

UNITED STATES OF AMERICA  
CONSUMER PRODUCT SAFETY COMMISSION

In the Matter of	)	
	)	
CENTRAL SPRINKLER CORP.,	)	
	)	
and	)	CPSC DOCKET NO. 98-2
	)	
CENTRAL SPRINKLER CO.,	)	
	)	
Respondents	)	

**CONSENT AGREEMENT**

This Consent Agreement is made by and between the staff of the Consumer Product Safety Commission and Respondents, Central Sprinkler Corp. and Central Sprinkler Co., to settle the above-captioned administrative action. The parties agree as follows:

**Parties**

1. The "staff" is the staff of the United States Consumer Product Safety Commission ("CPSC" or "the Commission"), an independent regulatory agency of the United States, established by Congress pursuant to Section 4 of the Consumer Product Safety Act ("CPSA"), 15 U.S.C. § 2053.


2. Respondents Central Sprinkler Corporation and Central Sprinkler Company (hereinafter collectively "Central") are corporations organized and existing under the laws of

Accepted and Approved:

  
CPSC Office of Compliance

consent8.cle 10/01/98 5:00 p.m.

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Respondents Central Sprinkler Co.  
and Central Sprinkler Corp.

the Commonwealth of Pennsylvania, with their principal place of business at 451 North Cannon Ave., Lansdale, PA 19446.

### **Subject Matter**

3. From 1982 to July, 1998, Central manufactured and sold and/or distributed between 9 and 10 million "Omega" brand automatic fire sprinklers. On March 3, 1998, the staff of the Consumer Product Safety Commission filed an Administrative Complaint ("Complaint") against Central, seeking recall and replacement of Central's Omega fire sprinklers pursuant to 15 U.S.C. § 2064. The Complaint alleges that Central's Omega sprinklers are defective and will not function in certain fire situations, creating a substantial risk of bodily injury and/or death.

4. To date, the staff has received reports that from 1990 to the present, Omega sprinklers did not function in 20 fires.

5. Central has filed an answer to the Complaint in which it avers, *inter alia*, that its Omega sprinklers are not defective within the meaning of 15 U.S.C. § 2064.

6. The staff also contends that Central obtained information which reasonably supported the conclusion that Omega sprinklers contained a defect or defects that could create a substantial risk of injury to the public but failed to report such information in a timely manner pursuant to 15 U.S.C. § 2064(b). Central denies any wrongdoing under 15 U.S.C. § 2064(b).

### **Agreement of the Parties**

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Respondents Central Sprinkler Co.  
and Central Sprinkler Corp.

7. It is the express purpose of the parties in entering into this Agreement to protect the public safety by carrying out the recall and replacement of Omega sprinklers.

8. The parties intend for this Consent Agreement and the attached Order (hereinafter "Order" or "the Order"), which is hereby incorporated by reference, to resolve all allegations and requests for relief set forth in the Administrative Complaint in this proceeding and to bar the initiation or referral by the CPSC of any administrative, civil, or criminal claims within the CPSC's jurisdiction arising from the conduct of Central, its officers, directors and/or employees regarding Omega sprinklers. This resolution shall not apply to any actions arising from non-compliance with or disputes pertaining to this Agreement or the Order.

9. For purposes of this settlement only, Central admits that "Omega" fire sprinklers are "consumer products" under Section 3 of the CPSA, 15 U.S.C. § 2052, subject to the jurisdiction of the Consumer Product Safety Commission.


10. For purposes of this settlement only, Central agrees not to contest the allegations in the Complaint that "Omega" fire sprinklers contain a "defect which creates a substantial product hazard," as those terms are defined in Section 15(a) of the CPSA, 15 U.S.C. § 2064(a). Central has agreed not to contest these allegations in order to avoid the expense, inconvenience and risks associated with further litigation, and the parties recognize that this resolution and this Consent Agreement may not be used or introduced as evidence of defect or hazard against Central in other litigation not involving the Commission or its staff. Entry of the Order will neither impair nor assist the bringing of any other action.

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Respondents/Central Sprinkler Co.  
and Central Sprinkler Corp.

11. As part of the amounts referenced in 1.a and 1.b of Appendix C of the Order, Central shall deposit, without any adjudication or admission of fact or law, \$1.3 million into the Trust established in Appendix C of the Order, in settlement of the staff's contention that Central failed to report to the Commission problems with the Omega pursuant to 15 U.S.C. § 2064(b). Central has agreed to do so solely to avoid the inconvenience and burden of litigation of this issue.

12. Upon acceptance by the Consumer Product Safety Commission of this Consent Agreement, and entry of the Order, Central knowingly, voluntarily and completely waives and relinquishes any past, present and/or future right or rights in this matter: (1) to an administrative or judicial hearing and to all further procedural steps, including findings of fact, conclusions of law and/or further determination of whether Omega sprinklers contain a defect which creates a substantial product hazard within the meaning of Section 15 of the CPSA; (2) to seek judicial review or otherwise contest the validity of this Consent Agreement and/or Order as issued and entered; and (3) to seek judicial review of this or any past orders, findings and/or determinations of the Commission or the Presiding Officer in this matter, except as set forth in the provisions regarding review in Paragraph 28 of this Agreement.

13. Central agrees to fulfill all requirements of the Order.

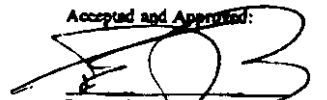
14. Central agrees to immediately cease and desist manufacturing, selling, distributing, marketing, exporting, importing, and/or attempting to distribute or sell any

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Omega sprinkler, whether by itself or through its subsidiaries, affiliates, Central-owned distribution centers, or any other persons or entities over whom Central has control, whether in the United States or any other foreign state, country, or territory.

15. Central shall request that Underwriters Laboratories, Inc. withdraw its listing of approval for all Omega sprinklers.

16. Central shall provide the staff with thirty days written notice of any transfer of property rights it holds in the following U.S. Patents: 4,465,141; 4,491,182; 4,508,175; 4,553,602; 5,094,298; 4,619,327; 3,734,191, 3,802,510; 3,877,527, 3,911,940; 3,991,829, and 4,359,098.

17. A violation of this Consent Agreement or the Order is a prohibited act within the meaning of Section 19 of the CPSA, 15 U.S.C. § 2068.

