sufficient to cause a BLL of 20 micrograms per deciliter if
4 ingested by a young child. (Tr. 156:6-19.) One gram of lead, the amount of material contained
5 in a standard packet of sugar, if spread over 100 rooms, each measuring 10 feet by 10 feet,
6 would be sufficient to create a lead dust hazard at two times the level recommended by the
7 EPA. (Tr. 2201:21-2203:28.) Lead paint on high friction surfaces presents an immediate
8 hazard, even if it is presently intact, because normal use causes the paint to degrade, exposing
9 young children to lead dust. (Tr. 160:13-161:16, 175:1-22, 178:20-25, 2053:2-7.) When intact
10 lead paint is on surfaces such as windowsills and railings that can be mouthed or chewed by a
11 child, the paint is a hazard regardless of whether it is intact. (Tr. 160:13-161:16, 1090:23-
12 1092:21.) Furthermore, lead paint that is currently intact poses a substantial risk of future harm
13 because it will inevitably degrade and be disturbed by normal residential activities, such as
14 renovations. (Tr. 1417:7-27, 3133:9-28.)
15

16 **F. Experts, Federal Agencies, Physician Associations, and the Public Entities**
17 **Agree That Lead Paint Is the Primary Source of Lead Exposure for Young**
18 **Children Living In Pre-1978 Housing**

19
20 Leading experts in the field of lead poisoning are virtually unanimous in concluding
21 that lead paint is the primary cause of lead poisoning in young children. (Tr. 140:13-141:19,
22 344:17-22, 2120:15-23.) The federal agencies tasked with identifying the causes of lead
23 poisoning agree that lead paint is the primary source of childhood lead exposure. For example,
24 in 2012, the CDC’s Advisory Committee on Childhood Lead Poisoning Prevention reported
25 that “lead-based paint hazards, including deteriorated paint, and lead contaminated dust and
26 soil still remain by far the largest contributors to childhood lead exposure on a population
27 basis. ” (Tr. 110:21-111:4, 130:18-132:18, 137:11-20; P9_14; P11 at 1-6; P45_40.) The
28 American Academy of Pediatrics recognizes that “[t]he source of most lead poisoning in

1 children now is dust and chips from deteriorating lead paint on interior surfaces.” (Tr. 132:6-
 2 17; P66_1037.) Lead paint accounts for at least 70 percent of childhood lead poisoning and is
 3 the dominant cause of lead poisoning in children living in older homes. (Tr. 983:12-988:17,
 4 1502:6-25.) Nationally, children living in pre-1978 homes are 13 times more likely to have an
 5 elevated BLL than those living in post-1978 homes. (Tr. 961:6-17.) In California, 80 to 90
 6 percent of cases of childhood lead poisoning involve children living in pre-1980 homes. (Tr.
 7 1364:18-1365:5.) And, consistent with national and statewide data, lead paint is the primary
 8 source of lead poisoning for children in the Jurisdictions. (Tr. 183:7-15, 905:15-906:9,
 9 1097:19-1098:5, 1404:29-1405:4, 1413:6-28, 2043:10-25, 2057:19-2058:7, 2229:5-10, 2239:7-
 10 2240:9, 2288:4-17, 2320:22-2321:18, 3263:9-3264:7.)

12 **G. Lead Paint is Prevalent in the Jurisdictions**

13 In 1978, the U.S. Consumer Product Safety Commission prohibited the use of lead-
 14 based paint in homes. (16 Code Fed. Regs § 1303.4.) The 2010 census data shows that over 4.7
 15 million homes in the Jurisdictions were built before the 1978 ban. (P261; *see also* P283_014.)

16 The chart below depicts the estimated number of pre-1950 and pre-1978 homes in each of the
 17 Jurisdictions according to the census:

19 Public Entity	Pre-1950	1950 – 1979	Total Housing Units (2010 Estimate)
20 Alameda	173,981	255,444	429,425
21 Los Angeles	912,852	1,737,349	2,650,201
22 Monterey	18,772	71,014	89,786
23 San Mateo	56,556	159,769	216,325
24 Santa Clara	61,411	364,823	426,234
25 Solano	18,559	60,519	79,078
26 Ventura	19,854	154,134	173,988
27 San Diego	62,330	255,456	317,786
28 San Francisco	226,333	91,472	317,805
Totals	1,550,648	3,149,981	4,700,628

1 According to the 2011 U.S. Department of Housing and Urban Development (HUD)
2 Healthy Homes Survey, 52 percent of pre-1978 homes contain lead-based paint hazards. And a
3 large percentage of these homes have children under six years of age living there. Because of
4 the prevalence of lead-based paint in California, all homes built before 1978 are presumed to
5 contain lead-based paint. 143:5-15 [referring to P277_10], 982:23-983:10, 7 Cal. Code. Regs. §
6 35043.) The prevalence of lead paint in California homes is not surprising given the large
7 amount of lead pigment used in paint before the 1978 ban. From 1929 to 1974, 77 percent
8 (1,978,547 tons) of white lead sold in the U.S. was used in paint. An NL advertisement in 1924
9 noted that 350,000,000 pounds of white lead were used in paint every year in the United States
10 – “enough paint to cover with one coat about 3,000,000 houses of average size.” (Tr. 149:20-
11 28 [relying on P4_7]; P230.) Inspections confirm that their pre-1978 homes in the Jurisdictions
12 often contain lead paint. (*See, e.g.*, Tr. 183:7-15; 1413:6-28.)

13
14 Due to limited resources, government programs in the Jurisdictions have not
15 significantly reduced the number of homes containing lead paint. (Tr. 577:24-581:20, 601:10-
16 22, 641:19-25, 644:11-21, 2295:13-27.)

17 **H. The Continuing Effect of Lead Paint**

18 From 2007 to 2010, at least 50,000 children under six in the Jurisdictions had BLLs
19 above 4.5 µg/dL. In 2010 alone, more than 10,000 children living in the Jurisdictions had
20 BLLs above 4.5 µg/dL. (P223; P239; D1411.5.) These numbers, drawn from the Response and
21 Surveillance System for Childhood Lead Exposure (“RASSCLE”) database,¹⁰ represent the
22 minimum number of children in the Jurisdictions who were lead poisoned. (Tr. 3261:18-25.)
23 Children with elevated BLLS identified in RASSCLE understates the prevalence of childhood
24 lead exposure in the Jurisdictions. This is so because RASSCLE does not include children who
25
26

27
28 ¹⁰ RASSCLE is used by the Childhood Lead Poisoning Prevention Branch (“CLPPB”) to collect information on
children found to have elevated blood lead levels. RASSCLE was re-engineered as a state-wide, web-based
information system known as RASSCLE II. This program only addresses children who have been tested. Tr.980

1 are at greatest risk for lead exposure, such as children who do not have insurance or regular
2 access to health care. The number of children with elevated BLLS in the Jurisdictions in 2010
3 identified by RASSCLE is substantial. That number is far greater than the number of persons
4 who contract pertussis, tuberculosis, hanta virus, and other communicable diseases each year.
5 (Tr. 1373:5-12, 3247:27-3248:5, 3259:23-3261:17, 3261:26-3262:7.) Moreover, lead paint
6 “disproportionally impacts low income and minority kids. And these are kids who can least
7 afford to take the hit.” (Tr. 905:20-906:9, 986:21-987:6, 999:12-1000:23, 1365:19-23,
8 1370:18-1371:10, 2309:21-2310:8.)

9
10 **I. Defendants’ Manufacturing of Lead Pigments for Use in House Paints and as**
11 **Members of Trade Associations**

12 Defendants promoted and sold their lead pigments: (1) as dry white lead carbonate; (2)
13 as white lead-in-oil; and (3) in paints containing white lead pigments. As described by Dr.
14 David Rosner, lead pigments are “the basic ingredient that goes into paint, whether it is in a
15 box, or whether it is in a can, or whether it is mixed or not mixed, it is the cake mix that makes
16 the cake.” (Tr. 66:5-11; see also Tr. 664:16-666:17; P517.)

17 ARCO manufactured lead pigments for use in house paints from 1920 until 1946.
18 ARCO was a member of the Lead Industries Association (“LIA”) from 1928 until 1971 and a
19 Class B member of the National Paint Varnish and Lacquer Association (“NPVLA”) from
20 1933 through 1944. (Tr. 1675:9-25.)¹¹

21 ConAgra manufactured lead pigments for use in house paints from 1894 until 1958.
22 ConAgra was a member of the LIA from 1928 through 1958 and a Class A member of the
23 NPVLA from 1933 through 1962. (Tr. 1663:27-1664:19.)

24 DuPont manufactured lead pigments for use in house paints from 1917 through 1924
25 and then continued to manufacture lead pigments through its contract with NL through the
26

27
28

¹¹ The role of the NIA and NPVLA is described below.

1 1960s. DuPont was a member of the LIA from 1948 through 1958 and a Class A member of
2 the NPVLA from 1933 through 1972. (Tr. 1656:24-1657:7.)

3 NL manufactured lead pigments for use in house paints from 1891 until 1978. NL was
4 a member of the LIA from 1928 until 1978 and a member of the NPVLA from 1933 through
5 1977. (Tr. 1647:4-16.)

6 SW manufactured lead pigments for use in house paints from 1910 to 1947. It
7 manufactured paints with lead pigments from 1880 through the 1970s. SW was a member of
8 the LIA from 1928 through May 1947 and was a Class A member of the NPVLA from 1933
9 through 1981. (Tr. 1626:15-23.)

11 **J. Role of the Trade Associations**

12 It was generally known that childhood lead poisoning disproportionately affected poor
13 and minority children. (Tr. 1727:16-20.) In 1935, the LIA's Director of Health and Safety
14 wrote a letter describing the problem of childhood lead poisoning as "a major 'headache,' this
15 being in part due . . . to the fact that the only real remedy lies in educating a relatively
16 ineducable category of parents." (Tr. 1723:17-1725:24 [relying on P78].) He went on to say
17 that "[i]t is mainly a slum problem with us."(*Id.*) In 1956, he reiterated this to the Assistant
18 Secretary of the U.S. Department of the Interior. (Tr. 1725:5-1726:7 [relying on P145_1]; see
19 also 1725:5 – 1726:7 [relying on P145_001 ("The basic solution is to get rid of our slums, but
20 even Uncle Sam can't seem to swing that one. Next in importance is to educate the parents, but
21 most of the cases are in Negro and Puerto Rican families, and how does one tackle that job?")])
22 and reiterated this at a LIA meeting in 1958 (Tr. 1726:10 – 1727:15 [relying on P86_25 ("One
23 can readily understand why, to the operator of a smelter in California or a lead products plant
24 in Texas, the doings of slum children in our eastern cities may seem of little consequence."))].)

25 Each Defendant, except DuPont, also learned about the harms of lead exposure through
26 association-sponsored conferences. For example, the LIA held a confidential conference of its
27 members in 1937 which included physicians to discuss lead poisoning. Ex. 154
28

1 Representatives from NL, SW, and ARCO attended. Transcripts of the conference – “an
2 invaluable summary of present day medical knowledge about lead” – were sent to LIA
3 members, including ConAgra. Although the conference focused on industrial lead poisoning,
4 it discussed childhood lead poisoning. Specifically, conference participants discussed a child
5 who had died from lead poisoning, childhood lead poisoning cases involving lead paint in
6 homes, and the difficulty of removing lead from a child’s body. (Tr. 1687:1-1689:27, 1690:18-
7 1691:5 [relying on P98 & P154].)

8 Each Defendant learned about childhood lead poisoning through LIA and/or NPVLA
9 communications. For example, the NPVLA’s executive committee—which included NL—sent
10 a confidential memo in 1939 to its Class A members—which included SW, ConAgra and
11 DuPont. That memo explained that the dangers of lead paint to children were not limited to
12 their toys, equipment, and furniture. (Tr. 1691:12-1693:23 [relying on P81].)

13 NL, ARCO, and DuPont learned about childhood lead poisoning through trade
14 association meetings. For example, during a 1930 meeting of the LIA’s Board of Directors,
15 which included NL, the Board discussed negative publicity regarding lead products, including
16 a report that: (1) lead poisoning of children who chewed on toys, cradles, and woodwork
17 painted with lead paint occurred more frequently than formerly thought; (2) small amounts of
18 lead could kill a child; and (3) physicians were not recognizing lead poisoning. (Tr. 1694:15-
19 1695:21 [relying on P75 & P166].)

20 The LIA only disseminated the information it gathered about the hazards of lead paint
21 and childhood lead poisoning to its members. It did not disseminate this information to
22 government agencies or the public. In fact, the LIA often marked its documents as confidential
23 to try to ensure that they would not receive this information. (Tr. 1689:8-18, 1690:16-1691:2
24 [relying on P98 & P154].)

25
26
27 **K. Knowledge of the Defendants - Generally**
28

1 At the same time they were promoting lead paint for home use, each Defendant knew
2 that high level exposure to lead—and, in particular, lead paint—was fatal. Each Defendant also
3 knew that lower level lead exposure harmed children. (Tr. 1624:21-1625:17, 1687:1-1688:27,
4 1690:18-1691:5, 1694:15-1695:21, 1696:19-1697:9, 1697:23-1698:26, 1699:17-1701:3,
5 1702:20-1703:14, 1705:21-1706:5, 1706:19-1707:2, 1707:14-21, 1707:22-27, 1708:14-1709:4,
6 1709:5-20, 1709:21-27, 1710:5-1711:3, 1713:16-1714:3, 1715:1-26, 1716:6-23, 1716:20-
7 1717:8, 1718:10-24, 1719:11-1720:7, 2848:16-26, 2854:4-9, 2855:21-2856:7 [relying on P76,
8 P81, P142, P154, P155_16, P157, P159, P166, P168 at 4-11, P177, P183, P184, P197 at 117,
9 P506])

10 Medical and scientific literature published as early as 1917 identified both extreme and
11 subtle effects of lead poisoning, and recognized the dangers of low-level lead exposure. (Tr.
12 1165:2-24, 1166:06-28, 1191:15-1192:13, 1197:7-18, 1199:14-3, 1202:7-1203:14, 1204:26-
13 1205:28, 1207:2-22, 1209:18-1210:19, 1211:22-1213:7, 1214-1215:1, 1217:1-23 [relying on
14 P22, P23, P24, P29, P30, P31, P55, P69, P226].) Accounts of children poisoned by lead paint
15 appeared in medical literature published as early as 1878. (Tr. 1165:2-9, 1168:14-21, 1171:10-
16 26, 1175:28-1177:13, 1178:8-1179:9, 1186:1-1187:7, 1195:21-1191:15 [relying on P21, P22,
17 P24, P23, P29, P30, P31, P34, P42, P43, P55].)

18 Additional reports in the medical and scientific literature dating back to the early 1900s
19 identified lead dust generated by deteriorating interior and exterior lead paint in homes as a
20 source of lead poisoning for children. (Tr. 1165:10-21, 1171:10-1174:16, 1181:5-1183:12,
21 1186:1-1187:6, 1188:17-1189:07, 1192:9-25, 1218:13-1219:1, 1219:27-1220:10, 1245:15-
22 1246:15 [relying on P28, P8, P34]; see also 2848:16-26; P197.)

23 In the 1920s, scientists from the Paint Manufacturers Association reported that lead
24 paint used on the interiors of homes would deteriorate, and that lead dust resulting from this
25 deterioration would poison children and cause serious injury. (See Tr. 1189:8-26.) Medical and
26 scientific literature published before the 1950s often observed that reported cases of lead
27 poisoning represented only a small fraction of the adults and children poisoned by lead paint.
28

1 (See Tr. 1165:22-1166:5, 1196:20-1197:6, 1208:7-13) It was accepted by the medical and
2 scientific community before the 1950s, as reflected in literature from as early as 1894, that lead
3 paint was a significant cause of childhood lead poisoning. (Tr. 1197:7-18, 1217:24-1218:12,
4 1274:1-23 [relying on P226 [compendium of articles].) Even before the 1950s, the medical and
5 scientific community recognized that children were particularly vulnerable to lead poisoning,
6 and that the harmful effects of lead poisoning were permanent. (See Tr. 1167:12-23; 1215:28-
7 1216:26 [relying on P21].) (See Tr. 1167:1-11; 1195:21-1196:15 [relying on P23].) As early as
8 1933, the medical and scientific community called for the elimination of lead paint in areas
9 frequented by children – including their homes. (See Tr. 1167:24-1168:08, 1198:17-13,
10 1200:4-14, 1200:24-1201:28 [relying on P30].) Other countries began banning the use of lead
11 paint, particularly for home use, in the 1920s and 1930s. (Tr. 354:24-355:24 [relying on P40],
12 1702:20-1703:14 [replying on P142 at 9].)

14 **L. Knowledge of the Individual Defendants**

15 **1. ARCO**

16 ARCO knew of the hazards of lead paint – including childhood lead poisoning – at the
17 time it promoted, manufactured, and sold lead pigments for home use. (Tr. 1709:21-27.)
18 ARCO learned of the hazards of lead paint – including childhood lead poisoning – through
19 physician(s) it employed and information it received from trade associations. (Tr. 1685:15-
20 1686:3, 1687:1-1689:27, 1690:18-1691:5 [relying on P98 & P154], 1710:5-1711:3 [relying on
21 P168].) ARCO’s own internal documents establish that ARCO knew about the hazards of lead
22 paint. In a letter dated 1918, ARCO personnel suggested that one way to eliminate the
23 “poisonous effects” of lead for its workers was “[e]limination of the dust,” minimizing the time
24 that workers were exposed to the dust, and transferring workers once they showed symptoms
25 of poisoning. (P168_13.) Personnel were also aware that poisoning was caused by particles
26 both ingested and inhaled. In another letter dated December 16, 1921, plant personnel from
27 ARCO discussed their interest in learning more about the prevention and detection of lead
28

1 poisoning in the workplace and asked for more medical information on the subject. The letter
2 attached a medical article dated March, 1921 discussing industrial lead poisoning and the role
3 of lead dust. (Tr. 1709:21-27 [relying on P168]). The letter and article further demonstrate that
4 ARCO personnel followed the medical and scientific literature regarding the hazards of lead
5 and had actual knowledge of those harms. (*Ibid.*) ARCO had actual knowledge of the hazards
6 of lead paint – including childhood lead poisoning – for the duration of its manufacturing,
7 promotion, and sale of lead pigments for home use. (Tr. 1624:21-1625:17.)
8

9 **2. ConAgra**

10 ConAgra knew of the hazards of lead paint – including childhood lead poisoning –
11 when it promoted, manufactured, and sold lead pigments for home use. (Tr. 1624:21-1625:17.)
12 ConAgra knew about the hazards of lead paint when the California Supreme Court upheld a
13 jury verdict finding that ConAgra knew about the dangers of white lead production for its
14 workers. (*Pigeon v. W.P. Fuller* (1909) 156 Cal. 691, 702 : “There was abundant testimony
15 tending to show that the process of the manufacture of white lead, as conducted by [ConAgra],
16 was dangerous to those assisting in the work; the danger arising from the inhalation of fumes
17 and vapor . . . and of particles of dust coming from the metal after it had been corroded in the
18 process of converting it into white lead”; *see also* Tr. 1718:10-24.)
19

20 Neal Barnard, a former ConAgra employee who developed paint formulas for the
21 company from 1948 until 1967, worked with lead pigments during the time that ConAgra
22 produced lead paint. During that time, Mr. Barnard knew that white lead pigment was toxic. He
23 also knew that lead paint chalked and that the resulting lead dust could be ingested by touching
24 the paint. (Barnard Depo. 55:25-56:5, 62:11-62:17.)

25 ConAgra learned of the hazards of lead paint – including childhood lead poisoning –
26 through information it received from trade associations. (Tr. 1687:1-1689:27, 1690:18-1691:5
27 [relying on Exs. P81, P154], 1691:12-1692:14, 1692:18-1693:23.) And ConAgra had actual
28 knowledge of the hazards of lead paint – including childhood lead poisoning – for the duration

1 of its production, marketing, and sale of lead pigments and paint for home use. (Tr. 1624:21-
2 1625:17.)

3
4 **3. DuPont**

5 DuPont acquired Cawley Clark & Company and Harrison Brothers in 1917 as its first
6 foray into the paint business. DuPont acquired Harrison Brothers, in part, to acquire its
7 knowledge about paint and paint pigments, including lead paint and pigment. (Tr. 1711:12-
8 1712:19 [relying on P172_20], 2852:21-2854:9 [relying on P275 at 10].)

9 By 1913, Harrison Brothers was promoting interior residential paints without lead by
10 touting that those paints did not contain “poisonous” white lead pigments and discussed the
11 absence of poisonous pigments making painted rooms safe for occupants. (Tr. 2848:2-26
12 [discussing P197].) Since this was an advertising gambit by a leading paint manufacturer and
13 necessary competitor of the other defendants, this document undermines the “no knowledge”
14 argument of the other defendants in this case.

15 The paints that DuPont acquired from Harrison Brothers were described in a brochure
16 that stated that wallpapers containing lead continually resulted in the circulation of dust and
17 were especially unsuitable for children’s bedrooms and nurseries. (Tr. 2855:18-2856:12
18 [discussing P506].) The brochure also stated that Harrison’s paint contained “no lead, arsenic,
19 or poisonous material of any description” (Tr. 2847:23-2848:26 [discussing P197].)
20 DuPont’s 1918 advertisements for its Sanitary Flat Wall Finish stated that “good taste decrees
21 and health demands the elimination of poisonous pigments” – including lead pigments. (Tr.
22 1713:16-1714:3 [discussing P2 at 14], 1715:1-26; [relying on P177].)

23
24 In 1937, the Baltimore Public Health Department informed DuPont’s Medical Director
25 that nearly two dozen children had died of lead poisoning. The letter explained to DuPont that
26 each of these children died after chewing on a painted surface, and that the Department was
27 recommending use of paint without lead. (Tr. 1716:6-23 [relying on P159].)
28

1 DuPont learned of the hazards of lead paint – including childhood lead poisoning –
2 through physician(s) it employed and information it received from trade associations. (Tr.
3 1687:1-1689:27, 1690:18-1691:5 [relying on P98 & P154].)

4 DuPont had actual knowledge of the hazards of lead paint – including childhood lead
5 poisoning – for the duration of its production, marketing, and sale of lead pigments and paint
6 for home use. (Tr. 1624:21-1625:17.)

7
8 **4. NL**

9 NL had actual knowledge of the hazards of lead paint, including childhood lead
10 poisoning. NL obtained this knowledge through its own review of the scientific and medical
11 literature, LIA communications, LIA and NPVLA meetings, and its own experiences. NL
12 employed medical doctors who were well aware of the hazards of lead paint and tracked the
13 medical literature on this subject. [Tr. 1687:1-1690:27, 1690:18-1691:5 [relying on P81, P988
14 and P154].)

15 NL was aware of the hazards of lead dust. For example, in 1912, NL acknowledged that
16 “[i]n the manufacture of the various products of Lead, there are two sources of danger to the
17 health of workmen therein employed; viz., the fumes arising from the smelting or melting of
18 metallic lead, and the dust arising in the processes of making white lead and lead oxides.” (P76
19 at 4.) NL’s corporate representative confirmed that, by the mid to late 1920s, NL knew that
20 children who chewed on toys, cribs, and other objects with lead paint could die from lead
21 poisoning. That representative acknowledged that NL was probably aware that children could
22 have convulsions after being exposed to lead in paint. (Tr. 1988:1-1994:3.)

23
24 During a 1930 meeting of the LIA Board of Directors, it was reinforced to NL that
25 childhood lead poisoning caused by chewing on toys, cradles and woodwork (such as
26 windowsills) containing lead paint occurred more frequently than formerly thought. (Tr.
27 1694:23-1696:3 [describing P166]; see also Tr. 1693:24-1694:22 [relying on P75].)

28 **5. SW**

1 SW had actual knowledge of the hazards associated with lead paint by 1900. In 1900,
2 SW, in its internal publication, *Chameleon*, told its employees that:

3 It is also familiarly known that white lead is a deadly cumulative poison,
4 while zinc white is innocuous. It is true, therefore, that any paint is poisonous
5 in proportion to the percentage of lead contained in it. This noxious quality
6 becomes serious in a paint which disintegrates and is blown about by the
7 wind: but if a paint containing lead (such as the better class of combinations)
8 is not subject to chalking, the danger is minimized. (P155.)

