

[EXEMPT FROM FILING FEES -
GOV. CODE SECTION 6103]

FILED Superior Court of California
County of Butte
MAR 18 2016
D. Kimberly Flener, Clerk
By *[Signature]* Deputy

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF BUTTE

STATE WATER RESOURCES CONTROL
BOARD,

Plaintiff,

v.

HANOVER ENVIRONMENTAL
SERVICES, INC.; WILLIAM BONO, AN
INDIVIDUAL; CARRIE BONO, AN INDIVIDUAL;
AND DOES 1 THROUGH 100 INCLUSIVE.

Defendants.

Case No. 162282

STIPULATED JUDGMENT

File by Fax

Plaintiff, the STATE WATER RESOURCES CONTROL BOARD (hereinafter Plaintiff),
and Defendants, HANOVER ENVIRONMENTAL SERVICES, INC., WILLIAM BONO, and
CARRIE BONO (hereinafter Defendants), hereby stipulate and consent to the entry of this
injunction and final judgment pursuant to this Stipulation (hereinafter Stipulated Judgment).

1 Upon the consent of the parties hereto, and it appearing to the Court that **GOOD CAUSE**
2 exists for the entry of this Stipulated Judgment,

3 **IT IS ORDERED, ADJUDGED AND DECREED** that Plaintiff have judgment against
4 Defendants as follows:

5 **JURISDICTION**

6 1. This Court has jurisdiction over the subject matter of this action and over each of the
7 parties hereto, and has jurisdiction to enter this Stipulated Judgment as a full and final resolution
8 of all claims that were alleged in, or otherwise related to, the Action (as defined below) based
9 upon the facts alleged therein. This Court will retain jurisdiction, under California Code of Civil
10 Procedure section 664.6, until final performance of this Stipulated Judgment.

11 **APPLICABILITY**

12 2. The provisions of this Stipulated Judgment, including the injunctive provisions
13 contained herein, are applicable to Defendants, their subsidiaries, affiliated entities and/or
14 companies, divisions, alter egos and/or sole proprietorships and any agent, employee, or
15 representative thereof, and all persons, partners, corporations, heirs, assigns, lessees, devisees or
16 other entities acting by, through, under, or on behalf of Defendants and all persons in concert with
17 or participating with Defendants, with actual or constructive knowledge of this injunction, insofar
18 as they are doing business in the State of California.

19 **RECITALS**

20 3. WHEREAS, on May 30, 2014, Plaintiff filed a Complaint for Damages and Injunctive
21 Relief, and stated causes of action for intentional misrepresentation, negligent misrepresentation,
22 practicing geology without a license, responsible corporate officer liability and injunction (the
23 "Action"). Plaintiff alleges that, among other things, Defendants received monies from the Barry
24 Keene Underground Storage Tank Cleanup Trust Fund (hereinafter "Cleanup Fund") based on
25 false, misleading and over-stated invoices and the performance of work that did not meet a
26 professional standard for such work.

27 4. WHEREAS, Defendants deny all liability and are entering into this Stipulated Judgment
28 in the spirit of compromise and to avoid further costs of defense.

1 5. WHEREAS, Plaintiff and Defendants wish to resolve the Action, including but not
2 limited to all claims by Plaintiff that Defendants engaged in overbilling to the Cleanup Fund
3 and/or otherwise received reimbursement from the Cleanup Fund that Defendants were not
4 otherwise entitled to receive.

5 6. Plaintiff and Defendants waive all rights to appeal or otherwise challenge or contest the
6 validity of this Stipulated Judgment.

7 INJUNCTION

8 7. Defendants, and each of them, are enjoined from performing any further work for or in
9 connection with claimants who seek reimbursement from the State Water Board pursuant to the
10 Cleanup Fund. This includes, but is not limited to, corrective action work and associated work,
11 including preparation of reimbursement requests.

12 8. Defendants, and each of them, are enjoined from participating in any work overseen,
13 directed, funded, or administered by the State Water Board.

14 9. Defendants, and each of them, are enjoined from receiving financial benefit or other
15 benefit that can be monetized from any entity and/or person that seeks payment or reimbursement
16 from the State Water Board, including but not limited to any entity providing services that may be
17 considered for reimbursement from the Cleanup Fund or paid by any other fund administered by
18 the State Water Board.