18. The Commission or Central may disclose terms of this Consent Agreement and Order to the public.

19. This Consent Agreement shall take effect upon its final acceptance by the Consumer Product Safety Commission.

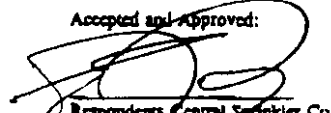
20. This Consent Agreement and Order shall be binding upon the parties hereto and their successors, assigns, and receivers. If, prior to the termination of this Consent Agreement and Order, Central merges with any other corporation or sells, assigns, or otherwise transfers substantially all of its assets, Central shall provide reasonable prior notice to the surviving corporation or, in the case of an asset sale, assignment, or transfer, the

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and Central Sprinkler Corp.

purchaser, transferee, or assignee of substantially all of Central's assets, of this Consent Agreement and Order, and of its binding effect upon said surviving corporation, purchaser, assignee, or transferee. The existence of this Consent Agreement and Order and their binding effect shall be noted in any agreement between Central and such surviving corporation, purchaser, transferee, or assignee. It shall be a condition of any such merger, sale, assignment, or transfer that the surviving corporation or, in the case of an asset sale, the purchaser, assignee, or transferee, execute a document agreeing to be bound by the provisions of this Consent Agreement and Order, and to submit to the jurisdiction of the Commission for purposes of enforcement of this Consent Agreement and Order. In the event of any merger or sale, transfer, or assignment of substantially all of Central's assets, notice shall be provided to the staff no later than 15 days prior to any such merger or asset sale, transfer, or assignment.

21. This Consent Agreement and Order have been negotiated by the parties. Central is not relying on the advice of the staff, nor anyone associated with the staff, as to legal, tax, or other consequences of any kind arising out of this Consent Agreement and Order, and Central specifically assumes the risk of all such legal, tax and other consequences.

22. For all purposes, this Consent Agreement and Order shall constitute an enforceable judgment obtained in an action or proceeding by a governmental unit to enforce its police or regulatory power. Central acknowledges and agrees that this Agreement and Order are pursuant to the Commission's police or regulatory power to remedy the risk

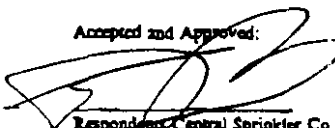
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Respondent Central Sprinkler Co.  
and Central Sprinkler Corp.

created by and protect the public from a substantial product hazard which the Commission believes is presented by Omega sprinklers, and that the Agreement and Order are not subject to an automatic stay if Central becomes the subject of a bankruptcy proceeding.

23. If all of the Replacement Sprinklers are not listed or approved by Underwriters' Laboratories Inc. ("UL") and all of the exclusively non-residential Replacement Sprinklers are not listed or approved by Factory Mutual Research Corporation ("FMRC") by November 1, 1998, or if the listing or approval of any of the Replacement Sprinklers by UL or FMRC is withdrawn, discontinued or modified at any time, for any reason whatsoever, the Commission, at its sole discretion and upon reasonable notice to Central, may void, suspend, or rescind all or any part of this Consent Agreement and Order.


24. The Commission, at its sole discretion and upon reasonable notice to Central, may void, suspend, or rescind all or any part of this Consent Agreement and Order if Central has made material misrepresentations regarding its current financial condition, manufacturing and shipping costs for Replacement Sprinklers and Replacement Parts, the number of Omega sprinklers remaining to be remediated (approximately 8.4 million), and/or the projected costs of administering the recall and replacement program in this Agreement and Order, and the staff has relied on those misrepresentations in entering into this Agreement. Appendix D of the Order lists those documents containing representations deemed material by the parties.

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Respondents Central Sprinkler Co.  
and Central Sprinkler Corp.

25. Beginning 3 months after the effective date of the Commission's Order, and for every 3 months thereafter until the expiration or final determination of the Claims as defined in Paragraph 1.c of Appendix C of the Order, Central shall provide to the staff a full report on the progress and status of the Claims as defined in Paragraph 1.c of Appendix C of the Order, and the progress and status of the remediation program set forth in this Agreement and Order, including but not limited to the payments made to the Trust as defined in Appendix C of the Order, and the expenses paid and/or incurred for notice and administration of the remediation program set forth in this Agreement and Order. Central shall provide, with these reports, the daily timesheets, with descriptions of all work performed, of each Central employee involved in administration of the remediation program, for the time period since the last report date. At any time, upon reasonable written notice, the Commission may require Central to submit to an independent or Commission review and/or audit of the remediation program set forth in this Consent Agreement and Order, and/or any Claims as defined in Paragraph 1.c of Appendix C. Central shall provide the staff with a copy of every audit report of its financial condition within 5 business days of the date the report is prepared.

26. If, after the effective date hereof, any provision of this Consent Agreement and Order is held to be illegal, invalid, or unenforceable under present or future laws effective during the terms of this Consent Agreement and Order, such provision shall be fully severable. The rest of the Agreement and Order shall remain in full effect, unless the

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and Central Sprinkler Corp.



Commission determines that severing the provision materially impacts the remediation program set forth in this Agreement and Order.

27. Central acknowledges that this Consent Agreement and Order have been negotiated between unrelated, sophisticated and knowledgeable parties acting in their own self-interest and represented by counsel, and the provisions of this Consent Agreement and Order shall not be interpreted or construed against any person or entity because that person or entity or any of its attorneys or representatives drafted or participated in drafting this Consent Agreement.

28. The provisions of this Consent Agreement and Order shall be interpreted in a reasonable manner to effect its purpose to remedy the alleged hazard that Omegas pose. In the event of a dispute between the parties arising under this Consent Agreement and Order, the parties agree to submit the issue for determination by the Commission. Except as stated to the contrary in Paragraphs 7 through 10 of Appendix C of the Order, Central shall have the right to seek judicial review of the Commission decision, such review to be based upon the record of any such Commission proceeding and according to law.

29. The existence of a dispute shall not excuse, toll, or suspend any obligation or deadline imposed upon Central under this Consent Agreement and Order.

30. This Consent Agreement and Order shall not be waived, changed, amended, modified, or otherwise altered, except in writing executed by the party or parties against

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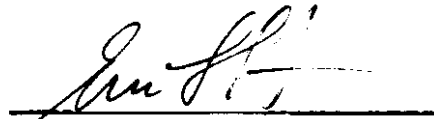
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whom such amendment, modification, alteration, or waiver is sought to be enforced, and approved by the Commission.