9 When asked whether SW knew, before 1910, that lead paint could cause lead
10 poisoning, SW's own expert, Dr. Colleen Dunlavy, acknowledged that "[t]he hazards of . . .
11 lead paints were widely understood for a long time" and that the "hazards [of lead paint] to
12 workers, in particular, were well-known and reflected in Sherwin-Williams' documents." (Tr.
13 3036:18-19.)

14 This is also clear from articles published by SW's employees. For example, in June
15 1928, the *Journal of Chemical Education* published an article by a SW employee who noted
16 that "[v]olumes ha[d] been written on this pigment [lead]," as well as "the facts that it is rather
17 poisonous and has been legislated out of use in some countries." (P142.)

18 In an internal letter in 1969, an SW executive admitted that "[a]s to a solution to the
19 problem, a very simple statement, but very difficult to carry out, would be to remove the source
20 of lead or put it behind barriers so that the children could not get to it." (Tr. 1473:24-1474:23
21 [relying on P161].)

22 SW learned of the hazards of lead paint – including childhood lead poisoning – through
23 physicians it employed and information it received from trade associations. (Tr. 1687:1-
24 1689:27, 1690:18-1691:5 [relying on P98 & P154].)

25 SW had actual knowledge of the hazards of lead paint – including childhood lead
26 poisoning – for the duration of its production, marketing, and sale of lead pigments and lead
27 paint for home use. (Tr. 1705:21-1706:5.)

28 Based on the facts cited above, each Defendant was on notice of the harms associated
with lead paint no later than the 1920s and 1930s. Thus, each Defendant had – at the very least

1 --*constructive* knowledge of the hazards created by its promotion of lead pigment for home
2 use.

3
4 **M. Causation**

5 California has adopted the substantial factor test of the Restatement Second of Torts.
6 (*Viner v. Sweet* (2003) 30 Cal.4th 1232, 1239.) This test “subsumes the traditional ‘but for’ test
7 of causation.” (*Rutherford v. Owens-Illinois, Inc.* (1997) 16 Cal.4th 953, 969.) Under this test,
8 independent tortfeasors are liable so long as their conduct was a “substantial factor in bringing
9 about the injury.” (*Ibid.*) A plaintiff need only “exclud[e] the probability that other forces alone
10 produced the injury;” it need not show that a defendant is the sole cause of the injury. (*Arreola*
11 *v. County of Monterey* (2002) 99 Cal.App.4th 722, 748-49.) Where a defendant’s conduct plays
12 more than an “‘infinitesimal’ or ‘theoretical’ part in bringing about injury, damage, or loss,”
13 that conduct is a substantial factor in causing the injury. (*Rutherford*, at 969.)

14 Thus, multiple defendants are liable for public nuisance if they “created or assisted in
15 the creation of the nuisance.” (Appeals Decision at 309.) This is true even if the acts of each
16 defendant are independent concurrent causes of the injury. (*Ibid.*) It is also irrelevant “whether
17 the defendant owns, possesses or controls the property [which is the site of the nuisance].”
18 (*Ibid.*)

19 The People contend that each Defendant promoted lead paint and/or lead pigment in the
20 Jurisdictions. Whether Defendants’ promotions explicitly mentioned lead is irrelevant. The
21 question is whether Defendants promoted house paints containing lead. *Ibid.*

22
23 **N. Defendants Promoted and Sold Lead Pigment and/Or Lead Paint in the**
24 **Jurisdictions**

25 The Defendants manufactured lead pigments for use in paints in the 20th century. And
26 each Defendant, except ARCO, used these pigments in its own paints. (Tr. 509:13-17; 549:25-
27 550:24.) Each Defendant promoted lead pigment and/or lead paint for use on homes within
28 each of the Jurisdictions, despite knowledge of the hazards of lead.

1 Defendants' promotions included, among other things, ads (1) explicitly telling
 2 consumers to use lead paint on their homes; (2) telling consumers to use specific paints or lines
 3 of paint that contained lead without mentioning that those paints contained lead; (3) directing
 4 consumers to stores where brochures featuring lead paint were provided to customers; and (4)
 5 promoting "full line" dealers of the Defendant's paint, including the Defendant's lead paint.
 6 (Tr. 1634:18-1635:15.)

7 These promotions targeted ordinary consumers as well as painters, trades people, and
 8 paint manufacturers. (Tr. 1961:16-1963:9.)

9 Drs. David Rosner and Gerald Markowitz, the People's historical experts, identified
 10 newspaper advertisements promoting lead paint manufactured by DuPont, ConAgra (Fuller),
 11 NL, and SW that ran in newspapers in each of the Jurisdictions between 1900 and 1972. (See
 12 P233_1.)

13 The following chart identifies the number of ads the People's experts identified (P233):

Entity	DuPont	Fuller	NL	SW
Alameda County	269	233	240	401
Los Angeles County	28	131	81	350
Monterey County	167	328	162	704
Oakland	162	143	168	221
City of San Diego	63	269	98	685
San Francisco	127	272	126	229
San Mateo County	111	183	219	149
Santa Clara County	207	347	444	305
Solano County	137	152	260	301
Ventura County	14	28	127	229

21 1. Campaigns

22 In addition to their individual promotion efforts, Defendants also jointly promoted lead
 23 paint in the Jurisdictions through campaigns organized by the LIA and/or NPVLA. (Tr.
 24 552:19-553:22.) The purpose of these joint campaigns, which are identified in the chart below,
 25 was to sustain, increase, and prolong the use of lead paint. (Tr. 559:21-27.)

Trade Association	Campaign Name	Campaign Years	Involved Defendants
LIA	Forest Products – Better Paint	1934-1939	Fuller, NL, and SW

LIA	White Lead Promotion	1939- 1942; resumed for a brief time after World War II in 1950	Fuller and NL
NPVLA	Save the Surface	First half of the 20th century	DuPont, Fuller, NL and SW
NPVLA	Clean Up – Paint Up	First half of the 20th century	DuPont, Fuller, NL and SW

The Forest Products Better Paint Campaign (“FPBP Campaign”) primarily promoted the use of lead pigments on lumber. The Campaign was active in California because lumber was a popular building material for California homes. (Tr. 567:6-24; P185.) The LIA targeted lumber associations on the West Coast, including the California Redwood Association in San Francisco, persuading these associations to enclose two million folders containing “painting instructions” with all bundles of siding for homes. The instructions directed consumers to use lead paint on the interior and exterior of their homes. (Tr.571:23-573:2.) LIA documents confirm that the FPBP Campaign was successful and identify tangible benefits it provided to the lead pigment industry. For example, the LIA reported that because of the Campaign, lumber producers were recommending use of lead paint, over 20,000 lumberyards were selling only lead paint, and that lead paint was now carried by several thousand lumberyards that had never carried it before. (Tr. 575: 6-28; 578:8; P91_8 and 9.)

The LIA also reported that the FPBP Campaign increased the lead content in some paints, and that one of the largest paint manufacturers in the U.S., the Paraffin Companies in San Francisco, went from producing leadless paint to paint with 60 percent white lead. (Tr. 578:23-579:9.) The LIA further reported that 20,000,000 labels were to be affixed to sashes and doors sold in the United States. These labels advertised white lead on the sashes and doors. (Tr.580:10-21.)

The White Lead Promotion Campaign (“White Lead Campaign”) was a joint advertising campaign “aimed specifically at white lead promotion in general.” According to Dr. Rosner, the purpose of the campaign was “to promote the sale of high grade paint, which,

1 of course means white lead,” prevent loss of market position, increase sales, refute allegations
2 that lead paint was hazardous, and improve the “reputation” of the product. The overarching
3 goal was to “show [] the importance of white lead to industry [and] help offset the constant
4 threat of anti-lead legislation and propaganda.” (Tr. 561:25-563:2 [relying on P80].)

5 The Campaign targeted ordinary consumers, convincing them to apply lead paint to
6 their homes, as well as the painters, and the paint industry more generally. (Tr.869:3-8.) The
7 Campaign generated at least hundreds of advertisements in paint trade journals and national
8 consumer magazines between 1939 and 1942. Dr. Rosner testified that between 1939 and
9 1941, approximately 13,881,000 White Lead Campaign ads appeared in national magazines
10 such as the *Saturday Evening Post*, *Colliers*, *Better Homes & Gardens*, and *American Home*.
11 In 1942, an additional 8,000,000 advertisements were placed in similar national magazines.
12 (Tr. 586:15-19, 866:22-868:10 [discussing P120], Tr. 869:9, 872:12; Dc503; see also P294,
13 P295, P296, P297, P 298.)
14

15 These national magazines circulated widely in California, including the Jurisdictions.
16 (Tr. 648:7-653:13 [relying on P190].) In 1942, for example, they reached at least 585,792
17 California consumers. (Tr. 648:19-649:21, 650:13-26, 653:5-13, P120, P190.)

18 The LIA touted the White Lead Campaign as so successful that the demand for white
19 lead outstripped supply. In the first eight months of 1941, the total sales of all lead pigments
20 increased 37.6 percent – “a very substantial increase.” (Tr. 599:11-23; 602:4-17; 604:19-
21 605:7.)

22 The Save the Surface Campaign (“Surface Campaign”) conducted by the NPVLA
23 promoted paint sales, including sales of lead paint, by encouraging consumers to use paint to
24 protect household surfaces. The campaign included advertisements by individual companies
25 and collective advertisements with a common logo and slogan. (Tr. 559:2-16.) The Surface
26 Campaign was very active in California and was considered quite successful. For example,
27 DuPont’s magazine stated in 1920 that its paint sales increased as a result of the Campaign.
28 (Tr. 620: 23-16, 621:24-27, 622:4-11; P189 12.)

1 The NPVLA’s Clean Up – Paint Up Campaign (“Paint Up Campaign”) was a joint
2 effort by different companies to promote paint generally, including lead paint, and to promote
3 their own brands of paint when possible. The Paint Up Campaign ran advertisements in each of
4 the Jurisdictions. (Tr. 616:20-617:18, 618:27-619:11.) The NPVLA described the Paint Up
5 Campaign as “undoubtedly” one of the most effective promotions of paint ever. (Tr. 623: 23-
6 624:15.)

7
8 **2. ARCO’s role**

9 ARCO began producing dry white lead in 1919 and made its first sale in 1920. (P285-
10 002.) ARCO began promoting lead pigment for house paints in the January 1920 edition of the
11 paint trade journal, *Drugs, Oils & Paints*. That national trade journal was circulated in
12 California. (P01; Tr. 647:9-27, 647:28 - 648:6, 653:5-13; P120.) ARCO advertised its dry
13 white lead for use as a house paint pigment in the journal throughout 1920 on a monthly basis.
14 Its advertisements in *Drugs, Oils & Paints* from October 1920 through January 1921 promoted
15 dry white lead as a pigment for paint as opposed to other industrial uses. (647:9- 648:6, relying
16 on P001.)

17 From February 1921 through November 1921, ARCO’s monthly advertisements for dry
18 white lead in *Drugs, Oils & Paints* stated that ARCO had warehouses in Los Angeles and San
19 Francisco. These ads ran through at least December 1921. And beginning in January 1922, the
20 ads stated that ARCO maintained “warehouse stocks [of dry white lead] in principal cities.” In
21 1923, ARCO had a listing in the San Francisco City Directory under the category of “paint
22 manufacturers.” (Tr. 1679:14-22, relying on P001; P218.)

23 In 1931, ARCO began to manufacture white lead-in-oil. ARCO continued to advertise
24 its lead products for house paint in national paint trade journals through October 1936. Those
25 advertisements appeared monthly in national paint trade publications like *American Painter*
26 *and Decorator*; *American Paint Journal*; *Paint and Varnish Production Manager*; *National*
27 *Painters Magazine*; *Paint, Oil and Chemical Review*; and *Painter and Decorator*. ARCO
28

1 directed these ads – which circulated in California – to the paint trade. A number of those ads
2 referred, either in words or pictures, to using ARCO white lead to paint houses. (P285_002 –
3 285_003; P01; P120; Tr. 653:5-13.)

4 Between 1931 and 1935, paint companies in California purchased white lead from
5 ARCO. DeGregory Paint Stores of Los Angeles, advertised in the *Los Angeles Times* on
6 September 23, 1934, and January 7, 1940, that it had lead paste for sale. ARCO’s sales records
7 show that DeGregory Paint Stores purchased white lead from ARCO in 1934, and continued to
8 purchase white lead through at least 1937. Similarly, Kunst Brothers of San Francisco made
9 seven different purchases of white lead from ARCO between 1931 and 1935, and advertised
10 white lead for sale in the *Oakland Tribune* on six occasions between March 1934 and October
11 1935. (Tr 1680:2-26, 2024:3-21; P01; Tr. 1682:1- 1683:4, 1683:6-22; P258; P259; P260.)

12 Ledgers show that ARCO supplied lead pigments to paint manufacturers that sold paint
13 nationally, including DuPont and Glidden. (Tr. 2024:23-2025:2.) ARCO continued to produce,
14 promote, and sell dry white lead and white lead-in-oil until the July 1946. From November
15 1936 through at least the end of 1938, ARCO continued its paint trade advertising campaign.
16 (P285__002 – P285_003; P01.)

17 In 1940, ARCO published a brochure entitled “The Story of Anaconda Electrolytic
18 White Lead.” The brochure promoted ARCO’s white lead-in-oil to homeowners, noting that it
19 produces “an all-round *paint* of highest quality” and that “[i]nside or out, Anaconda White
20 Lead surpasses as a decorative medium, yet costs no more.” (P01; Tr. 699:24-27; 873:19-
21 876:1) (emphasis added).

22 In a memorandum filed with the Federal Trade Commission on October 2, 1946,
23 ARCO stated that it manufactured and sold white lead pigments from 1919 to 1946. (P258 at 1-
24 3.)

25 ARCO admitted that it solicited business on the west coast and had warehouses in Los
26 Angeles, San Francisco, and Oakland that shipped lead pigments to customers in the immediate
27 vicinity, including San Jose, Berkeley, Hayward, Long Beach, Pasadena, Glendale, Burbank,
28

1 Hollywood, and San Diego. (P258 at 4, 7.)

2 ARCO had a business location (not a retail establishment) in San Francisco, listed in
3 the San Francisco City Directory in 1923. (Tr. 1679:14-19.)

4
5 **3. ConAgra manufactured, promoted and sold lead pigment and paint
6 for home use in the Jurisdictions**

7 ConAgra acquired Phoenix White Lead and Color Works in 1894 and the RN Mason
8 Company in 1928. ConAgra manufactured lead pigments for use in house paints from 1894
9 until 1958 and manufactured, promoted and sold lead paint in California from 1894 until 1948.
10 (Tr. 653:22-661:3; 1667:25- 1668:19, 1663:27-1664:19.) ConAgra's plant in San Francisco
11 was moved in 1898 to South San Francisco and was the biggest paint factory west of the
12 Mississippi River. By 1919, ConAgra shipped an average of 200 tons of lead paint daily from
13 its South San Francisco plant to retailers throughout California for use in homes. (Tr. 1666:25-
14 1667:4; Ex. 183) ConAgra also produced lead pigment for use in house paints and sold some of
15 those paints at its Los Angeles factory. (Barnard at 30:15-30:25; Tr. at 1666:25-1667:4.)

16 Neal Barnard, a former ConAgra employee who developed paint formulas for the
17 company from 1948 until 1967, testified that ConAgra used white lead from NL in its paints.
18 (Barnard at 7:15-21.) ConAgra sold 280 tons of white lead to SW for use in lead paint in 1956
19 and 1957. 658:24-659:9; P204.)

20 ConAgra had a significant presence (under the Fuller name) in the residential lead paint
21 market in each of the jurisdictions during the 20th century. (Tr. 1667:9-12, 1675:4-8.) ConAgra
22 had locations in each of the Jurisdictions where its lead house paints were sold. (Tr. 1667:9-
23 12.) The following chart summarizes ConAgra's history of advertisements, stores, and dealers
24 in the Jurisdictions during the time that it manufactured, promoted and sold lead paint for home
25 use.

Jurisdiction	Earliest Store, Branch or Dealer	No. of Stores, Branches, & Dealers
Alameda (with Oakland)	1894	Over 164
Oakland	1894	Over 100

Los Angeles	1894	23
Monterey	1922	Over 20
San Diego	1894	Over 25
San Francisco	1894	Over 200
San Mateo	1921	Over 50
Santa Clara	1902	Over 75
Solano	1920	Over 10
Ventura Co.	1923	Over 10

ConAgra extensively advertised lead paint for home use in the Jurisdictions. (P233.) ConAgra's promotional materials included booklets and other materials promoting lead paint, as well as commercial jingles that aired on local radio. (Tr. 646:3-25.) ConAgra newspaper advertisements instructed consumers to use lead paint on their homes, including the exteriors, and some ads featured the full line of ConAgra paints at a time when ConAgra sold lead paints. (Tr. 1674:24-1675:2.)

4. Du Pont manufactured, promoted, and sold lead pigment and lead paint for home use in the Jurisdictions

DuPont acquired Harrison Brothers and Cawley Clark & Company in 1917 and sold lead paint from 1917 until the 1960s. (Tr. 1651:22-1652:2; 1656:24-1657:7.) DuPont manufactured its own lead pigment from 1917 to 1924. One of its lead pigment manufacturing facilities was located in South San Francisco. (1651:22-1652:9.) After 1924, DuPont contracted with NL for lead pigment for use in its paints. DuPont provided NL with the raw materials, instructions, and packaging needed to manufacture lead pigment that met DuPont's needs. (Tr. 1656:24-1657:7.)

DuPont had a presence in the residential lead paint market in each of the Jurisdictions in the 20th century. (Tr. 1663:18-22.) DuPont's lead pigment was sold in California as early as the late 1910s. By 1919, DuPont's national trade journal advertisements for lead pigment listed sales agents for Los Angeles and San Francisco. (Tr. 885:19-39; 886:13-27; 888:17-24; 2970:7-2971:3; P177; P2 34.)

DuPont had dealers and stores selling its lead paint for home use in each of the Jurisdictions. (1662: 14-17.) The following chart summarizes DuPont's history of advertisements, stores, and dealers in the Jurisdictions during the time that it manufactured, promoted and sold lead paint for home use.

Jurisdiction	Earliest Ad	Earliest Store or Dealer	No. of Stores & Dealers
Alameda Co. (with Oakland)	1927	1942	Over 130
Oakland	1927	1942	Over 30
Los Angeles Co.	[No info]	1929	5
Monterey Co.	1926	[No info]	Over 25
San Diego City	1926	[No info]	Over 20
San Francisco	1927	1929	Over 100*
San Mateo Co.	1927	[No info]	Over 80
Santa Clara Co.	1927	[No info]	Over 100
Solano Co.	1927	[No info]	Over 20
Ventura Co.	1946	1946	5

DuPont advertised lead paint for home use to paint dealers, consumers, and master painters in the Jurisdictions. (Tr. 644:11-21) The number of DuPont advertisements for lead paint increased from the 1920s through the 1960s. Approximately 1,271 DuPont ads instructed consumers and painters to use lead paint in homes for interior or exterior use or promoted full-line dealers. Full-line dealers sold lead paint as well as lead-free paint in the Jurisdictions. (Tr. 1663:3-1663:17, 2012:27-2013:4) DuPont advertised lead paint for home use without telling purchasers that the paint contained lead. For example, DuPont manufactured and promoted lead paints, including No. 39 Primer, in California through the 1960s. DuPont's expert paint chemist, Dr. Lamb, testified that the No. 39 Primer that DuPont promoted in the *Oakland Tribune* on March 30, 1961 had approximately 140,000 parts per million of lead. (Tr. 2012:22-26; 2014:8-2015:14; 2967:5 to 2868:8.)

5. NL manufactured, promoted and sold lead pigments and lead paint for home use in the Jurisdictions

1 NL manufactured lead pigment from 1891 to 1978 and was the largest American
2 manufacturer, promoter and seller of lead pigments for use in house paint. (See *Federal Trade*
3 *Com. v. Natl. Lead Co.* (1957) 352 U.S. 419, 424.) NL regularly sold lead pigments to paint
4 manufacturers in California from 1900 to 1972 and had a substantial presence in the residential
5 lead paint market in the Jurisdictions during the 20th century. (Tr. 1647: 21-1648:5; 1648:9-
6 1649:2; 1651:13-21.) NL operated lead pigment manufacturing plants in San Francisco and
7 Los Angeles and a warehouse in Oakland. (Markowitz, 1647:21-1648:5; Stipulation Exhibit 2.)

8 NL's dry white lead was available for sale in the Jurisdictions from 1900 to 1972.
9 (Stipulation 46.) In 1941 alone, NL sold 528,000 pounds of dry white lead to customers in Los
10 Angeles and 60,000 pounds of dry white lead to customers in the City of Palo Alto.
11 (Stipulations 35-36.) And between 1920 and 1941, NL's San Francisco branch sold 82,674
12 tons of white lead-in-oil. (Stipulations 12-33).

13
14 From 1900 to 1972, NL promoted its lead paints in the Jurisdictions. During that time,
15 NL regularly advertised its lead paints for home use in local newspapers in the Jurisdictions
16 and in national magazines that reached consumers in the Jurisdictions. (Stipulation 39-40;
17 P233; Tr. 1649:3-20; 1651:13-21.) NL also advertised its lead paints for home use in trade
18 journals directed to the paint manufacturing industry. (Stipulation 41.) Finally, NL regularly
19 marketed and promoted its white lead-in-oil (paste) for home use in the Jurisdictions from
20 1900 to 1972. (Stipulations 47-48.)

21 Because NL had been formed by the acquisition of over 50 competitors between 1891
22 and 1935, NL used the Dutch Boy image as a unifying symbol for the company and its white
23 lead-in-oil and dry white lead products. (Tr. 639:7-19; 640:27-641:25; P82.) Various Dutch
24 Boy house paints manufactured by NL that contained white lead carbonate were marketed,
25 promoted, and sold in the Jurisdictions from 1940 to 1972. (Tr.1648:16-26.) In its handbook on
26 painting, NL promoted lead pigments for use on the interiors of homes and instructed
27 consumers on how to apply it. (Tr. 1650:22-1651:12; P140.)
28

1 **6. SW manufactured, promoted, and sold lead pigment and paint for**
 2 **home use in the Jurisdictions**

3 SW manufactured lead pigments for use in house paints from 1910 to 1947. It
 4 manufactured paints with lead pigments from 1880 through the 1970s. SW was a member of
 5 the LIA from 1928 through May 1947 and was a Class A member of NPVLA from 1933
 6 through 1981. (Tr. 1626:15-23.) The following facts regarding SW are relevant:

- 7 • SW sold lead paint as early as 1880, and despite knowing the hazards of lead paint at least as
 8 early as 1900, SW sold lead paint until 1972. (Tr:1626:15-23; 1644: 22-24.)
- 9 • Between 1886 and 1943, SW used over 160,000 tons of white lead. (Stip. 187.)
- 10 • From 1910 to at least 1947, SW also manufactured lead pigment. (Tr. 1626:15-23.)
- 11 • SW had a substantial presence in the residential paint market in the Jurisdictions throughout
 12 the 20th century. Between 1930 and 1933 alone, SW distributed approximately 3,091,484
 13 pounds of lead pigment to its warehouses and factories in San Francisco, Oakland, and Los
 14 Angeles. (Tr. 1627:25-1628:5; 1646:20-1647:2; Stips. 166, 190-202.)
- 15 • SW also had two manufacturing plants in California: one in Emeryville (Alameda County)
 16 and one in Los Angeles. Both produced lead house paints for sale in California. (Tr. 1627:14-
 17 24.)
- 18 • SW had stores and dealers in each of the Jurisdictions selling its lead house paints. (Tr,
 19 1627:25-1628:5, P234.)
- 20

21 The following chart summarizes SW's history of advertisements, stores, and dealers in
 22 the Jurisdictions during the time that SW manufactured, promoted and sold lead paint for home
 23 use.

Jurisdiction	Earliest Ad	Earliest Store or Dealer	No. of Stores & Dealers
Alameda (with Oakland)	1907	1924	Over 55
Oakland	1907	1924	Over 30
Los Angeles	[No info]	1892	75 by 1915 alone
Monterey	1925	1947	Over 25
San Diego	1922	1892	20
San Francisco	1906	1901	Over 50

San Mateo	1903	1947	2
Santa Clara	1913	1945	Over 45
Solano	1921	1958	Over 12
Ventura	1929	1946	10

(Tr. 1629:4-16, 1630:4-10, 1636:14-19, 1638:25 – 1639:1, 1639:7-16, 1639:20-28, 1640:3-11, 1640:15-25, 1640:28-1641:8, 1641:17-22, 1641:9-16, P234.)