19 MONETARY RELIEF

20 10. The claims set forth in Attachment I to this Stipulated Judgment are requests for
21 reimbursement that were submitted to the Cleanup Fund before December 4, 2015, but have yet
22 to be reimbursed and/or deemed ineligible by the Cleanup Fund. With respect to the claims set
23 forth in Attachment I, Defendants are entitled to payment from the Cleanup Fund by way of the
24 respective claimant for reasonable and necessary costs as determined by the Cleanup Fund. The
25 State Water Board shall review such requests for reimbursement in good faith. Defendants agree
26 to abide by the determinations of reasonable and necessary costs made by the State Water Board
27 and waive any further rights to appeal said determinations. Defendants waive their rights to
28 receive payment for costs subject to and/or under appeal of any and all determinations of

1 eligibility of costs made by the Cleanup Fund with respect to reimbursement requests submitted
2 prior to December 4, 2015. In addition, Defendants agree that any and all work and/or costs
3 submitted for the claims set forth in Attachment 1 that are deemed ineligible by the Cleanup Fund
4 are not reasonable and/or necessary and therefore not subject to reimbursement from the Cleanup
5 Fund.

6 11. Defendants, and each of them, are not entitled to any further payment from the Cleanup
7 Fund or any claimant for any work identified in reimbursement requests submitted after
8 December 4, 2015.

9 12. Excepting those claims set forth in paragraph 9, Attachment 1, the Court finds that any
10 and all work performed, supervised by and/or directed by Defendants that has not been
11 reimbursed by the Cleanup Fund as of December 4, 2015, is not reasonable and necessary
12 corrective action and, therefore, not subject to reimbursement from the Cleanup Fund. This
13 includes, but is not limited to, work performed by a third party or subcontractor.

14 13. Defendants agree to payment of the amounts set forth herein as consideration for the
15 release of claims set forth in the Action, including but not limited to claims by the State Water
16 Board that Defendants engaged in overbilling to the Cleanup Fund and/or otherwise received
17 reimbursement from the Cleanup Fund that Defendants were not otherwise entitled to receive.

18 14. Defendants will pay the sum of **THREE HUNDRED FIFTY THOUSAND**
19 **(\$350,000)** to the State Water Board UST Cleanup Fund. All payments made pursuant to this
20 Stipulated Judgment shall be made by check and delivered to the Office of the California
21 Attorney General, 600 West Broadway Street, Suite 1800, San Diego, CA 92101, attention
22 Michael Cayaban, Deputy Attorney General, for distribution pursuant to the terms of this
23 Stipulated Judgment. Defendants shall send a photocopy of all payments made by check, to the
24 State Water Resources Control Board, 1001 J Street, 16th Floor, Sacramento, CA 95814, attention
25 Anna Kathryn Benedict. The payments shall be made as follows:

26 (a) **TWO HUNDRED THIRTY-THREE THOUSAND (\$233,000)** within 30 days
27 of entry of this Stipulated Judgment.
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(b) ONE HUNDRED SEVENTEEN THOUSAND (\$117,000) within 120 days of entry of this Stipulated Judgment.

15. If any portion of the Monetary Relief is not satisfied on the date it is due, interest shall accrue on the unpaid sum at the statutory rate from the date this Stipulated Judgment is entered by the Court.

RELEASE AND CLAIMS COVERED

16. The parties hereby release and forever discharge each other and each other's present and former trustees, officers, owners, employees, subsidiaries, agents, insurers, including but not limited to the Underwriters at Lloyds, attorneys, successors, predecessors, and assigns and each of them ("Released Parties") from all claims, causes of action, charges, complaints, obligations, costs, losses, damages, injuries, attorneys' fees, and other legal responsibilities arising out of or related to the Action. This Stipulated Judgment, including the release herein, is a full, final, and binding resolution between Plaintiff and Defendants. Nothing in this Stipulated Judgment shall prejudice, waive or impair any right, remedy, or defense that Plaintiff or Defendants may have in any other ongoing or future legal proceedings unrelated to this Stipulated Judgment and the Action. However, this paragraph shall not diminish or otherwise affect the obligations, responsibilities, and duties of the parties under this Stipulated Judgment. This Stipulated Judgment is not binding on any other state agency, board or department or on any other governmental entity other than Plaintiff.