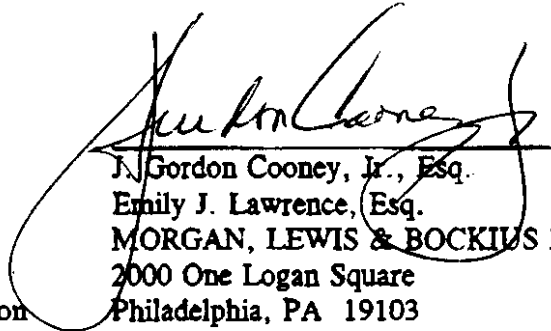
Dated: October 1, 1998



Deborah S. Orlove, Esq.  
Eric H. Singer, Esq.  
Howard N. Tarnoff, Esq.  
Complaint Counsel  
U.S. Consumer Product Safety Commission  
Office of Compliance  
4330 East West Highway  
Bethesda, MD 20814  
(301) 504-0626

Of Counsel  
Eric L. Stone  
Director, Legal Division  
Alan H. Schoem  
Assistant Executive Director  
Office of Compliance

Complaint Counsel

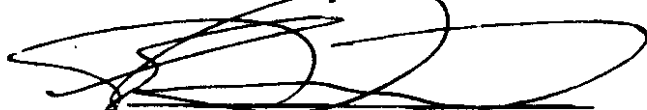


J. Gordon Cooney, Jr., Esq.  
Emily J. Lawrence, Esq.  
MORGAN, LEWIS & BOCKIUS LLP  
2000 One Logan Square  
Philadelphia, PA 19103  
(215) 963-5000

Michael F. Healy, Esq.  
MORGAN, LEWIS & BOCKIUS LLP  
1800 M Street, NW  
Washington, DC 20036-5869  
(202) 467-7000

John C. Fenningham, Esq.  
CORR, STEVENS & FENNINGHAM  
Five Neshaminy Interplex, Suite 315  
Trevose, PA 19053  
(215) 639-4070

Counsel for Respondents



E. Talbot Briddell  
CEO, Central Sprinkler Corp. and Central  
Sprinkler Co.

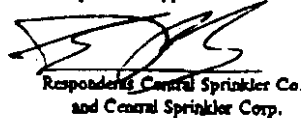
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CPSC Office of Compliance

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Respondent Central Sprinkler Co.  
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In the Matter of )  
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CENTRAL SPRINKLER CORP., )  
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and )  
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CENTRAL SPRINKLER CO., )  
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Respondents )  
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CPSC DOCKET NO. 98-2

UPON CONSIDERATION of the Administrative Complaint against Respondents Central Sprinkler Corp. and Central Sprinkler Co. (collectively, "Central") issued on or about March 3, 1998, and the Consent Agreement between the parties:

UPON CONSIDERATION of Central's decision not to contest the allegations in the Complaint that "Omega" fire sprinklers contain a defect which creates a "substantial product hazard;" and

1. The Consent Agreement between Central Sprinkler Corp. and Central Sprinkler Co. (collectively, "Central") and the Commission staff is accepted and incorporated by reference herein, and Central shall comply with all of its obligations thereunder.

2. All allegations of the Administrative Complaint are resolved by this Consent Agreement and Order. Based on the Consent Agreement, including Central's admissions and agreement not to contest certain allegations of the Administrative Complaint for settlement purposes, the Commission finds that the Consent Agreement and this Order are necessary to protect the public from the hazard the Commission believes is presented by Omega sprinklers.

3. To remedy the alleged substantial product hazard created by Omega sprinklers, Central shall remove from service and replace all Omega sprinklers with replacement glass bulb sprinklers containing a Belleville Washer-Type Seal ("Replacement Sprinklers"), pursuant to, and in accordance with, the terms of Paragraphs 4 through 21 below and all of its obligations under the Consent Agreement incorporated by reference herein

4. Central shall immediately cease and desist manufacturing, selling, distributing, marketing, exporting, importing, and/or attempting to distribute or sell any Omega sprinkler, whether by itself or through its subsidiaries, affiliates, Central-owned distribution centers, or any other persons or entities over whom Central has control, whether in the United States or any other foreign state, country, or territory.

5. Central shall provide notice to the public, its customers, and Omega owners, of the alleged hazard posed by Omega sprinklers, and the remedy to which Omega owners are entitled, which notice shall include the elements set forth in Appendix A of this Order. All notices, including all script(s) for operators of the toll-free numbers set forth in Appendix A, must be approved by the Commission staff prior to dissemination.

6. Central shall provide Replacement Sprinklers to all owners of Omega sprinklers, at no cost to the Omega owners, according to the provisions set forth in Appendix C of this

Order. A listing of the Replacement Sprinkler(s) for each Omega is set forth in Appendix B of this Order.

7. Central shall provide replacement escutcheons, extensions, and any and all other fittings, fixtures and/or appurtenances necessary for proper replacement of Omegas with the Replacement Sprinklers ("Replacement Parts") at no cost to the Omega owners.

8. Beginning in November, 1998, and for 48 months thereafter, Central shall make best efforts to manufacture and distribute to Omega owners at least 100,000 Replacement Sprinklers, and the accompanying Replacement Parts, per month for as long as the demand for Replacement Sprinklers equals or exceeds 100,000 per month.

9. If Central receives requests for Replacement Sprinklers and Replacement Parts at a rate that exceeds its monthly capacity to manufacture and ship the Replacement Sprinklers and Replacement Parts, Central shall devise a plan for sprinkler and parts distribution to ensure priority replacement of sprinklers in buildings where members of the public are particularly vulnerable. Central's plan for sprinkler distribution shall be submitted to the Commission staff for approval prior to implementation. In the event the staff disagrees with Central's plan for sprinkler distribution, Central shall implement the plan as amended or devised by the staff.

10. In addition to providing Replacement Sprinklers and Replacement Parts as stated in Paragraphs 6 through 9 herein, Central shall pay, into a Trust for the benefit of Omega owners, a monetary contribution toward the labor costs of replacing their Omega sprinklers in accordance with the procedures set forth in Appendix C of this Order. The monetary contribution is for the purpose of assisting Omega owners in paying the costs associated with

removing and replacing their existing Omegas, and thus encouraging Omega owners to participate in the remediation program provided herein, in order to remedy the hazard the Commission believes is presented by the Omegas, and protect the public health and safety.