SW was one of the first companies to engage in national advertising and to establish an advertising department to promote its paints. According to SW, its national advertising campaigns reached four out of five families in the United States and virtually all of their dealers' localities. (Tr. 638:6-639:1; 638:6-639:1; Stip. 155-156.) SW ads appeared in the Jurisdictions in each decade from the 1900s to the 1970s. (Tr. 1645:19-1646:6; P234.) SW extensively advertised lead paint in the Jurisdictions and instructed consumers in those Jurisdictions to use lead paint on interior and exterior surfaces of their homes. (Tr. 1630:22-1631:8.)

SW also advertised a full line of paints, some of which contained lead. SWP paint was the most prominent SW product that contained lead and was available in the Jurisdictions. More homes were painted with SW house paint than any other competitor's. (Tr. 1642:19-26.)

SW advertised price quotes for lead-in-oil that it manufactured and sold. These quotes appeared in California newspapers, including the *San Francisco Examiner*, *Los Angeles Examiner*, and *Oakland Tribune*. (Tr. 3058:28-3061:17; P522; P523.)

SW's national and California-specific advertising campaign sponsored local ads to help local dealers in California promote its paints. (Tr. 637:8-14; 637:26-638:5.)

Because SW's ads did not always clearly identify whether its paints contained lead, consumers would not know whether a particular paint contained lead. (Tr. 2032:14-2033:3.)

SW also acquired a number of companies that sold and promoted paints containing lead pigments in the Jurisdictions. It acquired Martin-Senour Company in 1917, Detroit White Lead Works in 1917, Acme White Lead & Color Works in 1920, The Lowe Brothers Company in 1929, W.W. Lawrence & Co. in 1929, and a partial interest in John Lucas & Co. in 1930,

1 followed by the full acquisition in 1934. These companies sold house paints containing lead
2 pigments in addition to SW's own house paints containing lead pigment. (Tr 1626:24-1627:10,
3 1638:13-23; 1643:6-1644:21; Stips. 158-165, P282 4.)

4
5 **O. Defendants promoted lead paint even though alternatives were available**

6 Durable, marketable alternatives to lead paint existed by the early 1900s. (Tr. 578:23-
7 579:6 [discussing P91 at 9], 1624:21-1625:6, 1949:23-1950:5, 1972:26-1973:9, 2039:6-12
8 3104:23-3105:13; Stip. 183 with SW.) When various countries banned lead paint during the
9 1920s and 1930s, these non-lead-based alternatives were used in place of lead paint. (Tr.
10 1702:20-1703:14; P142 at 9.) By the 1910s, SW itself made what it considered to be durable,
11 quality exterior house paint that did not contain lead. DuPont likewise made a safe, durable
12 paint that did not contain lead by the 1910s. (Tr. 858:16-24, 2010:14-2011:3, 2037:23-
13 2039:12, 3103:25-3104:5, 3105:4-25.) Each Defendant was aware that these alternatives
14 existed, but nonetheless persisted in promoting lead pigment and paint. (Tr. 860:17-26; 889:24-
15 890:11; 891:26-892:12 [discussing P5 at 3]; 1624:21-1625:6; 1705:2-20; 1715:11-26 [relying
16 on P177]; 1951:9-1952:6 [discussing P150 at P27]; 1972:26-1973:9; 2012:27-2013:15 [relying
17 on P233 & P269]; 3104:23-3105:13.)

18
19 **VI. SUMMARY OF THE DEFENDANTS' ARGUMENTS**

20 Although each defendant asserts specific defenses, the following are common to all,
21 some of which are dealt with earlier in this decision:

- 22
 - *Liability requires actual, not constructive knowledge*

23 The court finds otherwise; constructive knowledge is sufficient. See Section V.B. above.

- 24
 - *If defendants are liable for constructive knowledge there was no such knowledge*
25 *at the time (1st half of the 20th century) lead was put into paint*

26
27 The Court finds otherwise; there is persuasive evidence that such knowledge was
28 available. For example:

Markowitz: NL knew in 1912 – Ex. P76

1 Markowitz: Barn painted with lead paint and sick cattle (1949) Ex. P 157

2 Markowitz: SW's Chameleon (1900) Ex. P155 at pp. 16 and 22

3 Markowitz: SW's Chemist (1928) Ex. P142

4 ConAngra (as Fuller) *Pigeon* case

5 LIA bulletin commenting on health commentators in 1939 - @561-562

6 Kosnett: @ 1168-1215

- 7 • ***Even if there was some knowledge lead was dangerous, but in the context of***
8 ***workplaces, not home paint***

9 The Court finds this is not a credible defense; the link between workplace exposure and
10 harm and residences is obvious.

- 11 • *Defendants could not have been expected to have such knowledge when the*
12 *leading authorities in medicine and government didn't say there was such a*
13 *hazard (e.g., higher BLLs were the norm by government standards)*

14 As the Court of Appeals stated: "The fact that the pre-1978 manufacture and distribution
15 of lead paint was 'in accordance with all existing statutes does not immunize it from
16 subsequent abatement as a public nuisance.'" Appeals Decision at 310.

17
18 Other defenses asserted:

- 19 • The "promotion" element as stated in the Appeals Decision has not been
20 satisfied
- 21 • Assuming older housing is the problem, why has there been such a decline in
22 blood lead levels? Because bad paint is being covered, and intact lead paint is not
23 hazardous
- 24 • No market share analysis done, so how can these five defendants be held liable
25 for all purveyors of paint?
- 26 • Incidence of lead poisoning is so low that this is a *de minimus* problem not
27 worthy of abatement
- 28 • To the extent it is a problem, the California Legislature has proscribed solution
- The solution (CLPPS) has worked, and is a great "success story"

- 1 • Local governments have the resources to address the problem but lack the will to
- 2 do so
- 3 • Proposed remedy too expensive
- 4 • It is the property owner's responsibility to fix the problem

5 **VII. INDIVIDUAL DEFENDANTS' RESPONSES**

6 **A. ARCO**

7 **ARCO's position:**

8 **1. Knowledge**

9
10 There is no evidence that establishes knowledge by ARCO prior to April 1937 of any
11 health effects to children from exposure to residential lead paint. Exhibit 154 transcript of an
12 April 6, 1937 conference that chiefly addressed occupational lead poisoning among adult
13 factory workers but also included limited references to childhood lead poisoning. (TR.
14 1750:11-17, 1764:9-1766:3.) The transcript references two previously published case reports
15 of symptomatic lead poisoning in children with very high blood lead levels; but it says nothing
16 about whether those children ingested lead from paint. (Ex. 154_006-008.) As Plaintiff's
17 expert acknowledged, one of the published case reports that Dr. Aub described showed that the
18 child had ingested lead from water; the other did not say what the source of the child's lead
19 exposure was. (TR. 1750:11-17, 1752:1-17, 1752:25-28, 1764:9-1766:3.)

20
21 **2. Promotion**

22 ARCO's alleged predecessors ceased all promotion of lead pigment, and left the lead
23 pigment business, decades before research on the risk of low-level exposures in asymptomatic
24 children began to be published in the late 1970s and over a half century before the CDC
25 reduced its "level of concern" to 10 µg/dL and the "reference level" to 5 µg/dL.

26
27 The evidence fails to show that promotion by ARCO caused application of lead paint
28 on homes within the Jurisdictions. Plaintiffs' experts supervised an extensive search of
newspapers published within the plaintiff Jurisdictions for advertisements promoting any lead

1 paint or pigment products manufactured by any of the defendants. (TR. 1631:22-1632:7,
2 1632:27-1633:6, 1634:1-20, 1976:1-15; Ex. 233.) Significantly, the search yielded no
3 newspaper advertisements promoting Anaconda brand products or purporting to have been
4 published on behalf of ARCO at any time. (TR. 1865:21-1866:7, 1866:13-17, 1869:16-22,
5 1870:15-19, 1871:1-6, 1871:17-24.) Thus, no alleged ARCO predecessor promoted lead paint
6 or pigment in the plaintiff Jurisdictions through newspaper advertisements. Nor is there any
7 evidence that ARCO promoted lead paint or pigment at any time through broadcast media,
8 billboards, or point-of-sale advertisements in stores.

9
10 The sole evidence of promotion by any alleged ARCO predecessor consists of
11 magazine advertisements contained within Exhibit 1, a compendium of documents. Those
12 advertisements break down into two categories: advertisements published before and after the
13 April 1937 conference.

14 Exhibit 1 also includes 51 advertisements promoting Anaconda brand white lead
15 carbonate that appeared before April 6, 1937, in the same journals directed to paint
16 manufacturers and professional painters as the post-April 6, 1937 advertisements, at various
17 times during two brief periods: 1920-22 and 1935-37. (Ex. 1 at 3, 17, 21-25, 27-33, 38-39, 44-
18 89 and 90-115.) These advertisements all pre-date Plaintiffs' proffered evidence of knowledge
19 by ARCO of any lead risk. These advertisements therefore do not constitute promotion with
20 knowledge.

21 There is no evidence that the trade journals that carried them circulated or were read by
22 anyone within California. Plaintiffs offered no evidence, and *stipulated* that they know of no
23 evidence, identifying anyone who bought or used lead paint on homes in the Jurisdictions or
24 elsewhere in California after reading, seeing or hearing them. (Court Ex. 12 [Stip.], at ¶ 2.)¹²
25 There is no evidence that these advertisements were effective by any other measure, and no
26 witness testified that they were.

27
28

¹² As noted herein stipulations between the parties resolved certain key issues.

1 The People have suggested that three pieces of evidence show that Anaconda white
2 lead pigment was sold for use in paint for residential applications in California, but the
3 evidence they cite would not support such a finding. They cite (i) advertisements in *Drugs,*
4 *Oils & Paints* between February 1921 and November 1921 that list Los Angeles and San
5 Francisco, among 14 other cities outside California, as places where Anaconda Lead Products
6 Company had warehouses (Ex. P001_070-089) (similar advertisements in the same journal in
7 later months omit California locations from the list of places where warehouses were
8 maintained), (ii) statements in a memorandum submitted to the FTC (Ex. 285) to the effect that
9 the alleged predecessors' nationwide system for pricing sales of white lead carbonate included
10 a methodology for determining prices of any sales that might occur in California, and
11 (iii) trial balances from the accounting records of Anaconda Sales Company for fiscal years
12 ending in 1931, 1934, and 1935 (Exs. 258-260), which show accounts receivable balances due
13 from various entities, including some in California, but do not make it possible to determine
14 whether the balances arose from sales of white lead or sales of zinc oxide, a non-lead pigment.
15 (TR. 1884:23-26, 1885:9-14, 1887:5-14.)
16

17 Exhibit 1 includes two newspaper advertisements by the DeGregory Paint Company,
18 one from 1940 and another from 1934, advertising unbranded "lead and zinc paste." (Ex.
19 1_001-002.) These documents do not constitute promotion by ARCO, because there is no
20 evidence that any alleged predecessor placed the advertisements and the advertisements do not
21 mention the Anaconda brand. (TR. 1891:6-11, 1895:15-26.) Plaintiffs have asserted that
22 DeGregory purchased Anaconda white lead, suggesting that the lead pigment contained in the
23 unbranded "Lead and Zinc Paste" advertised by DeGregory somehow must have been supplied
24 by ARCO.

25 However, the DeGregory advertisements do not identify white lead carbonate as the
26 type of lead pigment contained in DeGregory's "lead and zinc paste." Undisputed testimony
27 from an expert witness, Dr. Bierwagen, establishes that there were multiple different types of
28 lead pigments in use in addition to white lead carbonate. (TR. 3077:11-19.) There is no

1 evidence that DeGregory's "lead and zinc paste" contained white lead carbonate rather than
2 some form of lead pigment that the alleged ARCO predecessors did not sell. Second, Plaintiffs
3 have cited in support of their argument Exhibits 259 and 260, which are trial balances from the
4 accounting records of Anaconda Sales Company. These documents show accounts receivable
5 balances due from DeGregory, but they do not establish any sales of white lead carbonate
6 pigment to DeGregory (or to any other paint manufacturer in California) because they show
7 only dollar amounts and do not make it possible to determine whether the balances arise from
8 sales of white lead or sales of zinc oxide, a non-lead pigment. (TR. 1884:23-26, 1885:9-14,
9 1887:5-14.)

10
11 Exhibit 1 includes six newspaper advertisements for unbranded "pure white lead" by
12 Kunst Bros., a paint retailer in Oakland, dated in 1934 and 1935. These documents do not
13 constitute or establish promotion by ARCO, because there is no evidence that they placed the
14 advertisements and the advertisements do not mention the Anaconda brand. (TR. 1891:6-11,
15 1895:15-17.) There is no evidence that Kunst Bros. purchased white lead from ARCO. See
16 Exhibits 258 and 259. Exhibit 259 is an Anaconda Sales Company trial balance that shows
17 account receivable balances from various companies, including Kunst Bros., but does not say
18 whether the balances arose from sales of zinc oxide or white lead. Plaintiffs' assertion that it
19 must be one rather the other is speculation. Exhibit 258, a similar document dating from the
20 1931 fiscal year, is irrelevant for the same reason.

21 22 **3. Causation**

23 The law governing causation requires Plaintiffs to prove that ARCO's conduct was a
24 "substantial factor" in causing the alleged harm of widespread presence of paint containing
25 white lead carbonate pigment within pre-1978 private residences throughout the plaintiff
26 Jurisdictions. ARCO cannot be held liable for the alleged public nuisance because Plaintiffs
27 presented no evidence that any conduct by ARCO caused *any* portion of the alleged public
28 nuisance.

1 There also is no evidence that ARCO actually sold white lead carbonate pigment for
2 use in residential paint in California. Plaintiffs conducted an extensive investigation to identify
3 defendants' stores and dealers in California and found none for any of ARCO's alleged
4 predecessors. (Ex. 234; *see also* TR. 1637:3-1638:3 (description of investigation process).)

5 The only manufacturing facility for Anaconda White Lead was in Indiana (Ex.
6 285_002-003), putting Anaconda White Lead at a severe competitive disadvantage for any
7 California sales compared to white lead brands manufactured by companies with California
8 plants. Anaconda White Lead also was a late entrant into the market, attempting to sell its
9 product at a time when demand overall was decreasing. The summary of the history of U.S.
10 white lead production since 1884 proffered by Dr. Mushak shows that most white lead
11 carbonate was produced in the decades before 1920 and that the peak year was 1922, just two
12 years after Anaconda White Lead began to be produced. (*See* Ex. 230.) Dr. Mushak's chart
13 shows, and Dr. Rosner agreed, that white lead production declined thereafter so rapidly that by
14 the late 1930s total white lead production was only half of what it had been in the early 1920s.
15 (Ex. 230; TR. 711:11-20, 742:15-18, 760:10-13.)

16 Each of the above-listed items of evidence is at most consistent with, but not probative
17 of, the possibility that ARCO sold some white lead carbonate pigment in California for some
18 purpose. That is not enough to permit the inference that such sales occurred. A permissible
19 inference is "more than a surmise or a conjecture," and "cannot be based on mere possibilities;
20 it must be based on probabilities." *Aguimatang v. Calif. State Lottery*, 234 Cal. App. 3d 769,
21 800 (1991) (citations omitted).

22 Even if the Court were to infer that some sales of Anaconda white lead carbonate
23 pigment occurred in California, that would not establish a factual link between ARCO and the
24 alleged public nuisance, which consists of paint containing white lead carbonate pigment that
25 is now present in homes.
26

27 Plaintiffs stipulated that they had no such evidence that: (i) such pigment was used to
28 make paint rather than a non-paint product (such as ceramics); (ii) the paint was applied to one

1 or more residences within the plaintiff Jurisdictions rather than to some other structure that is
2 not part of this case; and (iii) the residence(s) to which it was applied are still standing.

3
4 **B. ConAgra**

5 **ConAgra's position:**

6
7 **1. Knowledge**

8 With regard to ConAgra the People rely on *Pigeon v. W. P. Fuller & Co.*, 156 Cal. 691
9 (1909), (Ex. 184), a 1919 newspaper article describing a tour of Fuller's South San Francisco
10 plant which references precautions taken to protect workers from "poisonous" dust created
11 during the process of converting pig lead into white lead carbonate (Ex. 183), and Fuller's
12 membership in LIA and NPVLA.

13 ConAgra argues *Pigeon* is distinguishable. As described in Ex. 183 and Ex. 184, work
14 in a white lead factory was a dangerous occupation which exposed workers to enormous
15 quantities of lead through a "melting," "grinding," and "pulverizing" process which generated
16 lead dust, fumes and vapors. Workers inhaled fumes and dust with quantities of lead sufficient
17 to cause "loss of teeth, paralysis and derangement of the digestive organs." (Ex. 184.006.)
18 ConAgra asserts it was not proven at trial that anyone connected the workplace hazard to
19 residences.
20

21 As to membership in the LIA or the NPVLA, there is no evidence that any Fuller
22 representative attended meetings of either trade association where such information was
23 purportedly disclosed. (TR. 785:6-14 [Rosner].) The trade association meeting minutes
24 introduced by the People demonstrate that Fuller was not in attendance. (Ex. 104, Ex. 107, Ex.
25 108, Ex. 112, Ex. 114.) Nor did the People establish that Fuller acquired any knowledge from
26 the meeting minutes or other writings issued by the LIA or NPVLA, as there is no evidence
27 that any representative of Fuller actually received and reviewed any such documents, much
28 less a representative with sufficient authority to impute knowledge to Fuller.

1 The People did not prove that Fuller had any direct knowledge of the substance of
2 relevant medical/scientific literature. They were not widely circulated. If at all, the literature
3 was available for review only in medical libraries and locatable only through the use of an
4 “index medicus.” (TR. 1185:14-23 [Kosnett].)

5 The pre-1950 medical/scientific literature did not describe childhood lead poisoning
6 from deteriorated lead paint and/or dust. Rather, the literature primarily involved lead
7 poisoning from high doses of lead as a result of chewing on objects such as cribs, toys and
8 children’s furniture and were viewed by the public health professionals of the times as related
9 to a behavioral abnormality called “pica.” (Ex. 1004; Ex. 1382; TR. 2664:23-2666:18;
10 2671:26-2674:22 [English].)

12 **2. Promotion**

13 For example, Ex. 233 purports to be a summary of the number of “Newspaper
14 Advertisements by Defendants” in each Jurisdiction during the time period 1900-1972. For
15 Fuller, the summary reported a total of 2,086 advertisements. However, the schedule
16 supporting Ex. 233 identified 715 Fuller-related advertisements. The People subsequently
17 offered Ex. 268, which was a collection of 515 Fuller-related advertisements. (TR. 1980:25-
18 1982:19 [Markowitz].)

19 Dr. Markowitz acknowledged that many of the advertisements did not promote lead
20 paint, but were for the purpose of “getting people to come into the store.” (TR. 1801:3-4
21 [Markowitz].) Still other advertisements simply promoted the Fuller brand, and not any
22 particular lead-based paint product. (TR. 1794:22-1795:10 [Markowitz].) Dr. Markowitz also
23 included advertisements by retail stores, with no evidence linking Fuller’s involvement in the
24 content or placement of those advertisements. (TR. 1800:21-1801:25 [Markowitz].) He
25 included an advertisement run by a lumberyard in 1965 (after Fuller stopped producing lead
26 paint) based on speculation that the stores may have had “leftover stock.” (*Id.*)
27

28 Over the 72-year period embraced by the historical research of Dr. Markowitz, there

1 were 300 advertisements which appear to have been placed by Fuller (as opposed to a third
 2 party) and which reference a product that may have contained lead. A schedule summarizing
 3 the number of advertisements by decade is as follows:
 4

Decade	Fuller Ads in Ex. 268 Purporting to Relate to a Lead-based Paint
1900s	3
1910s	11
1920s	258
1930s	20
1940s	7 (exterior paint)
1950s	1 (export)
1960s	0
1970s	0
Total	300

13
 14 Based on the record, there was minimal advertising activity by Fuller after the 1930s,
 15 and none related to interior lead paint. While Dr. Markowitz testified that the advertisements
 16 contained in Exhibit 233 were only a representative sample, the People presented no other
 17 evidence relating to Fuller's advertisements.

3. Causation

18
 19
 20 The People offered no evidence to establish that Fuller's advertising activity was a
 21 substantial factor in causing the alleged public nuisance. There is no basis in the record to
 22 conclude that Fuller's advertisements were a "but-for" cause of the presence today of lead in
 23 the more than 4.7 million homes located throughout the geographical limits of the Jurisdictions
 24 that are presumed to have lead paint.

4. Laches

25
 26 The doctrine of laches is applicable to claims brought by public entities. *See, e.g., City*
 27 *and County of San Francisco v. Pacello*, 85 Cal.App.3d 637 (1978); *People v. Department of*
 28 *Housing & Community Dev.*, 45 Cal.App.3d 185 (1975). As the *Department of Housing* court
 explained, "[w]hen the government is a party, invocation of...laches...rests upon the belief that

1 government should be held to a standard of ‘rectangular rectitude’ in dealing with its citizens.”
2 *Department of Housing*, 45 Cal.App.3d at 196.

3 Laches is also available in public nuisance cases brought by public entities. *City and*
4 *County of San Francisco v. Pacello*, 85 Cal.App.3d 637 (1978). California Civil Code Section
5 3490 does not alter this result. By its express language, this section applies only to those public
6 nuisances that amount to “actual obstruction[s] of a public right.” Cal. Civ. Code § 3490.
7 Here, by the People’s own admission, the requested abatement relates solely to private
8 residential properties. (May 3, 2012 Joint Stipulation Regarding Buildings at Issue.)
Accordingly, Section 3490 does not apply to this case.

9 Courts have not barred application of the laches defense in cases concerning the
10 enforcement of a defined governmental policy. Rather, the cases have balanced the
11 governmental interest against the impact on the private litigant. *Pacello*, 85 Cal. App. 3d at
12 646. In *People v. Department of Housing & Community Dev.*, 45 Cal. App. 3d 185 (1975), the
13 People brought a mandamus action against the department for failure to fulfill the requirements
14 of the California Environmental Quality Act before issuing a permit. *Id.* The People sought to
15 have the permit rescinded. *Id.* Even though the 180-day statute of limitations on the suit had
16 not yet run, the trial court found that the action was barred by laches. *Id.* The finding was
17 upheld on appeal. *Id.* The appellate court noted the strong public policy for environmental
18 protection, but found that the presence of public interest was not a bar to equitable defenses.
19 *Id.* Instead, a weighing process would ascertain whether the injustice to be avoided was
sufficient to counterbalance the effect of the defense upon a public interest. *Id.*

20 Similarly, the California Supreme Court in *City of Long Beach v. Mansell*, 3 Cal. 3d
21 462, 496-497 (1970), emphasized that private litigants are not categorically precluded from
22 asserting equitable defenses, including laches, against a governmental entity, even when the
23 governmental action purportedly promotes a policy adopted for public protection. *Id.* The
24 *Mansell* court adopted the following balancing principle:

25 The government may be bound by an equitable estoppel in the same manner as a
26 private party when the elements requisite to such an estoppel against a private
27 party are present and, in the considered view of a court of equity, the injustice
28 which would result from a failure to uphold an estoppel is of sufficient dimension
to justify any effect upon public interest or policy which would result from the
raising of an estoppel.

Id. at 496-497

1 **C. DUPONT**

2 **DuPont's position:**

3 **1. History relevant to DuPont**

4 Only DuPont paint products that were available for sale in California are relevant in
5 this case. (Ex. 2012, ¶ 3.) DuPont's white lead-in-oil was never identified or listed as
6 available for sale in any California newspaper or California hardware catalog identified by the
7 parties. (Ex. 2012, ¶ 11.) The parties have stipulated that DuPont's interior residential paint
8 products never contained white lead pigments. (Ex. 2012, ¶¶ 26-39; see also TR. 2609:11-19
9 [Lamb].)