COURT APPROVAL


17. This Stipulated Judgment shall be submitted to the Court for entry. If this Stipulated Judgment is not approved by the Court, it shall be of no force or effect.

18. This Stipulated Judgment may be executed by the parties and counsel in counterpart and by facsimile transmission, any combination of which shall be deemed an original and may be filed with the Court.

1 19. This Stipulated Judgment shall go into effect immediately upon entry hereof. Entry is
2 authorized immediately upon filing.

3 IT IS SO ORDERED, this 18th day of March, 2016.

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Honorable ~~Robert A. Glusman~~
Judge of the Superior Court

STEPHEN E. BENSON

1 **STIPULATION APPROVED AS TO FORM AND CONTENT:**

2 DATED: 3/7, 2016

HANOVER ENVIRONMENTAL SERVICES, INC.

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By: 

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7 DATED: 3/7, 2016

WILLIAM BONO

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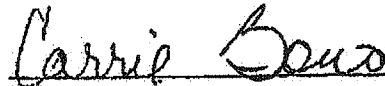
12 DATED: 3/7, 2016

CARRIE BONO

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18 DATED: 3/11, 2016

STATE WATER RESOURCES CONTROL BOARD

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By: 

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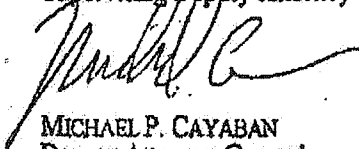
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1 APPROVED AS TO FORM ONLY:

2 DATED: 3/14, 2016

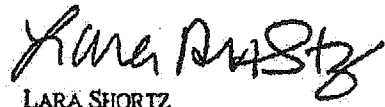
KAMALA D. HARRIS
Attorney General of California
CAROL A. SOUBE
Supervising Deputy Attorney General



MICHAEL P. CAYABAN
Deputy Attorney General
Attorneys for Plaintiff
State Water Resources Control Board

9 DATED: 3/8, 2016

Michelman & Robinson LLP



LARA SHORTZ
Attorneys for Defendants

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ATTACHMENT 1

Hanover Environmental Services, Inc. --
Outstanding Requests For Reimbursement

	Site	Claimant	Claim #	RR
1	Auto Depot	Daniel Katsaros	10349	31
2	Boone's Minimart	James Keith Boone and Dorothy Mae Boone	13170	42
3	Cascade Texaco	Nishtar Mohamed, Assignee	13110	36
4	Gridley Pit Stop	Manuel F. Costa, Jr.	12277	32
5	Perry's Texaco	Ed McLaughlin	14978	33
6	Robertson's Market	Frances L. Butler-Byers	15586	35
7	Zine's Garage	Mark Godfrey	13587	27
8	Zine's Garage	Mark Godfrey	13587	28
9	Zine's Garage	Mark Godfrey	13587	31

DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **State Water Resources Control Board v. Hanover Environmental Services, Inc., et al.**

Court: **Butte County Superior Court, Case No. 162282**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On March 14, 2016, I served the attached:

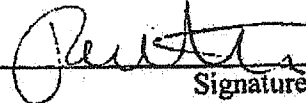
STIPULATED JUDGMENT

by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Office of the Attorney General at 600 West Broadway, Suite 1800, P.O. Box 85266, San Diego, CA 92186-5266, addressed as follows:

Lara A. Shortz, Esq.
Michelman & Robinson, LLP
10880 Wilshire Boulevard, 19th Floor
Los Angeles, CA 90024
*Attorneys for Defendants
Hanover Environmental Services, Inc.,
William Bono and Carrie Bono*

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on March 14, 2016, at San Diego, California.

Roberta L. Matson
Declarant


Signature

OFFICIAL RECEIPT

Superior Court of California, County of
Butte
1775 Concord Ave.
Chico, CA 95928
www.buttecourt.ca.gov

Receipt No. **NCCH-2016-03650**
Transaction Date 03/28/2016
Payor
One Legal LLC

Description	Amount Paid
Miscellaneous Payment	
Copy Work	5.00
SUBTOTAL	5.00
PAYMENT TOTAL	5.00
Check (Ref #D3423512)	5.00
Tendered	
Total Tendered	5.00
Change	0.00
03/28/2016 04:00 PM	Cashier Station C2655
	Audit 4194703

OFFICIAL RECEIPT