11. In order to obtain Replacement Sprinklers and Replacement Parts, and the monetary contribution provided for in Paragraph 10 herein, Omega owners must follow the procedures required by Appendix C of this Order.

12. Recognizing that suitable Replacement Sprinklers are not currently available for all Omega sprinkler models, Central shall pay \$5.00 per Omega sprinkler to any owner of Omega sprinklers who does not want or cannot use Central's Replacement Sprinklers, provided such owner gives Central reasonable proof of removal and replacement of Omegas. Central shall also pay to all such Omega owners a monetary contribution toward the costs of removing and replacing their Omega sprinklers in accordance with the procedures set forth in Appendix C of this Order. This payment is for the purpose of assisting Omega owners in paying the costs associated with removing and replacing their existing Omegas, and thus encouraging Omega owners to remove and replace their existing Omega sprinklers, in order to remedy the hazard the Commission believes is presented by the Omegas, and protect the public health and safety.

13. For those Omega owners who, after May 1, 1996, but prior to the effective date of this Order, 1) already replaced or contracted to replace their Omegas with non-Omega sprinklers and 2) who received in value from Central less than what they would have received under Paragraph 12 of this Order, Central shall pay such owners the difference between what they have already paid and the amount they would have paid under Paragraph 12 of this

Order. This payment shall be made for the purpose of encouraging owners of products that present or may present a substantial product hazard to take immediate action to remove and, where appropriate, replace that product. This payment assists in the fulfillment of the Commission's mandate to protect the public health and safety from the risks associated with products that present a substantial product hazard.

14. If Central fails to make timely contributions to the Trust as required by Appendix C hereto, Central shall be liable for additional contributions to the Trust, separate from any penalty it may incur pursuant to Paragraph 17 of the Consent Agreement. Such additional contribution(s) shall include the following:

- a. Interest at the percentage rate established by the Department of the Treasury pursuant to 31 U.S.C. § 3717, for any period after the due date;
- b. A handling charge of \$10,000 at the end of each 30 day late period; and
- c. A 7% (seven percent) per annum penalty charge if the deposit is not made within 30 days of the due date.

These additional contributions are intended to encourage Respondents to fulfill their obligations to remedy the hazard the Commission believes is presented by Omega sprinklers, and protect the public health and safety.

15. Central shall devise procedures to ensure the destruction of the Omega sprinklers. Central shall destroy all finished goods inventory and returned Omegas, from whatever source, and will not use any component parts of any returned or finished goods Omega for the manufacture or sale of any other product. Central must provide to the staff a monthly accounting of all returned and destroyed sprinklers for the first three months after the

effective date of this Order, and a quarterly accounting of all returned and destroyed sprinklers thereafter, for four years. Such reports shall be provided in a format approved by the Commission staff.

16. Central shall not, without first both notifying and consulting with the staff, manufacture for sale, offer for sale, distribute in commerce, export, or import into the United States any automatic sprinkler containing all of the following elements: (a) a body or body portion housing a dynamic valve plug (whether or not utilizing an elastomeric seal) that controls the release of water or other extinguishing agent; (b) a retaining groove within the body of the sprinkler housing locking ball bearings; (c) a plunger; and (d) a cylindrical chimney (whether or not utilizing external heat collecting fins) housing a fusible element, bearing disk, and part or all of the plunger. Central shall notify the Commission staff at least 90 calendar days before it begins manufacturing, offering, distributing, exporting, or importing any such sprinkler(s). Central shall provide the staff prompt access to all design, testing, and listing documents pertaining to any and all such sprinklers.

17. Beginning December 1, 1998, and by 5:00 p.m. on the first business day of every month thereafter, Central must provide to the staff a monthly status report, in a form acceptable to the staff, of the progress of the remediation program for the Omegas.

18. Central must immediately notify the staff of the Consumer Product Safety Commission in writing if:

a. Factory Mutual Research Corporation (FMRC) or Underwriters Laboratories Inc. (UL) does not approve or list, withdraws or discontinues its approval or



listing, no longer approves or lists, or modifies its approval or listing of any of the Replacement Sprinklers at any time, for any reason whatsoever:

b. the Replacement Sprinklers fail any test conducted by FMRC or UL and indicated in Appendix E of this Order; or

c. Central obtains information with respect to Replacement Sprinklers that is reportable under Section 15(b) of the CPSA.

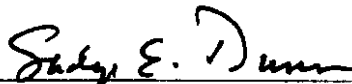
19. Central shall provide to the staff a copy of all filings it makes with the Securities and Exchange Commission (SEC) within five business days of making such filings. Central shall also notify the staff in writing of any changes in corporate officers and directors within five business days of such changes.

20. Central shall allow the Commission and/or staff to inspect any and all records that are not subject to the attorney-client privilege or attorney work-product doctrine, regarding the Replacement Sprinklers and Parts, remediation program, any class action lawsuits regarding Omega sprinklers, and any claims or lawsuits against its insurers or other third parties relating to Omega sprinklers, and to inspect all manufacturing, design and/or receiving facilities regarding Replacement Sprinklers at any time during normal business hours, upon reasonable notice.

21. This Order, and all of the obligations it imposes on Central, shall terminate in its entirety upon the final distribution of all funds required to be placed in the Trust pursuant to

Appendix C of this Order, unless Central has not completely fulfilled its obligations under the Consent Agreement and Order.

BY ORDER OF THE CONSUMER PRODUCT SAFETY COMMISSION

  
Sadye Dunn, Secretary

Dated: October 13, 1998

# APPENDIX

## A

## Appendix A

### **Central Sprinkler Omega Notification Plan**

Central's Efforts to Generate Editorial Coverage of Program - ongoing efforts by Buchanan and Associates

#### Local Print Advertising (Newspapers)

- Proposed notice is set out in Exhibit 1
- Eighty-seven 3-column x 7.5" ads will appear in 79 newspapers in each of the 68 targeted counties (Exhibit 2). The newspaper coverage will include the Arizona Republic, Los Angeles Times, (2 x), San Francisco Chronicle, Denver Post, Washington Post, Atlanta Journal, Chicago Tribune (2x), New York Times, Philadelphia Inquirer (2x), and Dallas Morning News, as well as other papers noted in Exhibit 3. The notices will appear in the front section of the national news by November 1, 1998.
- Repeat notice - Central to place at least one ad in one local/regionalized paper in each of the 68 targeted counties on or around May 1, 1999. Such notice to only include information about the recall. This notice must be approved by CPSC staff.