10 As noted above, DuPont entered the paint business in 1917 when it acquired Harrisons,
11 Inc. ("Harrisons"). (Ex. 2012, ¶ 1.) In 1917 DuPont also acquired Cawley Clark & Company
12 ("Cawley Clark"), a manufacturer of high-grade colorants for paint. (TR. 2909:21-2910:3
13 [Bugos].) Together Harrisons and Cawley Clark owned Beckton White, a manufacturer of
14 lithopone, a lead-free white pigment used for interior residential paints. (TR. 2909:13-2910:3
15 [Bugos].) Due to these acquisitions, by 1918 DuPont was the country's largest manufacturer
16 of lithopone. (TR. 2918:1-21 [Bugos].) DuPont later became the country's and then the
17 world's largest manufacturer of titanium dioxide, another lead-free white pigment used for
18 interior and, later, exterior residential paints. (*Ibid.*)

19 DuPont manufactured white lead carbonate from March 1917 until December 1924 at
20 only one plant, in Philadelphia, Pennsylvania. (Ex. 2012, ¶ 4.) DuPont acquired the
21 Philadelphia plant when it purchased Harrisons; Cawley Clark never manufactured white lead
22 pigment. (TR. 2909:13-2910:3 [Bugos].)

23 After acquiring Harrisons, Cawley Clark, and other companies starting in about 1917,
24 DuPont attempted to establish its paint and pigment businesses. (TR. 2913:17-2915:19
25 [Bugos].) Neither business was initially profitable (TR. 2915:10-19 [Bugos]) and the company
26 was nearly out of the white lead pigment business four years after it acquired Harrisons (Ex.
27
28

1 1297; TR. 2922:10-19 [Bugos]). DuPont ceased manufacturing any white lead carbonate
2 pigment by the end of 1924. (Ex. 2012, ¶ 4.)

3 Because it was focused on pigments other than white lead, DuPont did not join LIA
4 until 1948, 20 years after that trade association was formed. (Ex. 2012, ¶ 18; TR. 2929:12-27
5 [Bugos].) DuPont joined the LIA due to products unrelated to white lead pigment or lead
6 paint. (TR. 2929:12-24 [Bugos].) DuPont was not a member of any of the LIA's White Lead
7 Committees and did not participate in any way in the LIA's White Lead Promotion Campaigns
8 or Programs or the LIA's Forest Products – Better Paint Campaign. (Ex. 2012, ¶¶ 20-24; TR.
9 2929:12-27 [Bugos].) DuPont was a member of NPVLA from 1933 through 1972 (Ex. 2012, ¶
10 16), but NPVLA promoted only the use of paint generally and did not affirmatively promote
11 white lead pigment or lead paint (TR. 834:22-835:3 [Rosner]; 2928:23-2929:5 [Bugos]).
12

13 **2. Knowledge**

14 Dr. Markowitz testified that DuPont did not possess any secret or otherwise non-public
15 knowledge concerning risks posed by residential lead paint. (TR. 1773:14-20.) To the
16 contrary, the first evidence offered by the People of DuPont being informed that children were
17 being harmed by lead paint in their homes was a 1937 letter from the Baltimore, Maryland
18 health department. (Ex. 159; TR. 1716:13-19 [Markowitz].) That letter referred solely to
19 children being harmed by eating paint off cribs, and did not mention interior or exterior
20 residential surfaces. (*Ibid.*) The City requested DuPont's help in obtaining information about
21 alternative, lead-free paints for repainting children's furniture, including cribs (*ibid.*), and
22 DuPont offered to look into developing such paints. (TR. 1861:28-1862:3, 1862:24-1863:26
23 [Markowitz].) In fact, DuPont already offered a lead-free paint for those purposes at that time,
24 as part of its Duco line. (TR. 1863:27-1865:8 [Markowitz]; Ex. 2012, ¶ 34.)
25

26 **3. Promotion**

27 Dr. Markowitz offered a general opinion that DuPont promoted lead paint in California
28 (TR. 1624:21-1625:11), based upon a collection of 1,271 advertisements pertaining to DuPont.

1 (TR. 1663:9-11.) In that collection, Dr. Markowitz included advertisements that (i) referred to
2 lead paint explicitly (such as through use of the word “lead”); (ii) referred to a paint product
3 containing white lead pigment; (iii) referred to a paint line that included a paint product
4 containing white lead pigment; or (iv) referred to any other residential paint product (i.e., those
5 that did not contain any white lead pigment). (TR. 1794:22-1795:10.)
6

7 **(a) Advertisements**

8 First, advertisements that did not refer to a paint product that contained white lead
9 pigment or a line with such a product are irrelevant to this case. Dr. Markowitz speculated that
10 such advertisements for non-lead paint products *might* induce a consumer to visit a store,
11 where he or she *might* see promotional materials for a lead paint. (TR. 1839:22-27.) But Dr.
12 Markowitz admitted he has seen no such in-store promotional materials for DuPont. (TR.
13 1840:21-1841:4.)
14

15 Second, Dr. Markowitz lacked the knowledge to separate advertisements that referred
16 to lead paints, or lines with lead paints, from advertisements for non-lead paint products.
17 (TR. 1831:3-1839:21, 1842:26-1843:1.) Dr. Markowitz could not state how many
18 advertisements in his collection actually referred to a DuPont paint product that contained
19 white lead pigment. (TR. 1839:17-21, 1843:2-7.) Because Dr. Markowitz was unable to
20 separate potentially relevant from irrelevant advertisements, there is no support for his opinion
21 that DuPont promoted residential lead paint.

22 Third, Dr. Markowitz did not exclude advertisements placed by third parties, such as
23 painters or dealers. (TR. 1841:10-17, 1842:1-4, 1843:8-11.) Dr. Markowitz did not identify
24 any California newspaper advertisement as placed by DuPont, rather than a third party.
25 DuPont’s expert paint chemist, Dr. Lamb, reviewed Dr. Markowitz’s collection of
26 1,271 advertisements between 1900 and 1966 and determined that only 130 of the
27 advertisements referred to a DuPont paint product that contained white lead pigment or a paint
28 line including such a product. (TR. 2834:7-13.) This testimony was uncontroverted.

1 Of the 130 advertisements identified by Dr. Lamb, only two advertisements used the
2 word “lead.” (TR. 2834:17-2835:3.) The remainder referred to an *exterior* residential paint (or
3 paint line) that contained some amount of white lead pigment, but did not discuss lead or tout
4 its virtues. Dr. Lamb organized these advertisements into a chart displaying the number in
5 each Jurisdiction, by decade. (Ex. 1408.1; TR. 2833:18-2834:13.) Dr. Markowitz’s collection
6 included no such advertisements in Ventura County and only one advertisement (during a
7 period of 66 years) in Monterey and Solano Counties. (Ex. 1408.1.) There were just seven
8 advertisements found in Santa Clara County and eight in San Mateo County and the City of
9 San Diego. (*Id.*) Los Angeles County, the largest Jurisdiction, had just 13 such
10 advertisements, and only three after 1930. (*Id.*) The only Jurisdictions where more than
11 20 advertisements were found that referred to a DuPont paint product or line containing white
12 lead pigment were Alameda County and the City of Oakland, which shared the *Oakland*
13 *Tribune*. (*Id.*) And only nine such advertisements were found after 1950. (*Id.*)

14
15 **(b) White Lead Pigment and Sales**

16 The People contend that DuPont sold white lead pigment to paint manufacturers in
17 California. The People referred to DuPont as part of the “white lead pigment industry” (TR.
18 26:4-6.), referring to a 1940s Federal Trade Commission enforcement action that ultimately
19 reached the United States Supreme Court. (*Ibid.*) But DuPont was *not* a party to that
20 enforcement action and the People’s statement that DuPont was part of “the white lead pigment
21 industry” finds no evidentiary support in the record. (See Ex. 517.) The People tacitly
22 acknowledged the point in cross-examination of Defendants’ medical historian, Dr. English,
23 when their counsel referred to 1930s meetings of the “lead paint industry” that did not include
24 DuPont. (TR. 2711:13-2712:23, 2716:7-25.) It was stipulated that DuPont did not join the
25 LIA until 1948, 20 years after it was founded, and did not participate in any of the LIA’s white
26 lead pigment promotional campaigns. (Ex. 2012, ¶¶ 18, 20-24.) And Dr. Markowitz conceded
27
28

1 on cross-examination that there is only a “theoretical possibility” that DuPont sold white lead
2 pigment for use in residential paints in the Jurisdictions. (TR. 1850:28-1851:13.)

3 DuPont had no dealers in any of the Jurisdictions until 1924. (TR. 1659:9-1661:21
4 [Markowitz].) DuPont had a branch office in the Old Chronicle Building in San Francisco that
5 was able to handle inquiries for a wide variety of products, but it was stipulated there is no
6 evidence that DuPont’s office in the Old Chronicle Building in San Francisco was a retail
7 establishment for any product, including pigment or paint. (*Id.*, ¶ 13.)

8 The People’s historian, Dr. Markowitz, testified that DuPont advertised white lead
9 carbonate pigment as available for purchase in San Francisco, through L.H. Butcher, from
10 1918 through 1920. (TR. 1657:8-1658:8.) The People’s sole evidence is trade journal
11 advertisements; the People presented no documentary evidence of any such sale by DuPont and
12 identified no alleged DuPont customer. The People also presented no evidence that the trade
13 journal in which the advertisements appeared was circulated in California. The People
14 reviewed newspaper advertisements in the Jurisdictions during this time period, but found no
15 advertisement for any DuPont paint product before 1924. (TR. 1659:9-1661:21, 1827:24-
16 1828:9 [Markowitz].) On cross-examination, Dr. Markowitz testified that he had identified
17 only a “theoretical possibility” that DuPont ever sold white lead carbonate in California and
18 had no proof of any actual sale. (TR. 1850:28-1851:13.)

19 DuPont’s historian, Dr. Bugos, testified concerning the same trade journal
20 advertisements. Dr. Bugos explained that his review of the historical record revealed that
21 Cawley Clark had a business relationship with L.H. Butcher *prior* to DuPont’s acquisition of
22 Cawley Clark in 1917 and that the relationship continued through 1920. (TR. 2931:21-
23 2932:3.) Dr. Bugos testified that the scope of L.H. Butcher’s representation was limited to
24 colored pigments and lithopone. (TR. 2931:17-2932:3). As Dr. Bugos explained, “the
25 relationship with Cawley Clark was always with Butcher and Butcher with Cawley Clark.”
26 (*Ibid.*)
27
28

1 When DuPont advertised white lead carbonate alone, as the only product mentioned in
2 an advertisement, L.H. Butcher was *not* listed in the advertisement as a Pacific Coast
3 Representative. (TR. 2934:20-2935:5, 2936:20-26 [Bugos]; Ex. 1434.) Instead, L.H. Butcher
4 was listed *only* in “coalition advertisements” that included the colored pigments and lithopone.
5 (TR. 2932:16-2933:12 [Bugos].) L.H. Butcher’s own advertisements at this time did *not* state
6 that it had white lead pigment available for sale (whether manufactured by DuPont or someone
7 else). (TR. 2934:28-2935:5 [Bugos].) In addition, the historical record shows that L.H.
8 Butcher sold red lead manufactured by Eagle Picher, one of DuPont’s competitors. (TR.
9 2935:6-15, 2936:9-18 [Bugos]; Ex. 1429.) Dr. Bugos gave uncontroverted testimony that a
10 representative such as L.H. Butcher would not have sold more than one company’s red lead.
11 (TR. 2935:6-15.) As red lead also is listed in DuPont trade journal advertisements that mention
12 L.H. Butcher, it is thus clear that L.H. Butcher did not sell *all* of the DuPont products listed in
13 those coalition advertisements. As Dr. Bugos testified, there is no reliable historical evidence
14 that L.H. Butcher ever represented in California, much less sold, any white lead carbonate
15 pigment made by DuPont. (TR. 2931:8-2932:3.)
16

17 **(c) Interior Residential Lead Paint**

18 The parties stipulated that DuPont interior residential paints did not contain white lead
19 pigment. (Ex. 2012, ¶¶ 26-39; see also TR. 1862:6-17 [Markowitz]; 2609:11-19 [Lamb].)The
20 evidence shows that DuPont never sold or affirmatively promoted an interior residential paint
21 containing white lead pigment in any of the Jurisdictions. The only evidence offered by the
22 People that an interior DuPont residential paint containing white lead pigment was ever
23 allegedly available for sale in any of the Jurisdictions was a June 1919 *DuPont Magazine*. (Ex.
24 276.) The magazine at issue referred to a paint line called “Harrisons Town & Country.” (TR.
25 2008:27-2009:2 [Markowitz].)
26

27 As an initial matter, the People stipulated that from 1917 through 1920 the “Harrisons
28 Town & Country” line included a *separate* exterior paint. (Ex. 2012, ¶ 2 [referring to

1 Harrisons Town & Country Outside White Paint]; see also *id.* ¶¶ 26-27 [other paints that also
2 were part of Harrisons Town & Country line did not contain white lead pigment].) The name
3 “Harrisons Town & Country” thus referred to a line of paints (i.e., a brand), rather than a single
4 paint intended for both exterior and interior use. Uncontroverted testimony by Dr. Bugos also
5 supports this finding. (TR. 2937:8-2939:21.) DuPont’s expert paint chemist, Dr. Lamb,
6 provided uncontroverted testimony that the *interior* paint sold under the “Harrisons Town &
7 Country” brand contained lithopone, rather than white lead pigment. (TR. 2608:26-2609:5, see
8 also TR. 2939:25-2940:2 [Bugos].)

9 In addition, the People offered no evidence that “Harrisons Town & Country” paints
10 were ever available for sale from DuPont in California. DuPont ceased use of the brand name
11 “Harrisons Town & Country” in its paint line in 1920. (Ex. 2012, ¶ 2; TR. 2938:7-14
12 [Bugos].) The People identified no DuPont dealer or advertisement for any DuPont paint
13 product in any of the Jurisdictions before 1924. (TR. 1659:9-1661:21, 1827:24-1828:9
14 [Markowitz].) Accordingly, the “Harrisons Town & Country” line of paints was rebranded
15 four years *before* DuPont paint products first became available in the Jurisdictions.
16 (TR. 2939:16-21 [Bugos].) For this additional reason, the product is irrelevant to this case.
17 (Ex. 2012, ¶ 3.)

19 4. Causation

20 Dr. Rosner offered testimony concerning national advertising, both individually and
21 through trade association activities. Dr. Rosner testified that in reviewing DuPont’s national
22 activities, he sought to identify DuPont’s efforts to promote paint generally and did not
23 consider whether the products advertised actually contained white lead pigment. (TR. 805:14-
24 23, 807:15-22.) Dr. Markowitz offered testimony concerning advertising specific to
25 California. Neither witness showed that DuPont intentionally or affirmatively promoted the
26 use of lead paint in or on residences in the Jurisdictions.
27
28

1 Dr. Rosner testified concerning national advertising mostly undertaken by DuPont from
2 1918 through 1920. (TR. 644:11-21; Ex. 2 at pp. 12-22.) But the referenced advertisements
3 listed many of the diverse products that DuPont offered at that time, including dozens of
4 products unrelated to paint. (See, e.g., Ex. 2 at pp. 18, 22.) Dr. Rosner could provide no
5 evidence that the “national” magazines in which he had identified DuPont advertisements were
6 actually circulated in California. (TR. 811:23-812:7, 813:10-13.) In addition, as discussed
7 previously, the People have not proven that DuPont had a retail presence in California before
8 1924 (TR. 1659:9-1661:21, 1827:24-1828:9 [Markowitz]), so earlier advertisements cannot
9 provide a basis for liability.

10 Dr. Rosner also testified about national promotional campaigns undertaken by the LIA
11 and the NPVLA. However, DuPont did not join the LIA until 1948, was never a member of
12 any of the LIA’s White Lead Committees, and did not participate in any way in the LIA’s
13 White Lead Promotion Campaigns or Programs or the LIA’s Forest Products – Better Paint
14 Campaign. (Ex. 2012, ¶¶ 18-24; TR. 2929:12-27 [Bugos].) The NPVLA national promotional
15 campaigns do not establish that DuPont intentionally or affirmatively promoted the use of lead
16 paint on residential exteriors.

17 The People offered no testimony that any particular advertisement referring to a
18 DuPont paint product was false or misleading. The People’s historian, Dr. Markowitz, testified
19 on redirect that some defendants may have misled consumers because advertisements for lead
20 paint did not state that the paint contained white lead pigment. (TR. 1965:8-17.) But DuPont’s
21 historian, Dr. Bugos, offered uncontroverted testimony that DuPont *always* listed the
22 ingredients of its paints on the can labels. (TR. 2941:22-2942:23; see also Ex. 1428.)
23 Similarly, Dr. Bugos gave uncontroverted testimony that DuPont labeled its residential paint
24 products clearly as being for interior or exterior use. (TR. 2940:3-2941:19.) So, consumers
25 were informed whether a DuPont paint product contained lead and whether it should be used
26 for interior or exterior purposes.
27
28

1 The remaining advertisements cannot serve as a basis for liability. Two of the
2 advertisements concern DuPont’s No. 39 House Primer. The evidence shows that product
3 contained just 13.7 percent white lead pigment and was used as a first coat, *under* a lead-free
4 exterior paint. (TR. 2824:17-23 [Lamb].) Further, the product’s label truthfully and accurately
5 disclosed its ingredients, by percentage, and stated that it was for *exterior* use. (TR. 2940:3-
6 2941:19, 2941:22-2942:23 [Bugos]; see also Ex. 1428.) There is no evidentiary basis to
7 support a conclusion DuPont had knowledge upon which to consider an exterior primer
8 containing a small percentage of white lead pigment to present a risk of hazardous lead
9 exposure in the 1960s, when the No. 39 House Primer was last manufactured. To the contrary,
10 the People’s historian, Dr. Markowitz, testified that DuPont had no special knowledge
11 concerning potential risks presented by exterior lead paint. (TR. 1773:14-20.)
12

13 **D. NL INDUSTRIES**

14 **NL’s position:**

15 **1. Knowledge**

16 While adopting arguments by its co-defendants, NL presented a detailed defense that
17 asserts this is “litigation by hindsight.” Essentially, the argument is that since NL could not
18 have known more than then-existing medical knowledge offered, liability cannot attach.
19

20 The earliest reports of children poisoned from house paint came from Dr. Lockhart
21 Gibson in Queensland, Australia in the 1890s and early 1900s. Gibson described the total
22 disintegration of lead paint in the semi-tropical sun, heat, and moisture. As a result, children
23 acquired copious amounts of pure lead “dust” on their hands. (TR 2669 [English]) U.S.
24 medical writers such as Dr. David Edsall (1907) read of Gibson’s cases but took away no
25 lesson to change the use of lead paint in this country. (TR 1235-36 [Kosnett])

26 Dr. Julian Chisolm wrote in 1989 that Gibson’s concerns went largely unheeded by the
27 medical profession in Australia. (Ex. 1057.02; TR 2669:26-2670:10 [English]) The first U.S.
28 cases of children exposed to lead from paint used on houses came in the 1910s. Dr. Kenneth

1 Blackfan at Baltimore’s Johns Hopkins Hospital reported two children lead-poisoned from
2 chewing on painted furniture. The children had eaten large quantities of paint over long
3 periods of time. (Ex. 22.05 [p. 885, top] Dr. Blackfan urged that “energetic prophylactic
4 measures be taken with children who habitually eat painted articles.” (Ex. 22.06 [p. 887])
5 Blackfan cited Gibson’s Queensland cases but he did not suggest a limitation on the use of lead
6 paint. (TR 1253:6-14 [Kosnett])

7 Dr. Harvey Wiley, a respected U.S. public health official, in his 1915 *Good*
8 *Housekeeping* article, reminded readers of the poisonous qualities of lead but reassured them
9 “there need be little fear of poisoning from . . . lead in the paint.” (Ex. 1000.02, col. 2; *see* TR
10 1250 [Kosnett]) In the 1920s, Dr. John Ruddock (1924) in Los Angeles and Dr. Charles
11 McKhann (1926) at Boston Children’s Hospital established the “pica” diagnosis for children
12 lead-poisoned by chewing extensive quantities of paint from cribs, furniture, and window sills.
13 (Ex. 1004; Ex. 1382) These physicians saw the problem as a behavioral abnormality which
14 could be solved by parental intervention with children who ate non-food substances. (TR
15 2675-77 [English]) Both Ruddock and McKhann mentioned Gibson’s Queensland cases.
16 However, knowing these cases as well as their own, neither Ruddock nor McKhann
17 recommended a limitation on the use of lead paint in homes. (*Id.*; TR 1253:10-1255:10
18 [Kosnett])

19 NL appears to have gained some knowledge of the published cases involving children’s
20 toys, cribs, and furniture around this time. NL’s historian, Dr. Sicilia, testified by deposition
21 that the company followed medical literature focused upon industrial lead poisoning. Sicilia
22 believed NL probably learned of “children chewing on objects with which they had intimate
23 contact such as cribs, toys, and furniture” by the mid- to late 1920s. (Ex. 1420, Sicilia depo at
24 27-28; *see id.* at 12-15) There is no evidence NL knew more than this from the literature. (TR
25 1747:8-18 [Markowitz]) After the LIA was created in 1928, NL was present to hear
26 information that the LIA Secretary, Felix Wormser, provided at meetings. (Ex. 1420 at 27)
27 The People’s historian agreed there was no evidence NL possessed *actual* knowledge of lead
28

1 poisoning of children in the home environment before the LIA's December 1930 meeting,
2 discussed *infra*. (TR 1743:26-1744:3 [Markowitz])

3 In November 1930, the U.S. Public Health Service summarized the reports of childhood
4 lead-paint poisoning in a release to the government's inter-agency newspaper, *U.S. Daily*.
5 Historical records show that the Public Health Service knew of the Gibson, Blackfan,
6 Ruddock, and McKhann cases. (TR 2674:27-2676:4 [English]) The Public Health Service and
7 Surgeon General became actively involved in the issue. (TR 2675-2681 [English]) The next
8 month, at a December 1930 meeting, the LIA's Wormser informed members that the *U.S.*
9 *Daily* had reported cases of "babies and children allegedly being lead-poisoned by chewing
10 paint on cribs." (Ex. 75.02) Wormser sometimes reported in later meetings about publicly
11 reported cases of lead poisoning in adults and children. The LIA minutes show that Wormser
12 provided little hard information to the members about childhood poisoning after his 1930
13 report on "cribs." His comments largely were complaints about inaccurate publicity and his
14 reassurances to members that the LIA was investigating cases through experts such as
15 Dr. Joseph Aub of the Harvard Medical School. (*E.g.*, Ex. 77.04) Wormser assured members
16 that the LIA was not afraid of the truth and was learning from experts that much of the
17 publicity was mistaken. (*E.g.*, Ex. 108.08-.09)

18
19 The People's case rests on information known or available to Defendants concerning
20 the toxicity of lead in large accumulations, arriving by high exposure pathways such as
21 unventilated factories (in the 1900s-10s) or children's prolonged chewing of lead-painted toys,
22 cribs, and furniture (in the 1920s-30s). However, the People's case for a present-day "public
23 nuisance" rests on more recent scientific concerns about low-dose lead hazards having no toxic
24 threshold (*see* CDC 2012, Ex. 20), reaching children by the route of house dust (*see* CDC
25 1991, Ex. 7; Sayre 1974, Ex. 1050).

26 The People's witnesses testified that there is no safe level of lead. (*See, e.g.*, TR
27 358:24-359:5 [Lanphear]; TR 962:28-963:5 [Gottesfeld]; TR 2316:20-25 [Matyas]) Many of
28 them cited the CDC's 2012 "reference level" of 5 µg/dL of blood lead to measure the number

1 of children affected by lead. Dr. Fenstersheib testified that 344 children in Santa Clara County
2 “were lead poisoned” at levels above 5 µg/dL in 2010. (TR 904:15-22) Mr. Walseth said there
3 were 959 children in San Francisco above 5 µg/dL. (TR 2054:5-8) Dr. Matyas cited “an
4 enormously large number” being lead-poisoned in the state at the new reference level of 5
5 µg/dL. (TR 2350:12-17)

6 The People linked the latest studies of low-threshold toxicity with the house-dust
7 pathway first identified by Dr. Sayre in 1974. According to the People’s abatement expert,
8 Dr. Jacobs, the “main pathway of [children’s] exposure” is “from lead paint to lead in house
9 dust, to hand-to-mouth contact.” (TR 1461:8-10) The house-dust pathway ran through his
10 testimony about, *e.g.*, the HUD studies and the up/down movement of windows. (TR 1461:25-
11 28, 1513-14, 2194-95 [Jacobs]) In redirect examination, Jacobs used this metaphor:
12

13 Q. For example, imagine the amount of sugar in a one-gram packet. . . . This
14 amount of lead dust spread evenly over 100 rooms would contaminate
15 those rooms at twice the level recommended by the EPA; is that right?

16 A. Yes. . . . [T]he fact is it is very easy to create lead dust. (TR 2202:12-
17 2203:6, *quoting* Ex. 1078.01)

18 In contrast, the People’s witnesses mentioned just one case of a child being poisoned in
19 recent years at blood lead levels high enough to be considered toxic in the decades before
20 1970. Dr. Rangan discussed a child brought to the hospital with blood lead of 78 µg/dL whose
21 x-rays showed lead chips. (TR 1094) It is not clear that any other cases described by the
22 People’s witnesses reached such a level. (*See* TR 1091-92 [Rangan]; TR 1373-74 [Navarro])
23 In fact, the CDC web page summarizing California blood leads reported two children in the
24 state above 70 µg/dL in 2009, zero in 2010, and zero in 2011, regardless of source. (Ex. 1402)

25 The People argue Defendants should not have promoted lead paint after 1900, perhaps
26 even 1884 (*cf.* TR 144:23-27 [Mushak]), and yet their own historian does not criticize
27 companies for selling lead paint before the mid-1920s, if then. Markowitz’ reason for
28 choosing that date is it coincides with the earliest U.S. reports by Ruddock (1924) and

1 McKhann (1926) of children poisoned from chewing house paint on sills. Markowitz' position
2 is manufacturers should have abandoned their product at the first indication of a potential
3 hazard in the medical journals, even when the physicians did not recommend such a response.

4 NL admits it is possible to find a "thread" of opinion in U.S. medical literature
5 suggesting that the interior use of lead paint should be limited. At a 1933 medical conference,
6 Dr. Robert Kehoe commented from the audience that there should be "strenuous efforts" to
7 eliminate lead from the "environment" of children. Dr. Kosnett quoted Kehoe but omitted the
8 recommendation by the main speaker, Dr. McKhann, appearing one paragraph earlier on the
9 page. (TR 1201:7-11, 1254:2-25) McKhann urged that "dissemination to mothers of
10 information on the subject should result in prevention of the disease." (Ex. 23.05 [p. 1135, col.
11 1, "Summary" ¶ 2] (emphasis added)) (Kosnett also cited a 1940 consumer article but did not
12 claim any Defendant ever saw it. (TR 1201:19-28))

13
14 NL relies on what it terms the "mainstream of medical opinion." Thus, in 1931, the
15 Surgeon General advised the public in *Child Welfare* magazine that lead paint had "wide fields
16 of usefulness," but "the painting of babies' toys and cribs is not one of them." (Ex. 1010.02)
17 The U.S. Children's Bureau issued similar advice to parents, urging caution not to repaint
18 babies' toys, cribs, and furniture with lead paint. (Ex. 1013.02, col. 4; Ex. 1019.05 [p. 17];
19 TR 2677:26-2681:25 [English])

20 The Baltimore Health Department gave advice by radio and print similar to that of the
21 Surgeon General and Children's Bureau, focusing on using non-lead paint for toys and cribs.
22 (Ex. 1015.04; TR 2681:27-2685:5 [English])

23 Dr. Kosnett omitted mainstream science for a second time when he argued that low-
24 level toxicity of lead was already known in the 1930s. Kosnett focused on the Myers (1935)
25 article for the author's concern that 24 µg/dL might be harmful. (TR 1210:9-22 [Kosnett];
26 Ex. 55) But in cross, Kosnett conceded that the Myers article was the "exception for his time"
27 as he was "the only one at that time saying a level below 25 [µg/dL] was harmful." (TR
28 1262:18-1263:8 [Kosnett]) The scientific mainstream was represented by lead researchers

1 Harold Blumberg (1937) at Johns Hopkins and Emanuel Kaplan (1942) at the Baltimore Health
2 Department, whose blood lead studies placed the toxic threshold at 80 µg/dL and the onset of
3 true lead poisoning in the range 100-200 µg/dL. (Ex. 1377; Ex. 1026; TR 2686-88 [English];
4 TR 1263-65 [Kosnett])

5 Retrospective articles written by public health authorities like Dr. Julian Chisolm
6 (Johns Hopkins) and Dr. Jane Lin-Fu (HEW) have recognized that the concept of lead toxicity
7 changed radically after 1970. (See Ex. 1047; Ex. 1056) Dr. Lin-Fu stated in 1985:
8

9 [I]t should be obvious that what constitutes the health effects of lead is an
10 evolving concept that has changed dramatically since lead toxicity was first
11 recognized in ancient times. In the last 10-15 years [since 1970-1975], as
12 scientific advances and modern technologies have provided more sensitive
13 measures of biochemical, psychological and electrophysiological changes
14 associated with relatively ‘low’ levels of lead exposure, the concept has
15 undergone further scrutiny and changes that were fraught with controversies.
16 Such controversies perhaps stem from the fact that what should be accepted as
17 ‘normal’ lead exposures in today’s world is a heatedly debated question.
18 (Ex. 1056.17 [p. 58])

16 2. Decline of Lead Paint

17 The use of white lead declined after 1922. Factory-made paint with new pigments like
18 titanium dioxide permitted the elimination of lead from interior paint for most uses not
19 requiring high durability or water resistance, and they allowed a reduced amount of lead in
20 exterior paints while keeping some lead pigment for its superior performance against weather
21 and ultraviolet exposure. (TR 3081:10-3082:4 [Bierwagen])

22 Small amounts of white lead may have been used for interior paint in the 1940s, and
23 some publications continued to advise that lead could be used on interiors. (TR 1650
24 [Markowitz]) But mainstream medicine began to turn against interior lead paint at that time.
25 In late 1943, Dr. Randolph Byers and Elizabeth Lord wrote in the *American Journal of*
26 *Diseases of Children* about long-term intellectual deficits in children previously having acute
27 lead poisoning, and in the middle of their article, the authors advised against lead paint for
28 interiors. (TR 1770 [Markowitz]) Unlike Dr. Kosnett, Dr. Markowitz recognized Byers and

1 Lord (1943) as the first recommendation from any U.S. doctor or public health authority to
2 restrict the use of lead paint on home surfaces for children’s safety. (TR 1770-71)

3 The “Baetjer and Watt” report of 1949 found that many of the cases were children in
4 poorly maintained inner-city housing who ate peeling paint. (Ex. 1033; TR 2700-01 [English])
5 This was recognized as a new source for childhood lead poisoning not previously noted to any
6 large extent. (TR 2700-01 [English])

7 The Baetjer and Watt report led directly to Baltimore’s first-in-the-nation city
8 ordinance against the use of lead paint for home interiors, issued in 1951 by Dr. Huntington
9 Williams, the Health Commissioner. (TR 2699-701 [English]) The LIA embraced Baltimore’s
10 approach and distributed the Baetjer and Watt report to other cities and public health officials.
11 The LIA then worked with the American Standards Association to develop a warning label for
12 paint containing more than 1% lead, saying it was not to be used for interiors. This ASA
13 labeling standard issued in 1955 was supported by major U.S. medical organizations, federal
14 agencies, city health departments, and manufacturers. (Ex. 1041; TR 2701-02 [English])
15

16 The 1955 ASA labeling standard marked the formal end of interior lead paint in
17 America. In historical overview, prior to Baltimore in 1951, no U.S. public health authority had
18 ever made a recommendation that lead paint was inappropriate to use in the vicinity of
19 children. (See TR 1270 [Kosnett]; TR 2677-85 [English])
20

21 **3. State of Medical Knowledge**

22 The medical idea of lead poisoning changed dramatically in the 1970s. Chisolm’s 1971
23 article in *Scientific American* described the disease of lead poisoning as it was previously
24 known – a disease of recognizable symptoms first occurring mildly at 60 µg/dL and acutely
25 above 80 µg/dL. (Ex. 1047.08 [p. 22, col. 2]; TR 2637 [English]) As late as 1972, U.S. health
26 experts incrementally reset the “safe” level of blood lead in children, the “permissible” daily
27 consumption of lead by children, and the allowable quantity of lead in house paint, so that even
28

1 the “pica” children who ate paint would not exceed a daily maximum of lead. (Ex. 1387;
2 Ex. 1048; Ex. 1049; TR 2639-47 [English])

3 The concept of non-symptomatic lead poisoning at lower levels emerged only as the
4 1970s ended. (Ex. 48.01; TR 379 [Lanphear]; TR 2655-57 [English]) Computer-based studies
5 of children’s IQ found differences that were correlated with lead, and continuing research
6 pushed down the level of concern through the 1980s and 1990s. (Ex. 1427; Ex. 1058; TR
7 2655-61 [English]) Dr. John Sayre’s 1974 article based on his Rochester studies launched
8 research in a new direction concerning the possibility of microscopic lead in ordinary house
9 dust as a pathway for children’s exposure. (Ex. 1050.04 [p. 269] (“The thought that dust may
10 be a source in childhood lead poisoning is not a new one,” citing, however, recent articles
11 dated 1970 and 1973.)) Sayre recognized that, while a large lead source like peeling paint was
12 needed for children to get blood lead above 60-80 µg/dL, house dust might provide enough
13 lead for children to reach lower but “undue” levels like 25-40 µg/dL. Researchers began
14 looking at dust as a pathway to the observed levels of blood lead in some older homes.
15 (TR 2652 [English])

16
17 These new ideas of childhood lead poisoning coalesced in the CDC’s 1991 “Preventing
18 Lead Poisoning in Young Children.” (Ex. 1058) There the CDC reduced its “intervention
19 level” to 10 µg/dL because of new science suggesting adverse effects in children “at blood lead
20 levels previously believed to be safe.” (*Id.* at .08 [p. 1, ¶ 1]) It observed that no threshold was
21 being identified for the harmful effects of lead. (*Id.* at .09 [p. 2, ¶ 2]) And it added “lead-
22 contaminated dusts and soils” to its list of the primary pathways for children’s lead exposure
23 along with lead paint. (*Id.* at .11 [p. 4, ¶ 1]) This recognition and acceptance of house dust as
24 a pathway came 40 years after the use of lead paint in interiors had ended.

25
26 **4. Promotion**
27
28

1 The Court of Appeal framed the case as one alleging “intentional promotion of the use
2 of lead paint on the interiors of buildings with knowledge of the public health hazard that this
3 use would create.” Appeals Decision at 310.

4
5 **(a) The Campaigns**

6 The People’s evidence showed no misrepresentation in Defendants’ ads or in the LIA’s
7 promotional campaigns. Indeed, much of the evidence from Drs. Markowitz and Rosner
8 showed nothing except that Defendants or their local retailers listed the paint for sale.

9
10 **(b) Government standards**

11 The federal agencies said almost exactly what NL and the LIA said about white lead.
12 The Forest Products Laboratory of the U.S. Department of Agriculture tested paint for decades
13 and published its recommendations to the public. In 1939, Chief Chemist F.L. Browne gave
14 advice to homeowners for exterior and interior painting, and he strongly praised the
15 performance qualities of both pure white lead-in-oil and the mixed paints with lead pigment.
16 (Ex. 1020; TR 2692-95 [English]) Dr. Browne wrote to the LIA the same year urging more
17 white lead so as to maintain the quality of house paints. (Ex. 118.26; TR 749-54 [Rosner]) In
18 1953, the Forest Products Laboratory continued to endorse white lead paint for exterior use
19 because of its superior performance under adverse conditions. (Ex. 1037; TR 2697-98
20 [English])

21 Chemists at the National Bureau of Standards, U.S. Department of Commerce, endorsed
22 white lead in a 1924 government manual. (Ex. 1005; TR 2688-90) In the late 1930s, they
23 advised the Minneapolis and New York City school boards to use more white lead in schools,
24 including their interior painting. (Exs. 1007, 1008, 1009; TR 2690-92 [English]) The Bureau
25 of Standards specified lead paint for government buildings, inside and out, in the 1950s and
26 1960s. (TR 2689-90 [English]) A group exhibit contains many other federal and state
27 recommendations and specifications for lead paint over many years. (Exs. 1643, 1645, 1646)
28

1 NL's last promotional statement for interior use of lead paint was in a manual dated
2 1950 (Ex. 140), and its ads for *exterior* use ended by 1972. (See Ex. 233). The People
3 presented no evidence that Defendants knew more than the federal agencies about health risks
4 to children from lead-painted homes. To the contrary, in 1930 the U.S. Public Health Service
5 publicized the reports of childhood lead poisoning in *U.S. Daily*, which was a publication
6 specifically written for other agencies of the government. Thereafter, representatives of federal
7 agencies often attended the meetings of the LIA along with members. (See, e.g., Ex. 85.03;
8 Ex. 114.03; Ex. 112.03)

9
10 **(c) Lobbying**

11 The People allege that "Defendants tried to stop the government from regulating lead
12 and to prevent the government from requiring warnings about lead's hazards." *Appeals*
13 *Decision at 300*. Dr. Markowitz identified two efforts by the LIA to influence laws that may
14 have regulated the use of lead paint: Massachusetts in 1933 and Maryland in 1949. (TR 1748-
15 49, 1777-79) However, Markowitz did not know what restrictions were proposed in
16 Massachusetts or what change occurred in its discussions with the LIA. (TR 1748-49) As for
17 Maryland, he noted the LIA's involvement with state officials, but he admitted that the 1949
18 Toxic Finishes Act, which did not concern house paint, was repealed when public health
19 officials like Huntington Williams deemed it unworkable. (TR 1779-80) As for labeling laws,
20 the NPVLA contributed its views to California's occupational health regulators in 1947 for
21 writing a painters' safety warning. The NPVLA was one of many commentators, and
22 Markowitz speculates that the final regulation might have been delayed by a few months to
23 consider the NPVLA's input. (TR 1781-82)

24
25 The preference of most public health authorities was for the ASA's approach in the
26 1955 labeling standard, telling people where not to use lead paint. (Ex. 1039) The LIA
27 opposed some other proposals because it wanted to avoid a balkanized system of different
28 labeling standards, and it opposed labels calling lead paint "Poison." (See, e.g., Exs. 112.11,

1 114.12, 85.06, 86.23) The objection to “Poison” labels was not the secrecy of lead toxicity,
2 which was no secret, but the proper categorization of consumer chemicals by the acuteness of
3 the danger from physical contact. Prominent public health authorities of the time such as
4 Dr. Robert Mellins of the U.S. Public Health Service (also working with the Chicago
5 Department of Health) agreed with LIA that there was more appropriate labeling for lead paint
6 than “Poison.” (Ex. 1039.02; *see* TR 1783 [Markowitz])
7

8 **E. SHERWIN-WILLIAMS**

9 **SW’s position:**

10 **1. Knowledge**

11 SW’s position is it cannot be liable when its knowledge was no greater than that of the
12 public.
13

14 Drs. Kosnett and Markowitz had no evidence that SW knew of the medical literature
15 discussed by Dr. Kosnett. TR. 1168:14-1170:23 [Kosnett]; TR. 1944:5-12 [Markowitz]; TR.
16 1944:5-12 [Markowitz] (testifying that he had not seen “a single document that informed SW
17 that a child had been poisoned from exposure to one of SW’s paints or pigments”); *see also*
18 TR. 1744:28-1745:12 [Markowitz] (no evidence that the U.S. Daily was distributed to LIA
19 members or SW specifically). Drs. Markowitz and Dunlavy agreed that the first SW document
20 mentioning a risk to children from ingesting flaked-off lead paint was written in 1937 and
21 limited to interior paint. TR. 1950:17-1952:15 [Markowitz]; TR. 3026:12-3027:13 [Dunlavy].
22 At that time, SW’s interior ready-mixed paints did not contain white lead carbonate (“WLC”).
23 Stip. 48; TR. 3007:11-3008:8 [Dunlavy]. That SW was aware of occupational risks to factory
24 workers or painters as early as 1900 does not establish that SW knew that WLC used in paints
25 in homes posed the low-level exposure risk to children now alleged by Plaintiffs. TR.
26 2734:18-27 [English]. *See, e.g., Campbell v. Ford Motor Co.*, 206 Cal. App. 4th 15, 31 (2012)
27

28 **2. Promotion**

1 The parties stipulated that SW made WLC pigment from 1910 to 1947 at a plant in
2 Chicago, that SW did not make white lead sulfate, and that SW's WLC was used primarily in
3 its own products. SW Stipulation Re. Admissibility of Certain Docs., Facts, July 1, 2013, ECF
4 No. 3240 ("Stip[s].") 10-15.

5 In contrast to lead production and use, SW emphasized the use of lithopone and other
6 zinc pigments as opposed to white lead in oil. TR. 2998:20-2999:6, 2999:10-19 [Dunlavy]. Its
7 business plan was to oppose white lead in oil and to promote its ready-mixed paints, pitting
8 itself against the master painters and at times the LIA. TR. 2998:3-8 [Dunlavy]; TR. 3149:12-
9 3150:9 [Teece]. SW did not financially support the LIA's White Lead Promotion Campaign.
10 Stips. 213-14. Plaintiffs conceded that SW did not attempt to prevent government regulation of
11 white lead pigment or lead-based paint. TR. 861:12-862:23 [Rosner]; TR. 1940:7-10
12 [Markowitz].

13
14 Plaintiffs identified a single ad for Old Dutch Process ("ODP") in 1919 in the *Los*
15 *Angeles Times*. Stip. 144. That ad, however, was run not by SW, but by an independent
16 dealer. *Id.* SW's ad campaigns promoted against the use of white lead in oil. *See, e.g.,* Ex.
17 1706.14; Ex. 1706.16. Plaintiffs have produced no evidence showing the amounts of ODP sold
18 in California, where or how it was used, or its presence today. Dr. Rosner conceded that SW's
19 ads were "generic" ads for its brand and prepared paints, not for white lead. TR. 859:22-860:4;
20 *see also* TR. 837:20-838:2.

21 Dr. Rosner testified about the "Save the Surface" and "Clean Up Paint Up" campaigns
22 of NPVLA of which SW was a member. TR. 553:11-22; 557:10-559:27. First, those
23 campaigns encouraged the public to paint. TR. 801:10-13, 836:6-11 [Rosner]. They were not
24 promotions of white lead. Second, trade association actions cannot be imputed to any single
25 member, and the associations were not SW's agents.

26 SW's advertisements for interior residential paints did not promote WLC, in part
27 because its interior paints, including enamels for woodwork, never contained WLC, except for
28

1 trivial exceptions. Stip. 28-29, 48, 53-54, 57-58, 72-73, 84-85; TR. 3007:11-3008:8, 3009:19-
2 3011:27 [Dunlavy]; TR. 1951:4-8 [Markowitz]; *see also* Ex. 1889.

3 Dr. Markowitz could not name another American paint manufacturer that had done
4 more to develop and market non-lead pigments and paints for residential use than SW. TR.
5 1958:16-1959:6. Dr. Teece concluded the federal government could not have banned the
6 residential use of lead paint in 1978 were it not for SW's technological innovation. TR.
7 3153:6-15, 3162:6-15.

8 In addition to admitting that SW's ads were generic and not for white lead, Plaintiffs
9 offered no evidence that SW's ads were false or misleading. They did not prove their
10 allegations of deceit and misinformation. Corporations have a constitutional right to
11 truthfully advertise legal products, even products, such as alcohol and tobacco, that may harm
12 public health. U.S. Const. amend. 1; Cal. Const., art. I, § 2, subd. (a); *Lorillard Tobacco Co. v.*
13 *Reilly*, 533 U.S. 525, 553-54, 571 (2001); *44 Liquormart, Inc. v. Rhode Island*, 517 U.S. 484
14 (1996) Similar to the advertisements in *Lorillard* and *44 Liquormart*, SW's advertisements
15 contain only prices or descriptions for its products and do not encourage an illegal use or
16 hazardous misuse (unlike instructions to dump solvents into sewers in violation of the Polanco
17 Act, as in *City of Modesto Redevelopment Agency v. Superior Court*, 119 Cal. App. 4th 28
18 (2004)).
19

20 **3. Causation**

21 Plaintiffs have no evidence that SW's WLC is actually present in their jurisdictions, let
22 alone where it is, how much, and in what condition. Dr. Markowitz had no evidence of sales
23 of SW's lead-based paint with WLC, volume or dates of those sales, whether those sales were
24 caused by SW's alleged wrongful promotions, and whether any SW's WLC products remain
25 today in the Plaintiff jurisdictions. *See, e.g.*, TR. 1937:16-26, 1938:27-1939:2.
26

27 Dr. Rosner conceded that "we can't really tell" whether SW had any effect on the
28 presence of white lead in California. *See* TR. 832:10-17; *see also* TR. 831:19-832:17 ("Q. You

1 tried to -- during the course of your work in this case -- assess how big a player SW was in the
2 white lead carbonate pigment market [and, to that end, testified in your deposition that,
3 s]ince we have no numbers for California, we can't really tell. . . . **A.** Right; for exact numbers
4 we could not tell.”). Plaintiffs have no evidence showing any increase in the sale of SW’s
5 white lead for residential use because of any promotion. TR. 745:3-12 [Rosner] (whether
6 promotional campaigns “caused increase or decrease or whether it changed trajectory
7 minimally, [Rosner] can’t tell. Quantitative data is not there to say that.”).

8 No data attribute a specific share of environmental lead to white lead, and of that
9 unknown white lead share, SW’s contribution is virtually nonexistent. Ex. 1883. Dr. Van
10 Liere estimated that SW’s white lead for all uses in California contributed a mere 0.1% of the
11 total lead consumed in the state from 1894 to 2009. TR. 2877:11-20. That low number cannot
12 support a finding that SW’s WLC, if present, is a substantial factor in causing a community-
13 wide public nuisance.
14

15 **4. Other sources**

16 Although some of Plaintiffs’ witnesses declared that paint is the major source of lead in
17 soil, they did not test the sources of lead in soil and dust. Dr. Courtney actually did a “Source
18 Analysis” in California and concluded that gasoline is the most “dominant” source. TR.
19 1357:14-18. The State has found that six times more lead was put into California’s
20 environment via lead from gasoline than by paint and coatings. *See Equilon*, 189 Cal. App. 4th
21 at 870; Charlton Dep. 40:13-25. Evidence shows that lead in dust and soil comes from a mix
22 of sources, with gasoline as the major contributor. Moreover, Plaintiffs’ evidence does not
23 allow the Court to decide how much of the alleged lead hazard to children comes from exterior
24 paint exposures as compared to interior paint or myriad other sources.
25

26 **5. Owner’s fault**

27 To the extent that deteriorated white lead-based paint contributes to children’s BLLs,
28 that exposure is solely attributable to owners’ neglect and violation of their legal duties to

1 prevent and abate lead hazards in their properties. Health & Safety Code §§ 17920, 17980,
2 17980.2, 105251; Cal. Code Regs. tit 17, §§ 35001 *et seq.* Their failure to comply with lead
3 hazard prevention laws has solely created and caused any nuisance, if one exists today,
4 (Restatement (Second) of Torts § 433; *see People v. Acosta*, 284 Cal. Rptr. 117, 122 (1991)),
5 and they are the superseding cause of any harm. *Melton v. Boustred*, 183 Cal. App. 4th 521
6 (2010); *Martinez v. Pac. Bell*, 225 Cal. App. 3d 1557 (1990)

8 **6. Not significant problem**

9 In Monterey County, 98-99% of all lead cases “deal with children who have been
10 exposed to a lead source outside of the United States, usually Mexico,” including traditional
11 food preparations and folk medicines. Ex. 1829.69. According to Monterey Childhood Lead
12 Poisoning Prevention Program (“CLPPP”) officials, lead cases due to exposure to lead-based
13 paint (not specified to be white lead) are “very rare.” Goldstein Dep. Ex. 8. So rare, in fact,
14 that Monterey admitted in its progress report that “[w]e finally had one housing-related case in
15 Jan. This is the first in several years, and was not in our usual case group.” Ex. 1135.66. For
16 San Diego, the largest source of children’s elevated BLLs is Mexican candy. Hicks Dep.
17 135:2-6. In San Mateo County, the “key” source of elevated BLLs in children—constituting
18 75% of cases—is exposure to “foreign products like ceramics or food or having taken home
19 remedies while in Mexico.” Goldstein Dep. Ex. 7. Santa Clara’s “premise is that our cases do
20 not generally stem from a child’s exposure to leaded paint or soil, (with a few exceptions) but
21 more from their cultural and daily living practices.” Ex. 1184; *see also* Exs. 1180.2, 1215.408,
22 1215.378. Likewise, in Solano County, cultural practices serve as the source of lead exposure
23 for most children. Ex. 1238; *see also* TR. 2371:23-28 [Matyas]. In Ventura County, one of
24 “the most common causes of lead poisoning in children is candy.” Chan Dep. Ex. 15 (Offer of
25 Proof). So, too, in Alameda County, Los Angeles County, and San Francisco, non-paint
26 sources are major contributors to elevated BLLs. *See, e.g.*, Goldstein Dep. Ex. 34; TR.
27 1104:13-25 [Rangan]; TR. 2069:3-24 [Walseth]. Notably, members of the Get the Lead Out
28

1 Coalition, a coalition of the Bay Area CLPPP program officials concluded: “The [State]
2 Branch focuses on paint sources, as often do the Counties, because it justifies the funding,
3 however the coalition can address issues re: toys, ceramics, candies, cosmetics, sources that
4 may be considered secondary. In reality in many communities these are the main culprits.”
5 Goldstein Dep. 237:16-24, 238:9-14, 239:5-240:12, 241:5-12 & Ex. 33.