#### Trade Publication Advertising

Paid Ads Using Exhibit 1 to be purchased for the following publications for the next available issue within 8 business days of CPSC press announcement

- *Buildings Magazine*
- *Building Operating Management*

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and Central Sprinkler Corp.

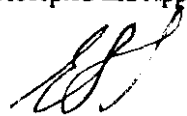
- *Commercial Property News*
- *National Real Estate Investor*
- *Journal of Property Management*
- *Facilities Design and Management*
- *Fire Protection Contractor (FPC)*
- *Sprinkler Age*
- *NFPA Journal*

**National Print Advertising**

(Using Exhibit 1 and purchased for publication within 8 business days of CPSC press announcement)


- 2/5<sup>th</sup> page ad in *Parade Magazine*
- Digest size ad in *USA Weekend*
- Full-page ad in *Reader's Digest*
- Full page ad in seven local editions of *TV Guide*

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CPSC Office of Compliance

Accepted and Approved:



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and Central Sprinkler Corp.

### Direct Notice Communications

- First class letter with appropriate outer signal words as attached hereto including the following documents in the following order: letter to consumers (Exhibit 4), Proof of Claim, Waiver and Release of Claims, Request for Exclusion, Verification Forms, product identification information, and long form class action notice. This notice will be mailed to the identified consumers set forth below within 8 business days of CPSC announcement (where applicable).
- All individuals who filed claims against Central Sprinkler for Omega Series Sprinklers.
- All individuals who called the toll free Central Sprinkler Omega information line regarding Omega Series Sprinklers.
- All individuals who call the 1-800 automated telephone number or write requesting the Class Notice or Recall as a result of seeing the published notice.
- Within 30 days of CPSC press announcement, subject to availability of mailing lists, mailing of first class letter, with appropriate outer signal words substantially in the form set out in the attached letter to AHJs (Exhibit 4) including Proof of Claim, Waiver and Release of Claims Form, Request for Exclusion, Verification Forms, product identification information, and long term class notice to:
  - Authorities having jurisdiction in counties with sprinkler laws, regulations or ordinances.
- Within 30 days of CPSC press announcement, subject to availability of mailing lists, mailing of first class letter, with appropriate outer signal words, in the form substantially set out in consumer letter and Proof of Claim, Waiver and Release of Claims, Verification Forms and product identification information to:
  - Organizations identified through purchased mailing lists for:

Accepted and Approved:



CPSC Office of Compliance

Accepted and Approved:



Respondents Central Sprinkler Co.  
and Central Sprinkler Corp.

Hospitals  
Nursing and Convalescent Homes  
Hotels & Motels  
School Districts  
Colleges & Universities  
Approximately 14,334 U.S. members of the Building Owners and  
Managers Association (BOMA).

- Within 30 days of CPSC press announcement, subject to availability of mailing lists, mailing of first class letter, with appropriate outer signal words, substantially in the form set out in the attached letter to AHJs, with product identification information to:

Insurance-Homeowners  
Insurance-Property & Casualty  
Authorities Having Jurisdiction known to Central Sprinkler in counties  
without sprinkler laws, regulations or ordinances  
Distributors, Contractors, and End-users known to Central Sprinkler  
Member of American Fire Sprinkler Association, National Fire Sprinkler  
Association, and Home Inspectors Associations

- Within 30 days of CPSC press announcement, subject to availability of mailing lists, mailing of first class letter, with appropriate outer signal words, substantially in the form set out in the attached letter to AHJs, including Proof of Claim, Waiver and Release of Claims and Verification Forms, long form class notice and product identification information to the executive directors of:

National Association of Homebuilders  
Home Fire Sprinkler Coalition  
Fire Marshals Association of North America  
Fire Sprinkler Education Foundation, Inc.  
International Association of Fire Chiefs  
National Fire Protection Association  
Operation Life Safety

Accepted and Approved:



CPSC Office of Compliance

Accepted and Approved:



Respondents Central Sprinkler Co.  
and Central Sprinkler Corp.

Consumer Federation of America  
Consumer Information Center  
Consumer Union of United States  
National Consumer League

- Written letter by first class mail to members of the American Waterworks Association in 68 targeted counties to provide notice of the corrective action either as part of water bills or consumer newsletters. CPSC to approve language for letter.

Computer Posting

- A public service announcement will be posted on appropriate legal, consumer, fire safety and related bulletin boards on Usenet News groups (Exhibit 5) and major online services (i.e., America Online, etc.) directed to professionals and consumers. In addition to any other contact information, the online PSA will include a link to the Central Omega program website.
- The notices of Recall and Settlement, Proof of Claim, Verification and Waiver and Release of Claims forms will be posted on the Omega website to provide access to the notice and other pertinent information. The website will be listed with major search engines.
- In addition, hyperlinks may be established with other websites, including CPSC's, related to fire safety, legal and construction-related issues to allow access to the class action and recall notice.

Telephone Support

**1-800 REQUEST-LINE**

All print advertising will direct the reader to call a 1-800 telephone number, to write to an address or to go to the website in order to receive the Notice of recall and settlement and related forms.

Accepted and Approved:



CPSC Office of Compliance

Accepted and Approved:



Respondents Central Sprinkler Co.  
and Central Sprinkler Corp.



A 1-800 896-5685 interactive telephone number will be utilized. A pre-recorded message will welcome callers to the line. Callers will be directed through a series of steps that will allow the system to capture their names, mailing addresses and phone numbers.

Names and addresses will be downloaded and transcribed within 48 hours. Consumers will be mailed class action notice/recall package within 8 business days of consumer call until November 15, 1998 and thereafter within 5 business days.

#### **1-800 OMEGA INFORMATION LINE**

The Notice of recall and settlement will include Central Sprinkler's toll-free Omega information line. If potential Class Members have questions after reviewing the Notice of recall and settlement, they will be able to speak with a Central customer service representative. All customer service representatives will be trained by Central Sprinkler. A question and answer document incorporating a list of commonly asked questions is being drafted in advance so that customer service representatives will be prepared with scripted answers. The script will be updated periodically to include new information and answers to added questions. Central intends to dedicate 20 customer service representatives staggered throughout the operational period for the first 6 weeks from the date of the Notice of recall and settlement. The Omega information line will operate from 7:00 a.m. until 9:00 p.m. Monday through Friday for the first six weeks. Staffing for the Omega information line thereafter will be assessed after week 6.

Accepted and Approved:



CPSC Office of Compliance

Accepted and Approved:



Respondents Central Sprinkler Co.  
and Central Sprinkler Corp.

[ RECEIVED 10/02 12:51 1998 AT 69114  
FROM MORGAN LEWIS & BOCKIUS

PAGE 8 (PRINTED PAGE 8) ]  
(FBI) 10. 2' 90 12:23/BT. 12:17/NO. 4860636523 P 8

**EXHIBIT 1**

## IMPORTANT SAFETY RECALL AND CLASS ACTION SETTLEMENT

### FOR HOME OWNERS/BUILDING OWNERS WITH OMEGA BRAND FIRE SPRINKLERS MANUFACTURED BY CENTRAL SPRINKLER CO.

Central Sprinkler Company ("Central") and the United States Consumer Product Safety Commission are announcing a settlement involving the recall and replacement of approximately 8.4 million Omega brand fire sprinklers manufactured since 1982 by Central. Plaintiffs in two suits representing a nationwide class have preliminarily settled their suits and are also announcing the availability of a remedy. Omega fire sprinklers are installed in homes, offices, hospitals, schools and other buildings around the country. OMEGA FIRE SPRINKLERS COULD LIKELY FAIL IN A FIRE, WHICH COULD RESULT IN SERIOUS INJURY OR DEATH.

#### IDENTIFYING SPRINKLERS

Numerous models of the Omega fire sprinklers are involved. On most models, consumers will be able to see one to three flat round metal disks stacked one above the other with a small space between each disk. However, because it may be difficult to determine whether Omegas are installed, consumers are encouraged to call the toll free number below for product identification or contact their architect, builder, sprinkler contractor, plumber, homeowners' association or property manager to determine if Omegas are installed in their residence or facility.

Building owners and consumers are urged to take immediate action and call the Omega information line to learn more about the recall, how to identify Omega sprinklers, obtain a Proof of Claim form, and obtain further information about the settlement, including how to participate in the settlement and how the settlement may affect their legal rights.

#### SPRINKLER REPLACEMENTS

For consumers to get replacement sprinklers and any reimbursement towards installation costs, they must submit the Proof of Claim and Release.

Forms to Central postmarked by August 1, 1999. Consumers submitting Proof of Claim and Release Forms postmarked after August 1, 1999 but before November 1, 2001 still qualify to receive replacement sprinklers (though not reimbursement).

Until free replacement sprinklers are provided, consumers need to protect themselves against fire, have working smoke detectors and have adequate escape plans.

#### CLASS ACTION

If you are an owner or operator of a building that is or was equipped with Omega fire sprinklers, your legal rights may be affected by the proposed class action settlement which, if approved by the court, will result in the release of certain claims.

Complete information about your rights as a class member, the settlement approval process, how to exclude yourself from the settlement class, how to object or consent to the settlement, and how to make a claim for replacement sprinklers and costs, including important dates and deadlines, is available in the Full Notice of Settlement.

FOR FURTHER INFORMATION AND A COPY OF THE RECALL AND FULL NOTICE OF CLASS ACTION SETTLEMENT,

CALL: **1-800-896-5685**

OR WRITE: PO Box 1555; FARMHILL, MN 55021-1555

OR VISIT: <http://www.xxxxxx.com/xxxx>

PLEASE DO NOT CONTACT THE COURT. ON THIS MATTER, JUDGE CONSIDERERER BRUCE E. MITCHELL. THE RECALL AND SETTLEMENT ARE UNDER SUPERVISION IN Matt v. Central Sprinkler Corp., No. 03-17727 (Cal. Super Ct.). It is pending before Commissioner Bruce E. Mitchell in the Los Angeles County Superior Court.

[ RECEIVED 10/02 12:52 1998 AT 69114  
FROM MORGAN LEWIS & BOCKIUS

PAGE 10 (PRINTED PAGE 10) ]  
(FRI) 10. 2' 98 12:24/BT. 12:17/NO. 4860636523 P 10

**EXHIBIT 2**

**CENTRAL SPRINKLER NOTICE PLAN  
NEWSPAPERS ADVERTISING IN 68 TARGETED COUNTIES**

STATE	CITY	NEWSPAPER	CIRCULATION	INSERTIONS
AZ	Phoenix	Arizona Republic, Gazette	581,337	1
CA	Los Angeles	Times	1,400,397	2
CA	San Francisco	Chronicle, Examiner	639,719	1
CA	San Diego	Union-Tribune	452,980	1
CA	Orange County	Register	416,071	1
CA	Sacramento	Bea	350,345	1
CA	San Jose	Mercury News	347,275	1
CA	Los Angeles / Torrance	Daily Breeze	218,427	1
CA	Los Angeles	Daily News	218,427	1
CA	Oakland	Alameda-Oakland Metro Group	194,240	1
CA	Fresmont-Newark	Argus	-	1
CA	Haywood	Review	-	1
CA	Pleasanton	Tri-Valley Herald	-	1
CA	San Mateo	County Times	-	1
CA	Fresno	Bea	188,793	1
CA	Riverside	Press-Enterprise	173,533	1
CA	Los Angeles	Press-Telegram	128,106	1
CA	Walnut Creek	Contra Costa Times Combo	106,140	1
CA	Antioch	Ledger/Dispatch	-	1
CA	Pleasanton	Valley Times	-	1
CA	Richmond	West County Times	-	1
CA	Ventura County	Star	103,089	1
CA	Santa Rosa	Press Democrat	102,745	1
CA	San Bernardino County	Sun	94,288	1
CA	Ontario-Inland Valley	Bulletin	83,388	1
CA	Stockton	Record	82,144	1
CA	Santa Barbara	News-Press	51,421	1
CA	Palm Springs	The Desert Sun	50,725	1
CA	Marin County	Independent Journal	42,772	1
CA	Redding	Record Searchlight	39,867	1

Kintella Communications, Ltd.