6 Plaintiffs’ case hinges on alleged asymptomatic cognitive harms in children arising
7 from very low BLLs. TR. 357:10-11 [Lanphear] (“[W]e focused on blood lead levels under 10
8 because that’s where the vast majority of children fell”). According to Dr. Valerie Charlton,
9 Director of the State’s CLPPB, there was no suggestion before 2003 of any potential harm to
10 children from those very low BLLs. Charlton Dep. 374:20-376:1. The question was unsettled
11 then and still is. TR. 2740:26-2741:8, 2763:28-2764:12 [Garabrant]; *see also* TR. 468:5-22
12 [Lanphear]; Ex. 38. As Plaintiffs’ expert Mr. Gottesfeld agreed, “the science has shifted” over
13 the last few years. TR. 1051:14-16; *see also* TR. 1110:21 [Rangan] (“Times have changed.”).
14 In setting a new reference BLL of 5 µg/dL for children just last year, Mr. Gottesfeld explained,
15 the CDC “move[d] the goalposts.” TR. 1039:15-1040:4.

17 **7. The “safe” level has changed**

18 Over the years, various public health agencies and the medical community, including
19 the CDC, established what they believed to be “safe” levels of lead for children. As medical
20 knowledge evolved, the “safe” level was reduced starting in the 1970s from 60 µg/dL to 40
21 µg/dL to 25 µg/dL. Ex. 1058.14-15. In 1991, the CDC said that 10 µg/dL was a “level[] of
22 concern,” but not lead poisoning. Ex. 1058.8, .14; TR. 2659:24-2660:7 [English]. In 2012,
23 CDC set 5 µg/dL as a “reference value,” which it defined as the BLL of the highest 2.5% of
24 children. Ex. 20.6. However, the new reference level is not health-based and will change over
25 time to identify those children with unusual exposure. TR. 1010:5-15, 1011:8-22 [Gottesfeld].
26
27
28

1 **VIII. SHERWIN-WILLIAMS' CROSS-CLAIM**

2 SW asserts that under California law intact lead-containing paint is not a “lead hazard,”
3 and California property owners who have failed to maintain their properties to prevent a lead
4 hazard are solely responsible for abatement.

5 If the Court were to declare the presence of intact lead paint to be a public nuisance,
6 SW argues it would in essence adopt a position rejected by the Legislature and also trigger §
7 17920.3, contrary to legislative intent. Further, Civil Code § 1941.1 renders “untenantable” any
8 building that contains *either* a “lead hazard,” under Health & Safety Code § 17920.10 *or* any
9 “nuisance” under § 17920.3. Designation as an “untenantable” building has adverse
10 consequences for the owner. *See* Civ. Code §§ 1942(a) (permitting a tenant to repair and
11 deduct the cost from rent or vacate the premises), 1942.3 (shifting burden to the landlord in an
12 unlawful detainer action to prove habitability), 1942.4(a) (establishing liability for owner that
13 fails to address a violation of Health & Safety Code § 17920.10 within 35 days of notification),
14 1942.5 (imposing penalties for retaliation against a tenant reporting an untenable condition).
15 If the Court were to find a nuisance here, SW argues, it would likely trigger consequences that
16 the Legislature sought to avoid.

17
18 The Housing division of the Health & Safety Code creates provisions authorizing
19 enforcement to correct violations and abate hazards:

- 20
- 21 • Section 17980(c)(1) authorizes enforcement authorities to seek injunctions requiring
22 abatement of § 17920.10 violations, but provides that *the owner* “shall have the choice of
23 repairing or demolishing.”
 - 24 • Section 17980(e) requires the agency to notify “the owner” that tax deductions related to
25 the property may be disallowed under Rev. & Tax. Code §§ 17274 and 24463.5 if the
26 owner fails timely to repair the violation.
 - 27 • Sections 17985 & 17992 authorize the agency to record a notice of pending action and
28 holds any subsequent purchaser responsible to repair the violation.
 - Sections 17995-17995.2 provide criminal penalties for violations of the Housing law.

1 These provisions require remediation only of “lead-based paint hazards.” No Plaintiff
2 requires remediation of intact lead paint, and all permit interim abatement of “lead-based paint
3 hazards.” All hold property owners solely responsible for repair of “lead-based paint hazards.”
4 *See, e.g.*, TR. 1431:6-1432:7, 1433:28-1434:3 [Peterson]; TR. 2372:13-2373:6 [Matyas];
5 Forshey Dep. 85:16-86:6; Allen Dep. 424:2-426:7, 429:7-14, 430:14-19; Charlton Dep. 117:6-
6 23, 118:17-119:1, 177:25-179:15. The ordinances of the Jurisdictions follow the Housing law
7 model by prohibiting “hazards,” but not intact lead-based paint, and by holding property
8 owners solely responsible for repairing the “hazards.” San Diego Mun. Code § 54.1003; S.F.
9 Health Code § 1603(cc); L.A. Cnty. Code § 11.28.010 E-F; *see also* TR. 185:16-23, 187:20-24
10 [Johanns]; TR. 2068:21-27, 2074:3-19 [Walseth].
11

12 **IX. THE PEOPLE’S RESPONSE TO SW’S CROSS-COMPLAINT**

13 Lead on homes is a public nuisance regardless of whether intact lead paint is a “lead
14 hazard” within the meaning of Health & Safety Code §§ 17920.10 and 105251 or a valid
15 existing ordinance. A condition need not be unlawful to constitute a public nuisance. Appeals
16 Decision at 310. Civil Code § 3483 does not make property owners who have created or
17 maintained a “lead hazard” within the meaning of Health & Safety Code §§ 17920.10 and
18 105251 and their predecessors *solely* responsible for the creation or maintenance or any
19 nuisance or public nuisance resulting from the “lead hazard” or for abatement of the “lead
20 hazard.” Defendants are liable for creating or assisting in the creation of the public nuisance
21 caused by the presence of lead paint in homes, regardless of whether the paint constitutes a
22 “lead hazard” as defined by statute. SW’s claims for declaratory relief therefore fail on the
23 merits.
24

25 Further, there is no need for the Court to address the issues raised by SW through
26 declaratory relief, as they are subsumed in the Court’s ruling in the main action. (*California*
27 *Ins. Guar. Assn. v. Sup. Ct. (Jakes)* (1991) 231 Cal.App.3d 1617, 1623.) This case therefore
28

1 does not present circumstances where it is “necessary or proper at the time under all the
2 circumstances” to grant declaratory relief. (Code Civ. Proc., § 1061.)

3 There is no “actual, present controversy over a proper subject” for declaratory relief
4 between SW and the Cross-Defendant Counties and Cities. (*City of Cotati v. Cashman* (2002)
5 29 Cal.4th 69, 79.) This is especially true where, as here, the parties to the main action (the
6 People and Defendants) have stipulated that no relief is being sought for any public building.
7 (Ex. P15; Ex. P13.) Thus, SW seeks a declaration concerning a purely academic point of law
8 related to the possible future application of California statutes to non-parties (that is, private
9 homeowners). “Courts do not decide abstract questions of law.” (*Connerly v. Schwarzenegger*
10 (2007) 146 Cal.App.4th 739, 746.)

11
12 **For each of these reasons, which are in addition to and independent of this Court’s**
13 **ruling on the merits in the main action, this Court DENIES SW’s claims for declaratory**
14 **relief.**

15 **X. DEFENDANTS’ AFFIRMATIVE DEFENSES**

16 Defendants have asserted multiple affirmative defenses for which they bear the burden
17 of proof. (Evid. Code § 500.) Defendants have abandoned all affirmative defenses that were
18 raised in their answer but not identified in the Joint Statement of Controverted Facts. Further,
19 they forfeited all affirmative defenses not pled in their answer. (*California Acad. of Sciences v.*
20 *County of Fresno* (1987) 192 Cal.App.3d 1436, 1442.) For the reasons set forth below, the
21 Court finds that Defendants have failed to prove their affirmative defenses they did not
22 abandon or forfeit by a preponderance of the evidence.

23
24 **1. Civil Code section 3482 does not bar this action**

25 “[S]tatutes like California Health & Safety Code section 17920.10 that merely define
26 lead hazards cannot be read so broadly as to immunize the conduct at issue in this lawsuit,
27 particularly the promotion of lead paint with knowledge of its hazards (which the Court of
28 Appeal has already found to state a sufficient claim for public nuisance).” (Dkt No. 3191

1 [Order Denying Defendants’ SW and NL Industries’ Motions for Summary Judgment filed
2 June 12, 2013 at 10:19-22].)

3
4 **2. The People do not have to identify the specific location of a nuisance
or a specific product sold by Defendants**

5 Under *Gallo, supra*, 14 Cal.4th at 1118 and *In re Firearms Cases* (2005) 126
6 Cal.App.4th 959, 987, fn. 21, the People – who have proven that each Defendant’s promotion
7 of lead paint resulted in harm to the community at large – need not identify the specific
8 location of the nuisance or a specific product sold by each Defendant. (Dkt No. 3191 at 6:7-
9 11:2.) The People have demonstrated that lead paint exists in homes in the Jurisdictions. (¶¶
10 62-72.)

11
12 **3. The People do not need to prove reliance**

13 Reliance is not an element of a public nuisance cause of action. (Dkt. No. 1037 [Order
14 after Hearing of February 3, 2012 filed February 6, 2012 at 3-9]; see also *Firearm Cases*,
15 *supra*, 126 Cal.App.4th at 988-89 [holding that plaintiff need only show that “a defendant’s
16 acts are likely to cause a significant invasion of a public right”]; *City of Modesto v. Superior*
17 *Court* (2004) 119 Cal.App.4th 28, 40-41 [failing to require actual reliance to establish public
18 nuisance claim].)

19
20 **4. There is no intervening or superseding cause**

21 Blaming the well-worn stereotypes of “slum landlords,” “bad parents,” “the poor,” and
22 “the government” does not relieve Defendants of liability. (*Perez v. VAS S.P.A.* (2010) 188
23 Cal.App.4th 658, 680-81.) And the existence of alternative sources of lead poisoning are
24 irrelevant to whether lead paint in the Jurisdictions is a nuisance. (*See Vowinckel v. N. Clark &*
25 *Sons* (1932) 216 Cal. 156, 164; *Wade v. Campbell* (1963) 200 Cal.App.2d 54.)

26
27 **5. The People have not failed to join indispensable parties or misjoined**
28 **parties**

1 As held by this Court, owners of buildings allegedly containing lead paint are not
2 indispensable parties. (Dkt. No. 211 [Order after Hearing filed June 14, 2011 Ex. A at 2-5].)
3 Defendants failed to provide evidence demonstrating that the People failed to join any other
4 indispensable parties. There also has been no evidence that the People misjoined parties. As
5 previously held by the Court on several occasions, the doctrines of primary jurisdiction and
6 equitable abstention do not bar this public nuisance action on behalf of the People. (Dkt. No.
7 1037 [Order after Hearing of Feb. 3, 2012 filed Feb. 6, 2012 at 16-20].)
8

9 **6. The distinction between lead pigment and paint is immaterial**

10 While certain Defendants have distinguished between paint containing lead pigments
11 and the lead pigments themselves (notably SW), this distinction is not material. Lead pigments
12 were applied to homes when: (1) mixed on site by master painters or other tradesmen; (2)
13 mixed into lead-in-oil sold to consumers and/or tradesmen; or (3) mixed into ready-made
14 paints sold to consumers. The end result was the same: application of lead pigments on homes
15 in the Jurisdictions. It is each Defendant's knowing promotion and sale of lead pigments – in
16 whatever form – for home use that renders them liable.
17

18 **7. The Noerr Pennington doctrine does not apply**

19 The *Noerr-Pennington* doctrine “shields defendants from liability for their actions in
20 petitioning government officials[; i]t does not provide a basis for exclusion of *evidence* of
21 lobbying activities that might be relevant to show a defendant's knowledge of the dangerous
22 nature of its product. . . .” (*Hernandez v. Amcord, Inc.* (2013) 215 Cal.App.4th 659, 680, see
23 also *In re Brand Name Prescription Drugs Antitrust Litigation* (7th Cir. 1999) 186 F.3d 781,
24 789.) The People have not sued Defendants *for* their lobbying activities; they have introduced
25 evidence *of* Defendants' lobbying activities (e.g., through the LIA) to show Defendants'
26 knowledge of the hazards of lead in paint at the time of their lobbying activities. Hence, the
27 *Noerr-Pennington* doctrine does not apply.
28

1 **8. The doctrine of laches does not act as a bar**

2 “No lapse of time can legalize a public nuisance, amounting to an actual obstruction of
3 public right.” (Civ. Code, § 3490.) Thus, California courts have consistently held that laches is
4 not a defense to a public nuisance claim seeking abatement. (*Strong v. Sullivan* (1919) 180 Cal.
5 331, 334; see also *Wade, supra*, 200 Cal.App.2d at 61; *City of Turlock v. Bristow* (1930) 103
6 Cal.App. 750, 756; *Williams v. Blue Bird Laundry Co.* (1927) 85 Cal.App. 388, 395.)

7 Even if laches may be applied, it is “not available as a defense” in this case because the
8 People’s claim concerns “a public policy” – the health and safety of young children. (See *City*
9 *and County of San Francisco v. Ballard* (2006) 136 Cal.App.4th 381, 395.)

10 Because the nuisance is ongoing, the People did not unreasonably delay in bringing this
11 action. Defendants have also shown no prejudice. Any loss of evidence due to the passage of
12 time has resulted in greater prejudice to the People than Defendants.

13
14 **9. Liability for the public nuisance does not infringe upon Defendants’**
15 **freedom of speech, freedom of association or freedom to petition the**
16 **government**

17 Defendants contend the case “impermissibly premises liability” on the exercise of the
18 “rights to freedom of speech, freedom of association, and freedom to petition the government.”
19 [Joint Statement of Controverted Issues at ¶ 11]. But the People may use speech as evidence.
20 Defendants contend the speech due constitutional protection is their advertising. (Tr. 99:20-
21 100:14.) Their advertisements are evidence that Defendants were promoting their products in
22 the Jurisdictions. [Cite finding above] Such evidence was expressly contemplated by the
23 Appeals Decision, *supra*, at 310. Further, advertisements may themselves constitute a basis for
24 liability. (See, e.g., *Kwikset Corp. v. Superior Court* (2011) 51 Cal.4th 310, 328.)

25 Nor are Defendants’ rights to freedom of association impermissibly curtailed by the
26 imposition of public nuisance liability. The First Amendment protects associations “for the
27 purpose of engaging in those activities protected by the First Amendment—speech, assembly,
28 petition for the redress of grievances, and the exercise of religion.” (*City of Dallas v. Stanglin*

1 (1989) 490 U.S. 19, 24.) However, an “[a]ssociation that is merely commercial does not
2 implicate any fundamental right.” (*American Acad. of Pain Management v. Joseph* (9th Cir.
3 2004) 353 F.3d 1099, 1112.) Liability in this case is not premised on any Defendant’s
4 membership in the LIA; the trial testimony related to the LIA is merely evidence of
5 promotional activity and each Defendants’ knowledge of the hazards created by lead paint. (¶¶
6 72-78, 96-104.)

7 **The Court finds Defendants’ affirmative defenses do not preclude liability in this**
8 **case.**

9
10 **XI. JOINT AND SEVERAL LIABILITY**

11 When multiple tortfeasors are each a substantial factor in creating a public nuisance,
12 they are jointly and severally liable for that nuisance. (See *American Motorcycle Assn. v.*
13 *Superior Court* (1978) 20 Cal.3d 578, 586; *Dauenhauer v. Sullivan* (1963) 215 Cal.App.2d
14 231, 236.)

15 “[W]hen the damages cannot be apportioned between two tortfeasors or between
16 tortious and nontortious causes, a tortfeasor whose acts have been a substantial factor in
17 causing the damages is legally responsible for the whole.” (*State v. Allstate Ins. Co.* (2009) 45
18 Cal.4th 1008, 1036 (*Allstate*); see also *In re Methyl Tertiary Butyl Ether MTBE Products*
19 *Liability Litigation* (S.D.N.Y. 2011) 824 F.Supp.2d 524, 543.) This is true where multiple
20 sources of contamination result in a single nuisance. (*Allstate, supra*, 45 Cal.4th at 1032-33,
21 1036.)

22
23 Furthermore, where the damages and remedy are indivisible, each defendant is jointly
24 and severally liable. (*Id.* at 1036) The defendants have the burden of showing that it is possible
25 to apportion the damages. (*Id.* at 1033-34.) To the extent each Defendant’s conduct was a
26 substantial factor in creating the public nuisance and because Defendants offered no evidence
27 that an abatement remedy can be apportioned, each Defendant is potentially jointly and
28 severally liable for the public nuisance.

1 **XII. REMEDY**¹³

2 **A. Plaintiff’s Position: Removing Lead on Homes Built Before 1978 Is The**
3 **Only Way To Ensure That Children Living In Those Homes Are Not**
4 **Poisoned By Lead.**

5 The People contend:

6 “Abatement of a nuisance is accomplished by a court of equity by means of an
7 injunction proper and suitable to the facts of each case.” Appeals Decision *supra*, at 310.
8 Injunctive relief generally requires a showing of substantial and irreparable injury. (47
9 Cal.Jur.3d Nuisances §§ 64-65; see also *Thompson v. Kraft Cheese Co. of California* (1930)
10 210 Cal. 171 [applying substantial and irreparable injury standard in nuisance case].) Lead
11 poisoning from lead paint causes substantial and irreparable harm in the Jurisdictions. (FAC
12 ¶¶ 31-72, 82-95, 100-103, 218-221, 228-231.)

13 A public nuisance under Civil Code sections 3479 and 3480, by definition, substantially
14 and unreasonably interferes with rights common to the public. And in *every* case where a
15 California court has found a public nuisance under those sections, the court has ordered some
16 form of abatement. (See, e.g., *Apropertyna, supra*, 14 Cal.4th at 1126; *City of Claremont v.*
17 *Kruse* (2009) 177 Cal.App.4th 1153, 1165; *People v. Mason* (1981) 124 Cal.App.3d 348, 353-
18 54.; *People v. Oliver* (1948) 86 Cal.App.2d 885, 886.)

19 The balancing of interests and conveniences in this case weigh in favor of abatement.
20 (See *Hulbert v. California Portland Cement Co.* (1911) 161 Cal. 239.) Lead paint causes
21 significant harm to children, families, and the community at large. And the removal of lead
22 paint in affected homes will significantly reduce the number of children poisoned by lead.
23 These benefits outweigh the costs of abatement. (¶¶ 31-72, 82-95, 100-103, 228-243.)

24 Whether a nuisance can be abated “at a reasonable cost by reasonable means” is
25 relevant only in *private* nuisance cases. Indeed, the answer to that question only determines
26

27
28 ¹³ See Court Order of November 4, 2013 pursuant to which further memoranda by all parties specifically pertaining to abatement were submitted.

1 whether a *private* nuisance is permanent or continuing. (See *Mangini v. Aerojet-General Corp.*
2 (1996) 12 Cal.4th 1087, 1090.) The distinction between permanent and continuing *private*
3 nuisances affects the remedy and statute of limitations. (See *Spaulding v. Cameron* (1952) 38
4 Cal.2d 265, 267; *Capogeannis v. Superior Court* (1993) 12 Cal.App.4th 668, 677-79
5 [discussing continuing and permanent private nuisances].) Private nuisances that cannot be
6 abated at a reasonable cost and by reasonable means are deemed permanent and can only be
7 remedied by damages – and not injunctive relief – and are subject to a statute of limitations.
8 (*Id.* at 675-76.)

9
10 By contrast, the only remedy for a public nuisance claim on behalf of the People is
11 abatement – i.e., injunctive relief. (Appeals Decision at 310-11.) Civil Code section 3490
12 further provides that there is no statute of limitations for a public nuisance claim. (See also *City*
13 *of Turlock v. Bristow* (1930) 103 Cal. App.750, 756 [“Neither prescriptive right, laches, nor the
14 statute of limitations is a defense to an action to abate a public nuisance”].) Thus, a public
15 nuisance, unlike a permanent private nuisance, is, by definition, “abatable.”

16 The People’s abatement plan, it is argued, can abate the public nuisance in this case at a
17 reasonable cost and by reasonable means. As the California Supreme Court previously
18 recognized in the second appeal in this case:

19 “Although the remedy for the successful prosecution of the present case is unclear, we can
20 confidently deduce what the remedy will *not be*. This case will not result in an injunction that
21 prevents defendants from continuing their current business operations. The challenged conduct
22 (the production and distribution of lead paint) has been illegal since 1978. Accordingly,
23 whatever the outcome of the litigation, no ongoing business activity will be enjoined. Nor will
24 the case prevent defendants from exercising any *First Amendment* right or any other liberty
25 interest. Although liability may be based in part on prior commercial speech, the *remedy* will
26 not involve enjoining current or future speech. Finally, because the challenged conduct has
27 long since ceased, the statute of limitations on any criminal prosecution has run and there is
28 neither a threat nor a possibility of criminal liability being imposed upon defendants.

“The adjudication of this action will involve at least some balancing of interests, such as
the social utility of defendants’ product against the harm it has caused, and may implicate the
free-speech rights exercised by defendants when they marketed their products and petitioned
the government to oppose regulations. Nevertheless, that balancing process and those
constitutional rights involve only past acts--not ongoing marketing, petitioning, or
property/business interests. Instead, the trial court will be asked to determine whether

1 defendants should be held liable for creating a nuisance and, if so, how the nuisance should be
2 abated. This case will result, at most, in defendants' having to expend resources to abate the
3 lead-paint nuisance they allegedly created, either by paying into a fund dedicated to that
4 abatement purpose or by undertaking the abatement themselves. The expenditure of resources
5 to abate a hazardous substance affecting the environment is the type of remedy one might find
6 in an ordinary civil case and does not threaten the continued operation of an existing business.”
7 *50 Cal. 4th at 54-56*

8 Childhood Lead Poisoning Prevention Programs operated by the Public Entities have
9 largely reached their limits. The Public Entities lack the resources to remove lead paint from
10 homes in their jurisdictions. Thus, the number of lead poisoned children may not increase. But
11 that number is unlikely to decrease much more, if at all. (Tr. 179:28-190:4, 999:12-1000:23,
12 1385:27-1386:2, 1407:26-1408:3, 1440:11-1441:6, 1525:16-1526:6, 1525:16-1526:6, 2215:2-
13 9, 2236:1-4, 2569:24-2570:26, 2355:28-2356:17.) The Public Entities lack the resources to
14 force homeowners to remove all lead paint from homes in their jurisdictions. Moreover,
15 enforcement of lead paint abatement requirements against homeowners is often not feasible.
16 (Tr. 1376:3-16, 2382:19-25, 3263:9-3264:7; 3267:5-18; 3270:5-3271:20.)