STATE	CITY	NEWSPAPER	CIRCULATION	INSERTIONS
CA	Monterey	County Herald	39,238	2
CA	San Luis Obispo	Telegram - Tribune	33,722	1
CA	Santa Cruz	County Sentinel	29,829	1
CA	Salinas	Californian	21,096	2
CA	Vallejo	Times-Herald	20,477	1
CA	Napa	Napa Valley Register	19,639	1
CO	Denver	Post	456,237	1
CO	Denver	Rocky Mountain News	422,601	1
CO	Fort Collins	Coloradoan	35,165	1
DC	Washington	Post	1,129,519	1
DE	Wilmington	News Journal	150,287	1
FL	Orlando	Sentinel	388,722	1
FL	Tampa	Tribune	350,539	1
FL	West Palm Beach	Post	224,211	1
FL	Fort Myers	News-Press	103,367	1
FL	Naples	News	62,163	1
FL	Bradenton	Herald	49,545	1
GA	Atlanta	Journal-Constitution	701,982	1
GA	Savannah	News & Press	77,070	1
GA	Lawrenceville	Gwinnett Daily Post	12,799	1
HI	Honolulu	Advertiser & Star-Bulletin	193,318	1
IL	Chicago	Tribune	1,074,814	2
IL	Chicago	Sun-Times	486,116	2
IL	Chicago	Daily Herald	153,081	2
IL	Chicago	Southtown	65,167	2
MD	Baltimore	Sun	471,837	1
MD	Annapolis	Capital	63,507	1
NJ	Newton	New Jersey Herald	35,714	1
NY	New York City	Times	1,644,128	1
NY	White Plains	Gannett Suburban Newspapers	185,843	1
NY	Poughkeepsie	Journal	58,126	1
OH	Cleveland	Plain Dealer	513,045	1
OH	Columbus	Dispatch	343,829	1
OH	Delaware	Gazette	8,038	1

Kinsale Communications, Ltd.

FROM MORGAN LEWIS & BOCKIUS  
 (FRI) 10. 2' 98 12:27/8T. 12:17/NO. 4860695523 P 13

STATE	CITY	NEWSPAPER	CIRCULATION	INSERTIONS
PA	Philadelphia	Inquirer	901,891	2
PA	Pittsburgh	Post Gazette	424,431	1
PA	Philadelphia	Greater Philadelphia Newspapers	173,421	1
PA	York	Dispatch Record News	92,682	1
PA	Wilkes-Barre	Times Leader	67,783	1
PA	Chester	Delaware County Times	50,127	1
PA	West Chester	Local News	32,920	1
PA	Wilkes-Barre	Citizens' Voice	29,476	1
TX	Dallas	Morning News	800,308	1
UT	Salt Lake City	Tribune & Deseret News	230,259	1
VA	Virginia Beach	Virginian-Pilot	235,480	1
WA	Seattle	Times/Post-Intelligencer	502,134	1
WA	Bellevue	Eastside Journal	48,264	1
WA	Port Angeles	Peninsula News	27,464	1
WI	Madison	Capital Times	181,562	1
TOTALS		79 Newspapers	19,488,570	87

Kiewit Communications, Ltd.

[ RECEIVED 10/02 12:56 1998 AT 69114  
FROM MORGAN LEWIS & BOCKIUS

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(FRI) 10. 2' 98 12:28/ST. 12:17/NO. 4860636523 P 14

**EXHIBIT 3**



**Central Sprinkler  
Reach and Frequency by County**

State	County	Reach	Freq.
WA	Clallam	99.9%	2.7
CA	Shasta	99.7%	2.4
GA	Gwinnett	99.7%	2.3
CA	Marin	99.3%	3.0
CO	Adams	99.3%	3.0
FL	Seminole	99.2%	2.3
WI	Dane	99.2%	2.1
CA	Sonoma	99.1%	2.5
FL	Hillsborough	99.1%	2.1
CA	Fresno	99.1%	2.1
PA	Montgomery	98.9%	3.0
CA	Yolo	98.9%	1.9
TX	Dallas	98.8%	2.1
CA	Orange	98.7%	2.9
MD	Baltimore	98.4%	2.1
CO	Lincoln	98.3%	2.8
WA	King	98.3%	2.2
PA	York	98.3%	2.1
CA	Sacramento	98.3%	2.1
FL	Orange	98.2%	2.0
HI	Honolulu	98.0%	2.0
CA	Ventura	97.9%	2.6
AZ	Maricopa	97.4%	2.0
CA	Riverside	97.3%	2.6
MD	Howard	97.3%	2.2
MD	Montgomery	97.2%	1.9
CA	Napa	97.1%	2.6
VA	Fairfax	97.1%	1.9
UT	Salt Lake	96.9%	2.0
MD	Prince George's	96.9%	2.0
GA	Cobb	96.8%	2.1
IL	Du Page	96.7%	3.1
OH	Delaware	96.7%	1.7
PA	Bucks	96.5%	2.8
FL	Manatee	96.2%	2.3
GA	Chatham	96.2%	1.9
CA	Contra Costa	96.1%	2.4
VA	Virginia Beach	95.9%	1.9
CA	Santa Clara	95.8%	1.9
PA	Delaware	95.8%	2.7
CO	Boulder	95.2%	2.4
PA	Chester	95.1%	2.8
FL	Lee	94.8%	1.7
CA	San Luis Obispo	94.7%	2.2
MD	Anne Arundel	94.6%	2.4

**Central Sprinkler  
Reach and Frequency by County**

State	County	Reach	Freq.
DE	New Castle	94.5%	1.9
CA	San Diego	94.4%	2.0
CA	San Mateo	94.1%	2.0
FL	Palm Beach	94.1%	1.9
CA	San Francisco	93.9%	1.8
IL	Lake	93.4%	2.9
FL	Collier	93.3%	1.7
NY	Dutchess	93.3%	1.6
NJ	Sussex	93.0%	2.4
CA	Santa Barbara	93.0%	2.3
CA	San Joaquin*	92.9%	2.2
CA	Santa Cruz*	92.4%	2.4
PA	Allegheny	92.1%	1.8
CA	Alameda*	91.9%	2.4
CA	San Bernardino*	91.4%	2.8
NY	Westchester*	91.0%	2.0
CA	Solano*	90.7%	2.4
PA	Luzerne	90.6%	2.2
CA	Los Angeles*	90.3%	2.4
OH	Cuyahoga*	90.1%	1.3
CA	Monterey*	89.9%	2.5
PA	Philadelphia*	89.7%	2.3
IL	Cook*	89.6%	2.7

\* Includes Reach from TV Guide Local Edition

[ RECEIVED 10/02 12:57 1998 AT 69114  
FROM MORGAN LEWIS & BOCKIUS

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(FRI) 10. 2' 98 12:29/RT. 12:17/NO. 4060636523 P 17

## **EXHIBIT 4**

**(Final Versions of Consumer Letter and  
AHJ Letter to be Provided by CPSC)**

**IMPORTANT SAFETY INFORMATION**  
**RECALL OF CENTRAL SPRINKLER'S OMEGA BRAND FIRE SPRINKLERS**

To Consumer/Homeowner:

The Consumer Product Safety Commission (CPSC) and Central Sprinkler recently announced the recall of **all** Omega fire sprinklers. According to the CPSC, these sprinklers are defective and could likely fail in a fire, which could result in bodily injury or death.