17 As long as lead paint remains on homes in the Jurisdictions, children living in those
18 homes will be at significant risk of lead poisoning. (Tr. 248:22-249:20, 958:23-959:5, 1093:17-
19 23, 1094:1-1095:15, 1305:1-6, 1405:5-12, 1414:1-1415:22, 1417:7-27, 1438:19-1439:17,
20 2295:13-27.) Prevention of childhood lead poisoning due to lead paint requires, at minimum,
21 identification of lead paint on pre-1978 homes and removal of the most immediate lead paint
22 hazards in those homes. (Tr. 172:28-5, 179:4-15, 1467:24-1470:22, 1492:15-25, 1495:17-
23 1496:16; P45_10; P54.) Experts have demonstrated that abatement of lead paint substantially
24 reduces the likelihood that a child will be lead poisoned. (Tr. 411:21-414:3, 997:7-998:24,
25 1467:24-1470:22, 1522:7-14, 1550:20-27; P45_10, P54.)

26 Both the People's and Defendants' abatement experts agreed that abatement of lead
27 paint hazards in homes is necessary to protect the children living in those homes. (Tr. 1457:19-
28 1458:7; 3203:9-3204:27.)

1 The benefits of abating lead paint arguably exceed the costs of maintaining the status
2 quo. Medical treatment, special education costs, lost lifetime earnings, lost tax revenue, and
3 other costs associated with lead poisoning amount to hundreds of billions of dollars. (Tr.
4 1542:25-1543:27; 1544:12-13; Ex. P44.) Every dollar spent on reducing lead paint exposure
5 results in societal savings between \$12 and \$155. (Tr. 1542:25-1543:27, 1544:12-1545:13.)
6 “This cost-benefit ratio is even better than for vaccines, which have long been described as the
7 single most cost beneficial medical or public health intervention.” (Tr. 1545:27-1546:2.)
8 Defendants’ abatement expert acknowledged that lead paint hazards in homes should be
9 remediated despite the expense and time required. (Tr. 3202:20-3203:4.)

10 The People’s proposed abatement plan (Plan), as revised by the Court, is consistent
11 with the 2012 recommendations of the CDC’s Advisory Committee on Childhood Lead
12 Poisoning Prevention. (Tr. 1467:24-1470:22; Ex. P45_10; P54.) The Plan targets pre-1978
13 homes in the Jurisdictions that pose the greatest risk of lead poisoning to children, requires
14 outreach and education to homeowners, requires trained individuals to inspect homes for lead
15 paint, it utilizes abatement techniques that have been used for decades and have been proven to
16 be safe, and it takes appropriate measures to protect the safety of residents and community
17 members. The People contend an abatement plan containing these elements will effectively and
18 efficiently abate the nuisance. (Tr. 1472:12-1473:8; P262.) And Defendants’ abatement expert
19 agreed that lead paint inspections and prioritization of abatement based on those inspections, as
20 set forth in the Plan, are a sensible way to direct limited resources. (Tr. 3204:28-3209:4.) The
21 Plan can be implemented in a reasonable amount of time and at a reasonable cost. (Tr.
22 1547:25-1550:19, 2159:3-7.)

23 The total cost of the Plan as proposed at trial by the People’s abatement expert, Dr.
24 David Jacobs, is \$1.618 billion *if implemented by the Public Entities*. (Tr. 1547-1550; P263.)
25 For the cost of inspection, Dr. Jacobs estimated \$200 per unit if done by the Public Entities, or
26 \$500 per unit if done by a private contractor. The number of pre-1978 homes within the
27 Jurisdictions needing inspection is approximately 3,555,000. Because not all units in multi-
28

1 family housing must be inspected in light of common painting history, he reduced the
2 3,555,000 number by 20%. Thus, pursuant to the Jacobs plan the total cost of inspections
3 would be \$569 million if done by the Public Entities, or \$1.42 billion if done by the Defendants
4 through private contractors. (Tr. 1547-1549.) Dr. Jacobs estimated the average cost of
5 abatement to be \$2,007 per unit. He further estimated that approximately 498,000 units in the
6 Jurisdictions would require abatement. For education and outreach, Dr. Jacobs estimated the
7 total cost to be \$50 million. (Tr. 1550.) When abatement is performed by trained and certified
8 individuals, it significantly *reduces* rather than increases the risk of harm from lead paint. (Tr.
9 1550:25-27176:28-179:3, 1472:12-28.)

10 By limiting the Plan to interior surfaces and conditions, the cost is reduced
11 substantially, as described below.

12 **B. Defendants' Response to the Proposed Plan**

13 Dr. Jacobs' method for lead paint remediation performs no better than so-called interim
14 controls focusing on repair and repainting. The Jacobs plan calls for universal inspection of
15 pre-1978 homes to hunt for lead paint in every room of every house. (TR 1463, 1492 [Jacobs])
16 As Dr. Jacobs stated, "what we are doing is trying to find a dangerous needle in a haystack."
17 (TR 1465:23-24) The authoritative HUD study undercuts Jacobs. The goal of HUD's 2004
18 "fourteen city" study was to compare the effectiveness of different remediation methods upon
19 children's blood lead and dust lead from actual experience. HUD wanted to learn whether any
20 one method was significantly superior to others to help the agency plan cost-effective work in
21 the future. The remediation methods being compared ranged from "cleaning and spot
22 repainting" (Strategy 02) or "paint stabilization" (Strategy 03) up to "window replacement"
23 (Strategy 05). (Ex. 70.13 [p. ES-3]) (The "full abatement" strategy (06) was used too rarely to
24 be analyzed. (TR 1575 -76 [Jacobs])) Jacobs' plan for this case is essentially Strategy 05.
25 (TR 2095)

1 HUD's first report two years after property remediation found no significant differences
2 among Strategies 02 through 05 in terms of children's blood lead levels or floor dust lead.
3 (Ex. 70.18 [p. ES-8]) The researchers wrote that floor dust, not window dust, was the "primary
4 exposure" pathway into children's blood lead, which could explain why lower window dust
5 lead in Strategy 05 did not yield lower blood leads. (*Id.*) The three-year follow-up reported by
6 Clark, *et al.* again found no significant differences among Strategies 02-05 in children's blood
7 lead or floor dust lead. (Ex. 1071.09, col. 1, ¶ 6) Blood testing then stopped. The six-year
8 follow-up reported in Wilson, *et al.* still found no significant differences between remediation
9 strategies and floor dust lead. (Ex. 1064.11 [p. 247, col. 1, ¶ 2 & col. 2, ¶ 2]) The twelve-year
10 follow-up reported in Dixon, *et al.* found a steady downward decline in floor dust lead by all
11 remediation methods, but a slightly lower floor dust lead after window replacement.
12 (Ex. 1074.06, fig. 1)

13
14 Jacobs claimed to have found a gain from window replacement at twelve years (which
15 he later admitted was "not that big" (TR 2196:3-4)). But Jacobs described the twelve-year
16 results of Dixon, *et al.* very differently from the article. Jacobs claimed that floor dust lead
17 began to "creep up" after twelve years in homes with maintenance but not window
18 replacement. (TR 1514) This was a crucial point for him in order to show that measures short
19 of window replacement do not last, but it was a misstatement. In cross, Jacobs admitted there
20 was a continuing decline of dust lead that occurred with all methods. (TR 1590:26-1591:8)

21 On redirect examination, Jacobs gave a new explanation why window replacement was
22 better than maintenance, claiming that "we show [in Dixon, *et al.*] that if we didn't replace the
23 windows, . . . 24 percent of the units actually failed clearance standards if the windows were
24 not replaced. So that's what I was trying to get at", but "[w]ith the window replacement, you
25 didn't see that result." (TR 2196:1-6, 13-15) However, the Dixon article contradicts Jacobs
26 again. The only mention of a 24% failure rate was for all units together with all methods of
27 remediation – window replacement as well as spot repainting – when tested at a 10 µg/ft²
28 standard for floors. (Ex. 1074.06, col. 2, ¶ 3) The clearance failure rates at the federal

1 standard (40 $\mu\text{g}/\text{ft}^2$) were actually 8% for all units, 7% for non-window replacement units, 19%
2 for partial-window replacement units, and 5% for all-window replacement units. (Ex. 1074.04,
3 Table 1, 2nd line)

4 HUD accepted the study's outcome in its 2013 Policy Guidance, not allowing funded
5 window replacement based on presence of lead paint without a demonstrated need. (TR 1571-
6 72 [Jacobs]) In contrast, Jacobs has never accepted HUD's findings. Jacobs expected HUD's
7 study to support his belief in the superiority of window replacement, and although it failed to
8 support him, he claims it supports him anyway. The People's Abatement Plan (Ex. 262) was
9 prepared by Dr. Jacobs alone. (TR. 1569:23-24 [Jacobs].) It has not been peer reviewed or
10 reviewed by any scientific body, federal agency, or the California Childhood Lead Poisoning
11 Prevention Branch.

12
13 Since the defendants do not have the ability to remediate lead paint on private property,
14 the People rely on voluntary participation by property owners. (TR. 1487:8-13 [Jacobs].)
15 Although the People's expert, Dr. Jacobs, has expressed his opinion that a significant number
16 of owners would volunteer and, further, that implementation of the Abatement Plan would
17 "significantly" reduce blood lead levels (TR. 1487:22-1488:9 [Jacobs]), he does not quantify
18 those conclusions nor does he provide a basis for those speculative opinions.

19 The People propose massive inspection and risk assessment for all residential units
20 built before 1980, which their expert estimates to be 3.5 million covered units, at a cost of \$1.4
21 billion and roughly 15 million hours to complete. (TR. 1486:3-14; TR. 2136:22-24 [Jacobs];
22 TR. 3219:5-18 [Heckman].) Such inspection is overbroad and unnecessary. Persons who
23 bought or rented pre-1978 houses since 1996 have received an EPA disclosure about lead paint
24 and the precautions that should be taken, so they should be aware of the possible presence of
25 lead paint. (TR. 3219:5-18 [Heckman].) Moreover, for homes built from 1940 to 2010, the
26 date of construction does not predict blood lead levels. And, for houses built before 1940,
27 there is only a .51 $\mu\text{g}/\text{dL}$ differential between homes built before 1940 and 1978-89 using
28 NHANES data. (Ex. 3021.) There is no evidence whether paint was the source for that

1 difference or that .5 ug/dL matters for children’s health. Data from RASSCLE showed
2 essentially the same results. (Ex. 3025.)

3 Fewer than 5% of children living in pre-1940 homes have blood lead levels over the
4 “reference level” of 5 ug/dL recently set by CDC. Only 2% of children living in homes built
5 between 1940 and 1978 have blood lead levels over 5 ug/dL. (TR. 2518:12-2519:16
6 [Washburn]; Ex. 3023; Ex. 1404.) Thus, the houses where children with blood lead levels over
7 5 ug/dL reside comprise a very small percentage (2%-5%) of pre-1978 housing. There is no
8 evidence that the owners of those 2%-5% of the houses will voluntarily participate in the
9 inspection and assessment program. As Dr. Jacobs admitted, the People do not know how
10 many units have lead paint. (TR. 1486:3-10 [Jacobs].) It is overbroad and unnecessary to
11 inspect and assess 3.5 million homes when looking for the 2%-5% of houses that may
12 potentially pose a risk that a child may have a blood lead level over 5 ug/dL, particularly when
13 there is no evidence that the Abatement Plan will lower blood lead levels.
14

15 Additionally, it is unnecessary to inspect 3.5 million homes for the “needle in the
16 haystack” when the jurisdictions already have information to identify properties and areas that
17 may present a risk for elevated blood lead levels. The Abatement Plan designates as Priority
18 Group 1 houses and neighborhoods known to local authorities as having multiple housing code
19 violations and multiple reported elevated blood lead levels (Ex. 262.008). A relatively small
20 number of properties may account for large numbers of children with elevated blood lead
21 levels, and the addresses are often linked to repeated cases. (TR. 1024:8-15 [Gottesfeld].)

22 There is a significant risk that an invasive intervention plan requiring the removal and
23 replacement of building components can increase blood lead levels in children with already
24 low blood lead levels. (TR. 3200:2-3201:19 [Heckman]; Ex. 1436.) The HUD 3,000 Homes
25 Study found 9% of children living in abated properties had their blood lead levels increased by
26 more than 5 ug/dL after abatement, thus highlighting the dangers of disturbing lead paint even
27 under well-supervised projects. (Ex. 70.015.)
28

1 SW contends the People have not met their burden of proving that the cost of the
2 Abatement Plan or the time that it will take are reasonable. Dr. Jacobs estimated an average
3 cost of \$2,007 per unit but that estimate was not peer reviewed or taken from any study of
4 comparable California data. A study conducted by Dr. Jacobs estimated the cost for window
5 replacement to be between \$7,000 and \$16,600 for units varying between 800 to 1,800 square
6 feet. (Ex. 72.019.) Mr. Heckman, who has participated in several hundred abatement projects,
7 has never been involved in an abatement project involving replacement of windows that cost
8 under \$2,007 (TR. 3193:8-18; TR. 3193:26-3194:1 [Heckman].) Mr. Heckman has compiled
9 figures from various remediation programs showing a large range of cost depending upon the
10 scope of the work. (Ex. 1438.) SW submits the Court should not rely upon Dr. Jacobs. In
11 conclusion, SW argues that when the Court has “no idea how much [the remedy] would cost
12 but only knows that it would cost unascertainable millions of dollars, . . . there is not
13 substantial evidence that the nuisance is abatable.” *Mangini, supra*, 12 Cal. 4th at 1103.
14

15 **XIII. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

16 **A. Findings of Fact**

- 17 • White lead carbonate and the paint in which it is a key ingredient are harmful particularly
- 18 to children
- 19 • While the government standards concerning blood lead levels has changed over time,
- 20 there is no safe level of lead in blood
- 21 • Lead paint causes significant physical harm to individuals which has lasting effects,
- 22 including diminished intellectual capacity of the afflicted
- 23 • There is a clear and present danger that needs to be addressed
- 24 • Defendants, to varying degrees, promoted and sold lead paint in the Jurisdictions for
- 25 years, and in some cases for decades
- 26 • The defendants sold lead paint with actual and constructive knowledge that it was
- 27 harmful
- 28 • Defendants promoted lead paint even when non-lead paints were available

- 1 • Higher blood lead levels are also due to non-paint sources, such as deposits from
- 2 gasoline, candies, and water, but these other causes do not eclipse the more significant
- 3 harm caused by lead paint
- 4 • Truly intact lead paint does not pose a hazard, but since all paint deteriorates over time
- 5 the hazard literally remains just below the surface
- 6 • Lead paint remains the primary source of lead exposure for young children
- 7 • Lead paint is prevalent in the jurisdictions and is of continuing adverse effect
- 8 • While there have been significant reductions in tested blood lead levels over time, the
- 9 issues presented in this case are not resolved
- 10 • Existing programs at all government levels lack the resources to effectively deal with the
- 11 problem

12 **B. Conclusions of Law**

13
14 The Court finds the evidence is overwhelming that lead ingested by anyone is
15 hazardous. In sufficient doses the ingestion of lead will almost certainly cause ailments ranging
16 from muscular and skeletal abnormalities to mental defects, all of which are irreversible. There
17 is compelling evidence that children who have ingested lead will likely suffer from diminished
18 intellectual capacity. In turn, these children may develop behavior problems including
19 antisocial behavior. Ultimately society will pay for these problems over time.

20 Various commissions have studied the issue for decades. The most recent official report
21 in January 2012 was from the Advisory Committee on Childhood Lead Poisoning Prevention
22 of the Center for Disease Control (“CDC”). That Committee released a report recommending a
23 comprehensive overhaul in how the CDC treats blood lead levels (BLL) in children. Most
24 importantly, the report’s core scientific claim is that there is no safe level of exposure to lead
25 for children, since strong evidence shows that even BLL’s less than 10 micrograms may cause
26 irreversible developmental problems in children, including brain, lung, and heart damage. It
27 recommended that the CDC eliminate the 10 microgram “level of concern” standard altogether
28 and switch to a prevention-based approach. The goal of this approach is to pre-emptively avoid
lead exposure rather than handle cases of exposure exceeding a certain limit after they occur.

1 To implement this strategy, the CDC was asked to set a BLL reference value at the
2 97.5th percentile of BLL's in children and use that value to identify regions and populations at
3 greatest risk for lead exposure. The CDC was advised to reduce those risks and update the
4 reference value every four years. In May 2012 the CDC adopted the Committee's
5 recommendations and set the first reference value at 5 micrograms. In the words of Dr. Mary
6 Jean Brown, it is time to put to rest the "myth that the lead problem is solved."¹⁴

7 Of course, by any measure, the remedy sought by the People is of substantial, even
8 massive proportions. Seeking the abatement of lead by inspections and rehabilitation of tens of
9 thousands of homes – at a minimum -- is a daunting decision. But the Court is convinced that
10 although great strides in reducing lead exposure have been made, and the incidence of
11 exposure with correlative blood lead levels has declined to a low level, thousands of children in
12 the jurisdictions are still presently and potentially victimized by this chemical.

13 Should the defendants -- or some of them -- bear responsibility for the creation of this
14 nuisance? To answer that question the Court has to decide whether the standards for liability
15 proscribed by the Court of Appeal have been satisfied. Those standards are as follows:

16 **Defendants' knowledge:** The Court is convinced that the knowledge need not be
17 actual, although proof of actual knowledge has been put in evidence, but that constructive
18 knowledge will suffice. *See* Section V.B above. The Defendants have described in great detail
19 the extent of medical and governmental knowledge over the course of decades. Their argument
20 is they cannot be held responsible for the lead issue because that is "liability by hindsight." The
21 evidence is to the contrary. Before the turn of the 20th century lead was known to be toxic. Not
22 only were there reports of this from Australia, but in 1909 the California Supreme Court in
23 *Pigeon* detailed the reasons for holding ConAgra (Fuller) liable for the severe injuries suffered
24 by its workers in a lead manufacturing plant. There were discussions on the subject of lead-
25 related problems held by the trade association whose mission it was to promote this chemical at
26 least as early as 1900. SW's own publication of *Chameleon* identified lead as a serious

27
28 ¹⁴ During the trial Defendants made the cynical suggestion that this lower level was only set to allow the
Committee to keep its funding; the Court finds this unsupported by the evidence and disregards the allegation.

1 problem. In 1918 DuPont made an issue in its advertisements that some of its products were
2 “lead-free.” It is not reasonable to believe these discussions were spontaneous; some persons in
3 the LIA or among the manufacturers --- for whatever reason --- thought it important enough to
4 raise the issue. It is telling that the head of the LIA was defensive enough about the situation to
5 state “the LIA was not afraid of the truth?” Why would he say this if there were not serious
6 concerns industry-wide about lead? In short, once constructive knowledge is accepted as the
7 standard there is ample authority to hold the Defendants liable. *See* Section V.L above.

8 ***“Hindsight”***

9 The related issue is whether the Defendants can be held retroactively liable when the
10 state of knowledge was admittedly in its nascent stage. The Court takes judicial notice of the
11 fact that drugs, facilities, foods, and products of all kinds that were at one time viewed as
12 harmless are later shown to be anything but. Yes, the governmental agencies charged with
13 public safety may have been late to their conclusions that lead was poisonous. But that is not a
14 valid reason to turn a blind eye to the existing problem. All this says is medicine has advanced;
15 shouldn’t we take advantage of this more contemporary knowledge to protect thousands of
16 lives?

17 ***“Other causes and problem solved”***

18 The Court is not persuaded that since the various lead control programs have been
19 successes no further efforts are appropriate. NL and SW have been particularly intense in
20 making this argument. But that argument proves the People’s point. It is not surprising that
21 there are fewer incidents of high BLLs in recent years. As Defendants argue, the CLPP
22 programs have been successful in reducing these cases. And it may well be that the incidence
23 of high blood lead levels have decreased; but this does not mean the efforts against lead in
24 paint should cease. All this argument shows is that the numbers have gone down; no one can
25 dispute that. What is at issue is whether we should close the door on this issue and do no more
26 than what we are doing now.
27
28

1 Defendants argued that paint was not the whole problem. Alternate sources of lead such
2 as water and air contain only trace amounts of lead, and neither appreciably contributes to lead
3 poisoning in the Jurisdictions. (Tr. 141:20-143:15, 150:14-151:1, 152:21-159:9, 157:24-158:5,
4 161:1-16, 192:23-194:6, 198:21-200:14; P231.) Imported food items, pottery, home remedies,
5 and other sources of lead cause lead poisoning in a small number of children in the
6 Jurisdictions each year. Furthermore, unlike lead paint, these sources of lead are easily
7 removed from a child's environment once identified. (Tr. 150:14-151:21, 152:21-159:9,
8 1362:11-18, 2051:7-14, 2322:20-2324:19; P232, P231.) But the existence of other sources of
9 lead exposure has no bearing on whether lead paint constitutes a public nuisance. It does not
10 change the fact that lead paint is the primary source of lead poisoning for children in the
11 Jurisdictions who live in pre-1978 housing.
12

13 **What is to be done?**

14 Regarding the issue of remedy the Court concludes the following:

15 Consistent with their arguments throughout the trial the Defendants rely on statistics
16 and percentages. When translated into the lives of children that is not a persuasive position.
17 The Court is convinced there are thousands of California children in the Jurisdictions whose
18 lives can be improved, if not saved through a lead abatement plan.

19 The Court finds that the proposed plan, as amended by the Court, is an appropriate
20 remedy justified by the facts and the law. In so doing, the Court is persuaded by Dr. Jacobs'
21 experience and expertise which greatly eclipse that of the Defendants' expert in these matters.
22 The cost and time will be reduced significantly by limiting the Plan to interior surfaces. The
23 Plan at trial calls for abatement to be carried out through the establishment of an administrative
24 process to carry out inspections, abatement, and education. (Tr. 1526:27-1527:2.) That
25 administrative process would replicate much of the infrastructure and expertise that currently
26 exists in the Public Entities. (Tr. 1527:3-15.) Creation of a fund, administered by the Public
27 Entities, dedicated to abatement of lead paint in pre-1978 homes, would eliminate this
28 replication, and would do so at a lower cost. The Court concludes there is no need to establish

1 a new bureaucracy since experienced personnel are already in place at the state and local
2 levels. Similarly, it makes no sense to charge the liable defendants with undertaking this task.
3 Monitoring the fund encompassed by the Plan will be accomplished by experienced
4 government employees with control by the Jurisdictions' respective Boards of Supervisors.

5 With these general thoughts in mind, the Court turns to the individual defendants:

6 **ARCO**

7 *See* evidence summary in Sections I.B, I.C., V.M.1, and VII.A above.

8 The Court finds that the case against ARCO meets the knowledge standard but does not
9 satisfy the promotion and causation elements. As described above at VII.A of this decision, the
10 People have failed to prove by a preponderance of evidence that there is a sufficient nexus
11 between ARCO and the jurisdictions to impose liability against that defendant. The People's
12 own experts were unable to make the case that ARCO promoted lead paint in the jurisdictions.
13 At most ARCO promoted paints containing lead for only two years and that was to the trade,
14 not the general public. The Court finds the People have not met the burden of proof with regard
15 to ARCO. **Therefore, a judgment of dismissal shall be issued on behalf of ARCO.**

17 **CONAGRA**

18 *See* evidence summary in Section V.M.2 above.

19 ConAgra was a large producer and supplier of lead within the jurisdictions. ConAgra
20 had knowledge of the hazard at a minimum through the facts at issue in *Pigeon*. In spite of that
21 litigation ConAgra continued to sell lead-based paint into the 1940s. ConAgra was operating to
22 a major degree in the jurisdictions starting in 1900. Exs. 179, 233, ConAgra continued to sell
23 lead paint until 1958. Tr. 657, 1673 Its laches defense is discussed earlier in this decision and is
24 not dispositive. **Judgment shall be entered against ConAgra.**

26 **DUPONT**

27 *See* evidence summary in Sections V.M.3 and VII.C above.
28

1 The case against DuPont is largely vitiated by the stipulation that DuPont's interior
2 residential paint products never contained white lead pigments. DuPont did not produce WLC
3 in the Jurisdictions, and was a leader in the development of paints without lead content.
4 DuPont made no sales in California until 1924 and never manufactured WLC in this state.
5 DuPont did not participate in the lead paint marketing campaigns and did not join the LIA until
6 1948 and did so as a vehicle to promote other products and not paint. It is telling that DuPont
7 distanced itself from other paint companies by its products that were lead-free and used that
8 quality as a key advertising theme.
9

10 Findings Supportive of DuPont:

11 DuPont joined LIA AFTER campaigns in 1948 Tr. 795

12 Markowitz : DuPont ad touting its paint as "non-poisonous" Ex. P172 Tr. 1711

13 Markowitz : per stip 24 Duco never contained WLC Tr. 1825

14 Markowitz: SSF plant did not produce lead Tr. 1851

15 Markowitz: DuPont's catalogue: flat wall finish made of "non-poisonous pigments" Tr.
16 1713

17 Markowitz: DuPont advertised fact that it was possible to make paint that was lead-free
18 Tr. 2010-11

19 Lamb: No DuPont paints used in interiors contained lead Tr. 2607

20 Lamb: few ads for paint with lead Tr. 2834-2840

21 Bugos: DuPont not in paint business until 1917 Tr. 2908

22 Bugos: DuPont never sold WLC in CA Tr. 2921

23 Bugos: DuPont not involved in campaigns Tr. 2929

24 Stip: re Chronicle Bldg Paragraph 12

25 Bugos: DuPont no warehouse or listing of lead paint in Calif. Tr. 2984, 2986

26
27 **Coupled with the Court's decision to limit this case to interior paint (to be**
28 **consistent with the Appeals Decision), a judgment of dismissal shall be entered for**
DuPont.

1 **NL**

2 *See* evidence summary in section V.M.4 above.

3 NL had actual knowledge of the hazards of lead paint as described above. NL was the
4 largest manufacturer, promoter, and seller of lead pigments for use in house paint as
5 determined in the FTC proceedings in the 1950s. NL operated large plants in the jurisdictions
6 and was an active participant in the campaigns organized by LIA. E.g., Forest products
7 campaign Tr. 709

8 Ex 82 Tr. 639

9 **Judgment shall be entered against NL.**

10 **SW**

11 *See* evidence summary in section V.M.5 above.

12 SW had two plants in the jurisdictions, as well as stores and dealers (Ex. 233, 234, Tr.
13 1039) selling lead paint. SW transported millions of pounds of lead pigment to its warehouses
14 and factories during the first four decades of the 20th century.¹⁵ SW knew at an early date of
15 the occupational risks to factory workers from lead dust exposure and it is a reasonable
16 conclusion that it knew or should have known of the hazards in the home. SW was active in the
17 FPBP Campaign. Tr. 709 SW's defenses --- insufficient proof of causation, changing levels of
18 BLLs deemed harmful, blaming negligent property owners, other causes, and that there is no
19 longer a significant health issue --- are not persuasive. SW's pride in being the first paint
20 company with chemists on staff is an unintentional admission: with chemists on staff, how can
21 SW say it didn't fully appreciate the hazards posed by lead paint? Similarly, SW's evidence of
22 its being the champion of innovation and the do-it-yourselfer with ready-mixed paints is at
23
24
25

26 _____
27 ¹⁵ SW: "Merely doing business in the jurisdictions does not prove liability for causing a nuisance by wrongfully
28 promoting white lead. Likewise, evidence of white lead shipments to California warehouses, which served many
areas outside of California, does not show the use, place of use, or the promotion of white lead." The Court asks: *But*
why ship heavy lead across the country to warehouses if not to sell it?

1 odds with it continuing to sell lead-based paint well into the 20th century through a large
2 network of dealers.

3 Ex. 58 Tr. 638

4 **Judgment shall be entered against SW.**

5 **The Court concludes:**

6 **ConAgra's conduct was a cause-in-fact of the public nuisance.**

7 ConAgra, as the successor-in-interest to Fuller, created or assisted in the creation of the
8 public nuisance. (¶¶76, 137-158, 183-193.) As a result, ConAgra's conduct was a substantial
9 factor in bringing about the public nuisance.

10 **NL's conduct was a cause-in-fact of the public nuisance.**

11 NL created or assisted in the creation of the public nuisance. (¶¶ 74, 137-158, 174-
12 182.)

13 As a result, NL's conduct was a substantial factor in bringing about the public nuisance.

14 **SW's conduct was a cause-in-fact of the public nuisance.**

15 SW created or assisted in the creation of the public nuisance. (¶¶ 73, 137-173.) As a
16 result, SW's conduct was a substantial factor in bringing about the public nuisance.

17 **ORDER**

18 The Court orders as follows.

- 19
- 20 1. The Court finds in favor of the People and against ConAgra, NL, and SW on the
21 claim of public nuisance.
 - 22 2. The proper remedy in this case is abatement through the establishment of a fund
23 dedicated to abating the public nuisance. This fund shall be administered by the
24 Jurisdictions in a manner consistent with the following abatement plan (the "Plan"):¹⁶

25 _____
26 ¹⁶ (*County of Santa Clara II, supra*, 50 Cal.4th at pp. 55-56 [describing the potential remedy in this case]; *Rickley v.*
27 *Goodfriend* (2013) 212 Cal.App.4th 1136, 1142-43 [defendant ordered to establish abatement fund]; *Safeco Ins. Co.*
28 *of America v. Fireman's Fund Ins. Co.* (2002) 148 Cal.App.4th 620, 627 [same]; *People ex rel. City of Willits v.*
Certain Underwriters at Lloyd's of London (2002) 97 Cal.App.4th 1125 [pursuant to consent decree, defendants
ordered to establish trust fund].)

1 **A. Exclusions: The Plan *excludes* the following:**

- 2 • Institutional group quarters, including correctional facilities, nursing homes, dormitories,
3 non-family military housing (e.g. barracks), mental health psychiatric rehabilitation
4 residences, alcohol/detox living facilities, supervised apartment living quarters for youths
5 over 16, schools, and non-home based day care centers not otherwise included;
6 • Housing designated exclusively for the elderly or occupied by the elderly, unless children
7 are regularly present;
8 • Houses not occupied by young children for which clear evidence exists that demolition
9 will occur within two years;
10 • Houses constructed after 1980; and
11 • Properties documented by an inspection to not contain any lead-based paint.

12 **B. The Plan does not require full-fledged removal of all lead paint from all surfaces in
13 all homes covered; The plan requires:**

- 14 • Testing of interior surfaces in homes to identify both the presence of lead-based paint
15 and the presence of lead-based paint hazards;
16 • Remediation of lead-based paint on friction surfaces (including windows, doors, and
17 floors) by either replacement of the building component or by encapsulation or
18 enclosure of the lead-paint;
19 • Remediation of lead-based paint hazards in excess of actionable levels¹⁷ on all other
20 surfaces through paint stabilization (as opposed to paint removal, enclosure or
21 encapsulation);
22 • Dust removal, covering of bare contaminated soil, proper disposal of waste, post-hazard
23 control cleanup and dust testing, and occupant and worker protection;
24 • Repair of building deficiencies that might cause the corrective measures to fail (e.g.
25 water leaks) to ensure durability of the lead hazard control measures; and
26 • Education of families and homeowners on lead poisoning prevention and paint-
27 stabilization techniques to remediate lead based paint hazards on non-friction surfaces.

28 **C. Administration**

¹⁷ Actionable lead for this plan is defined as ≥ 1 mg/cm² or $\geq 5,000$ ppm for lead in deteriorated paint, ≥ 10 μ g/ft² for lead in settled dust on floors, and ≥ 100 μ g/ft² for lead on interior window sills.

- 1
- 2 • Payments into the fund shall be made directly to the State of California’s Childhood
- 3 Lead Poisoning Prevention Branch (“CLPPB”).
- 4 • The Jurisdictions shall apply for grant funds from the State on a specific needs basis.
- 5 • The CLPPB will be responsible for reviewing grant applications prepared by the
- 6 applying jurisdictions, and thereafter make specific grants to the Jurisdictions.
- 7 • The CLPPB shall be responsible for the administration of the financing of the Plan at
- 8 the statewide level
- 9 • The Jurisdictions, through their existing lead control programs, will administer the Plan
- 10 consistent with all applicable State, Federal and local government regulations. The
- 11 Jurisdictions shall
- 12 • Establish the Priority of Inspection and Lead Hazard Control Work
- 13 • Conduct workforce development, if necessary
- 14 • Conduct a public education campaign
- 15 • Conduct bidding for and payment of hazard control contractors
- 16 • Contract with independent contractors to conduct all actionable lead hazard control,
- 17 inspections and risk assessments
- 18 • Perform lead hazard control plans for each property
- 19 • Conduct all clearance tests
- 20 • Design of all hazard control plans for each property that will undergo hazard control
- 21 • Design of any needed repairs to ensure the viability of hazard control
- 22 • Review of payments to hazard control contractors to ensure clearance is achieved and
- 23 all work has been completed in compliance with hazard control specifications and to
- 24 the satisfaction of the owners and occupants before certified contractors are paid
- 25 • Review workforce development and training operations to ensure the needed workforce
- 26 is being obtained and is in place
- 27 • Review of public education and outreach materials and methods

27 **D. Enrollment**

28 Property owners who enroll in the Plan would be screened to see if they own a property that qualifies for inspection and services. If so, the individual jurisdiction shall

1 coordinate with that property owner to schedule an inspection for lead based paint
2 hazards in the home, as described below. The Jurisdiction will keep a complete public
3 database of all properties that have been enrolled in the Plan, the dates of inspection,
4 and the manner and method of hazard control services performed at the address, if any.

5 If the property owner does not enroll in the Plan after appropriate educational outreach
6 and counseling, the property should be deferred for actionable lead hazard control until
7 the property owner vacates or sells the property, unless there is a child who is at risk. A
8 listing of properties that have failed to enroll in the Plan or subsequently failed to
9 undergo actionable lead hazard control will be made available and accessible to the
10 public.

11 **E. Priorities**

12 In order to balance efficiency, simplicity and practical considerations, the “worst-first”
13 prioritization option should be used. This means that housing units meeting *one or*
14 *more* of the following criteria should be treated first and should be assigned to Priority
15 Group 1.

16 *PRIORITY GROUP 1*

- 17 • Housing property currently containing children with elevated blood lead levels and
18 known actionable lead hazards
- 19 • Housing with a history of repeated, multiple poisonings occupied by a young child who
20 has not (yet) developed an elevated blood lead level and which has never undergone
21 any form of actionable lead treatment or hazard control
- 22 • Housing with repeated notices of non-compliance with existing lead poisoning
23 prevention laws
- 24 • Housing with substantial deferred maintenance defined by ten or more code violations
25 in the past 4 years
- 26 • Housing identified as “high risk” by local authorities
- 27 • Housing located in high-risk census tracts or neighborhoods
- 28 • Vacant units located in high-risk census tracts or neighborhoods whose owners commit
to renting to low-income families following hazard control for a specified time period
- Properties meeting the criteria shown below should be assigned to the lower risk
Priority Group 2 and should be treated for actionable lead only after most of the higher
risk Priority Group 1 buildings have been completed

PRIORITY GROUP 2

- 1 • Properties with lower lead paint concentrations or with lead paint on fewer and/or
2 smaller surfaces (this would include buildings where the maximum paint lead loading is
3 greater than or equal to 1 mg/cm² but less than 5 mg/cm² and where the interior lead
4 painted surface area is less than 100 square feet)
- 5 • Properties with no history of lead poisoning
- 6 • Residential buildings built after 1950 or not in high risk neighborhoods or census tracts
- 7 • Properties that have undergone “gut” rehabilitation, which means that all painted
8 interior surfaces were removed and replaced with post-1980 building materials, finishes
9 and coatings
- 10 • Vacant housing units that could one day be occupied by children
- 11 • Properties not located in one of the high risk census tracts
- 12 • The Jurisdictions shall prioritize Properties into Priority Group 1 or 2, as needed to
13 promote Plan efficiency and public health

13 **F. Completion of a Comprehensive Lead Hazard Inspection**

14 For most properties that are enrolled in the Plan, a new inspection for the presence or
15 absence of actionable lead (as defined below) shall be conducted. Tests will be conducted
16 using a portable X-Ray Fluorescence (“XRF”) instrument, a handheld device that measures the
17 presence and quantity of lead based paint on surfaces. For those properties that have been
18 inspected within the past 5 years, the earlier results can be used if desired by the owner or
19 occupant, so long as they comply with EPA and HUD requirements related to the number of
20 XRF readings within a given property and the number of housing units tested within a given
21 multifamily housing development, quality control procedures, and performance of the
22 inspection by a California certified lead-based paint inspector, and the other criteria specified
23 below.

24 For all properties that have not been inspected or were inspected more than 5 years ago,
25 a new actionable lead-based paint inspection should be completed, unless there is adequate
26 documentation that the property is free of and/or has been made free of actionable lead
27 hazards. The inspection should be done at a time convenient to the occupant and should be
28 adequately staffed so that it can be completed in no more than two hours for a typical
California housing unit to reduce the burden on the occupant. Allowance for a longer time for a
larger property should be granted on a case by case basis. All data from the inspection shall be
retained by the Jurisdiction for the life of the building, by the owner of the building until it is
sold or demolished (all data should be transferred to the new owner) and by the inspector for at
least 5 years. The Jurisdiction should construct and populate a publicly available inspection
and hazard control database.

Under this Plan, the Jurisdiction will be required to establish programs throughout the
jurisdictions that provide homeowners with access to comprehensive residential lead paint

1 testing in conformity with the prioritization set forth above. That testing will be available to all
2 homeowners and residents of Properties not meeting the exclusion criteria set forth above. The
3 comprehensive lead inspection will properly identify those surfaces with actionable lead and
4 will identify those Properties that have no lead-based paint. Presumption of actionable lead
5 hazards will not be permitted. Previous lead inspection data should be used only if it is of
6 sufficient quality and only if it is augmented as needed.

7 Lead paint inspections under this plan must be done in accordance with an XRF
8 Performance Characteristics Sheet (PCS) issued by HUD and EPA and have all the required
9 measurement and supporting quality control data. It must include lead paint measurements on
10 all surfaces with a similar painting history in all rooms, room equivalents, exteriors and site,
11 including measurements on floors, walls and ceilings with intact and non-intact paint and
12 coatings using the standard HUD lead-based paint inspection protocol.

13 **G. Identification and Reporting of Actionable Lead Paint**

14 The results of the comprehensive lead inspections performed on included housing units
15 will be used: (1) to maintain a database that is available to the public documenting the location
16 of lead based paint and lead based paint hazards in inspected properties; and (2) as the basis for
17 recommending lead hazard control activities in properties.

18 To be considered actionable and therefore eligible for lead hazard control programs as
19 set forth in the recommendations that follow, the lead levels on surfaces and in dust must meet
20 certain actionable levels.

21 The level of lead in paint to be considered actionable under this plan should be ≥ 1
22 mg/cm^2 (or $\geq 5,000$ ppm if loading cannot be measured for technical reasons). The lead paint
23 should be measured using field-based XRF lead paint analyzers with a Performance
24 Characteristics Sheet; sodium rhodizonate, sodium sulfide or other spot test kits should not be
25 used to determine the presence of actionable lead for the purposes of this plan.

26 The level of lead in settled dust to be considered actionable under this plan should be
27 $\geq 10 \mu\text{g}/\text{ft}^2$ on floors and $\geq 100 \mu\text{g}/\text{ft}^2$ on interior window sills. Dust lead should be measured
28 using the standard wipe sampling method.

29 **H. Hazard Control Criteria and Options**

30 Once actionable lead has been found on surfaces or in dust in a property, the property
31 owner and the Jurisdiction will develop a plan for lead hazard control.

32 Under the Plan, all replaced building components should be at least equal in quality to
33 the lead painted components they replace. The judgment on what constitutes "equal to" should
34 be made by the Jurisdiction, that will design the hazard control in collaboration with owners
35 and occupants. If an owner decides to replace a building component with a higher cost
36 equivalent item, the incremental cost should be borne by the owner.

1 The plan contemplates that the first prioritization of any lead hazard control plan is
2 replacement of lead painted windows and doors, which will yield the largest health benefit in
3 the shortest time period.

4 If the existing substrate is incapable of supporting an enclosure system, it should be
5 either repaired to support an enclosure, or the component should be replaced.

6 Walls: For lead painted interior walls and ceilings, (new plaster is an acceptable
7 enclosure method, as long as the new lathe is physically attached to the substrate)

8 Floors & Stairs: Enclosure with new subflooring and finish goods (paint stabilization
9 should not be permitted on lead-painted floors and lead-painted stairs because of the likelihood
10 of deterioration due to traffic and on-going impact).

11 Ceilings: Paint Stabilization or Enclosure with drywall or equivalent

12 Window trim: Replacement (or off-site stripping and repainting for ornate, unique
13 items)

14 Window troughs: Replacement or Enclosure

15 Other window parts: Replacement (or off-site stripping and repainting for ornate,
16 unique items)

17 Window or Door Lintels: Replacement (or, if load-bearing, enclosure)

18 Doors Replacement: (or off-site stripping and repainting for ornate, unique items)

19 Door Frames: Replacement (or enclosure if load-bearing)

20 Interior Trim: Replacement (or off-site stripping and repainting for ornate, unique
21 items) or Paint Stabilization

22 Cabinets/Shelving: Paint Stabilization or Replacement (or off-site stripping and
23 repainting for ornate, unique items)

24 Radiators/Pipes: Paint Stabilization or Replacement (or off-site stripping and
25 repainting)

26 Stairs: Enclosure or Replacement

27 Dust Actionable Lead Dust: Removal to Clearance Standards

28 **I. Performance of Hazard Control Work**

The results of the actionable lead inspection will be used to devise actionable lead hazard control work specifications. The specific products and methods, together with the inspection report and expected timelines, will be presented to the owner and occupants and a plan will be agreed to between the homeowner and the Jurisdiction.

1 **J. Public Education and Outreach Plan**

2 The Jurisdiction shall conduct a public education and social marketing campaign to
3 engage the citizens, building owners, construction, and lead mitigation and inspection

4 **K. Costs and Timeline**

5 The Jurisdictions shall utilize their existing expertise in the following areas: Inspection,
6 Risk Assessment, Hazard Control, Construction, Specification Writing and Bidding;
7 Contracting and Procurement; Accounting and Payment Processing; Public Education and
8 Outreach; Toxicology; Environmental, Housing and Public Health Regulation and Practice;
9 Evaluation; Oversight; Legal; Insurance; Information Technology; Public and Media Relations;
10 and Clerical and Other Support Staff.

11 **L. Funding**

12 Since the Court orders abatement of interior surfaces only, with the Jurisdictions
13 conducting the inspections the estimate for inspection costs is reduced from to \$486,000,000.
14 This is calculated by using the per-unit cost of inspection testified to at trial the total cost of
15 inspection of pre-1978 homes in the Jurisdictions would be 3,555,630 units¹⁸ x 0.8 (reduction
16 for multi-unit residences)¹⁹ x \$171 = \$486,410,184, or approximately \$486,000,000.

17 **M. Cost of Remediation**

18 Remediation of interior surfaces only results in an estimated cost of remediation of
19 \$759,284,467, or approximately \$700,000,000.²⁰

20 Education expenses are included in these figures.

21 ¹⁸ P283_015.

22 ¹⁹ Tr. 1548:12-21.

23 ²⁰ To determine the cost of interior-only remediation, the Court has considered reducing the Jurisdictions’ estimated
24 total remediation costs based on the percentage of total remediation costs attributable to interior remediation, as set
25 forth in the Evaluation of the HUD Lead Hazard Control Grant Program (National Center for Healthy Housing and
26 University of Cincinnati, 2004) (“HUD Evaluation”) – which was relied on at trial by both the People’s abatement
27 expert, Dr. David Jacobs, and Defendants’ abatement expert, Mr. Benjamin Heckman. (P70_119 ¶ 6.2.2 [HUD
28 Evaluation]; Tr. 1506:24-1508:18, 1510:12-22, 3195:1-3196:4; D1438.4.) According to the HUD Evaluation, the
median cost of interior remediation strategies is approximately \$5,960/unit, while the median cost of exterior
remediation strategies is approximately \$1,870/unit. Using these median values to determine the ratio of interior
remediation costs to total remediation (interior and exterior) costs reveals that approximately 76% of total
remediation costs are attributable to interior remediation ($\$5,960/(\$5,960 + \$1,870)$). (P70_119 ¶ 6.2.2.)

At trial, Dr. Jacobs testified that remediation of homes in the Jurisdictions, performed in accordance with the
procedures set forth in the People’s Abatement Plan, would average \$2,000 per housing unit. (1532:18-1533:18; see also P262 at
23-24.) In light of the fact that approximately 76% of lead remediation costs are attributable to interior remediation, the average
per-unit cost of remediation can be reduced from \$2,007/unit to approximately \$1,525/unit (\$1,525 is approximately 76% of
\$2,007). This reduces the People’s total estimated remediation cost from approximately \$1,000,000,000 to approximately
\$700,000,000.

1 **Conclusion:**

2 **Therefore, the Court orders:**

3 The Defendants against whom judgment is entered, jointly and severally, shall pay to
4 the State of California \$1,100,000,000 (One Billion One Hundred Million Dollars) into a
5 specifically designated, dedicated, and restricted abatement fund (the "Fund").

6 The payments into the Fund shall be within 60 days of entry of judgment.

7 The Fund is to be administered by the Director of the California CLPPB program for
8 the benefit of people within the 10 Jurisdictions

9 Monies from the Fund shall be disbursed to each jurisdiction to be supervised by that
10 County's Board of Supervisors, consistent with past practices regarding lead detection,
11 removal, and prevention. Each jurisdiction shall be entitled to receive up to the following
12 maximum percentage and distribution from the fund.²¹

13	Alameda	9%	\$99,000,000
14	Los Angeles	55%	\$605,000,000
15	Monterey	2%	\$22,000,000
16	San Mateo	5%	\$55,000,000
17	Santa Clara	9%	\$99,000,000
18	San Diego	7%	\$77,000,000
19	San Francisco	7%	\$77,000,000
20	Solano	2%	\$22,000,000
21	Ventura	4%	\$44,000,000

22 The jurisdictions shall apply for grants from the Fund with a three-step program as
23 described. Exterior abatement and remediation is excluded from this order.

24 Dr. David Jacobs, or his designee, shall serve as a consultant to the Plan. He shall be
25 compensated at a rate of \$300 per hour, with payments to be made out of the Fund. His
26 compensation for any 12 month period shall not exceed \$50,000. Any ordinary expenses
27 incurred by Dr. Jacobs, such as travel, meals, and incidentals shall be in addition to his hourly
28 charges and shall be consistent with the State of California reimbursement guidelines for
government employees.

²¹ Percentages derived from number of houses pursuant to chart at Section V.H *supra*.

1 The program shall last for four years from the date of total payment by defendants into
2 the Fund. If, at the end of four years, any funds remain, those monies shall be returned to the
3 paying defendants in the ratio by which the program was initially funded. The Superior Court
4 of California, County of Santa Clara, shall have continuing jurisdiction over the Plan and its
5 implementation.
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SUMMARY OF DECISION

1. The Court rules against ARCO and ConAgra’s defense of no successor liability.
2. The Court rules that constructive notice on the part of the Defendants is sufficient.
3. The Court rules against SW’s argument that differentiates “pigment” versus “paint.”
4. The Court bases the decision solely on the issue of lead paint produced, promoted, sold, and used for interior home use.
5. The Court rules that Defendants ConAgra, NL, and SW, were substantial factors in causing the injury alleged.
6. The Court rules that LIA and NVLP were not agents of Defendants, but were conduits of information and vehicles by and for the promotion of lead paint.
7. The Court rules that as to Defendants ConAgra, NL, and SW the People have sustained the burden of proof on all issues delineated by the Appeals Decision.
8. The Court finds in favor of the Public Entities and against SW on SW’s cross-claim for declaratory relief.
9. Defendants’ Affirmative Defenses do not bar this action.
10. The Court orders the institution of the abatement plan and establishment of the Fund as described above.
11. To the extent permitted by law, the Court awards the People their costs and attorneys’ fees.
12. The People shall prepare an Order and Judgment consistent with this Decision within 5 days.

SO ORDERED.

Dated: December 16, 2013

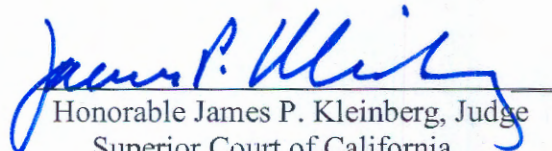
/s/ James P. Kleinberg
Honorable James P. Kleinberg, Judge
Superior Court of California

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