**Please read the entire attached packet of information carefully. It is very important for you to determine if Omega sprinklers are installed in your home or building.** The notice contains product information regarding the recall with the CPSC, as well as the preliminary settlement Central has reached with several private class action lawsuits. Please refer to the product information sheets which explain how to identify Omega sprinklers. Because sprinklers can be difficult to identify, we urge you to check with your architect, builder, sprinkler contractor, plumber, homeowners' association or property manager.

This recall is available to **all** owners of Omega fire sprinklers. To participate in the recall you **must** complete the enclosed Proof of Claim Form and Waiver and Release of Claims Form as soon as possible and return them to Central Sprinkler at the address indicated in the Proof of Claim Form. Central Sprinkler will mail you a free replacement sprinkler for every Omega sprinkler owned.

In order to receive replacement sprinklers and to qualify for reimbursement toward installation costs, you **must** complete the Proof of Claim Form and the accompanying Waiver and Release of Claim Form and return them to Central Sprinkler, **postmarked by August 1, 1999**. Although it is important to provide complete information, please submit your Proof of Claim Form **postmarked by August 1, 1999**, even if you can not provide complete responses to all the questions. In order to receive reimbursement toward installation costs, you **must** complete and return the Verification Form **within 365 days after you receive your replacement sprinklers**. Those owners filing a Proof of Claim and Waiver and of Release of Claims Forms postmarked after August 1, 1999 but before November 1, 2001, still qualify to receive replacement sprinklers (though not reimbursement). The recall terms may also provide benefits to those who have already replaced Omegas between May 1, 1996 and the effective date of the Commission's Order.

Please read all of this information carefully, as it explains your legal rights and obligations. If you have any questions about how to complete the forms or how to identify an Omega sprinkler, please call the Omega Hotline at 1-800-896-5685.

**Do not delay! Take action today.** Until you receive your free replacement sprinklers, you should have a well-defined and

---

rehearsed escape plan, an alternate plan and working smoke detectors on every floor of your home, especially near bedrooms.

**IMPORTANT SAFETY INFORMATION**  
**RECALL OF CENTRAL SPRINKLER'S OMEGA BRAND FIRE SPRINKLERS**

October x, 1998

Dear Authority Having Jurisdiction:

I am writing to share with you urgent news regarding Omega fire sprinklers that may well be installed in your area. If you are not already, you must become aware of and familiarize yourself with this situation, the **new** steps being taken to correct it, and the vital role you play by your action in protecting consumer safety.

In cooperation with the United States Consumer Product Safety Commission (CPSC), Central Sprinkler is recalling approximately 8.4 million Omega series sprinklers now in service. According to the CPSC, these sprinklers are defective, and could likely fail in a fire.

The recall is comprehensive and fundamentally different from our prior remediation and notice efforts over the past three years. We are recalling all Omega sprinklers in service, including Omegas containing an EPDM o-ring made before June, 1996 and Omegas that contain a silicone o-ring made after June 1996. The recall encompasses Omegas from all dates of manufacture that are installed in all piping systems -- not simply steel, but polybutelene, CPVC, and copper, including those Omegas made after 1991. The recall involves no removal and testing of Omega field samples, upon which remediation was previously conditioned. The recall is not site-specific. It is total. As part of the recall, Central will provide to all Omega owners -- free of charge -- an approved Quick Response GB sprinkler as a replacement. The company has also established a special Trust to help building owners and homeowners defray the costs associated with replacing the sprinklers. The recall terms may also provide benefits to those who have already replaced Omegas between May 1, 1996 and the effective date of the Commission's Order.

The first order of business is to help identify locations containing Omega sprinklers and to help owners and residents of sprinklered properties determine whether they have Omegas. The attached Notice includes product identification to help you and property and homeowners in your area determine whether they have Omega sprinklers on their premises, and if they do, which model they have. As you may know, on all models of Omega sprinklers, you will see a heat collector assembly, comprised of one to three flat metal disks or fins and inside of which sit a plunger and fusible link. On some Omega models, the word "Central" or the letters "CSC" may be visible on the deflector shield.

Building and homeowners who have Omegas installed in their buildings should call 1-800-896-5685 as soon as possible to request a Proof of Claim Form and Waiver and Release of Claims Form, which must be completed in order to receive free replacement sprinklers. In order to receive any reimbursement for replacement costs, owners must submit a completed Proof of Claim Form and a Waiver and Release of Claims Form to Central Sprinkler by August 1, 1999. Details on completing the forms are included in the enclosed Notice packet. Please feel free to distribute copies of this letter to owners of Omegas in your jurisdiction. Those owners filing a Proof of Claim and Waiver and Release of Claims Form postmarked after August 1, 1999 but before November 1, 2001, still qualify to receive replacement sprinklers (though not reimbursement).

We are utilizing advertising, direct mail notices and news stories to inform consumers about the recall. However, in identifying buildings and residences that contain Omegas there is no substitute for personal intervention from fire protection leaders such as yourself. Along with the CPSC, we encourage you to help us spread the word about this recall to protect the public health and safety.

Please keep these two phone numbers handy when you and your constituents need further assistance:

- Call the Omega Information Line - 1-800-896-5685 to learn more about how to identify an Omega sprinkler and to obtain a Proof of Claim Form. This is the first number consumers should call to initiate the replacement effort.

- If you have any questions about the recall and replacement effort that are not answered by the Omega Information or the Notice packet, you may call Central Sprinkler's Omega Hotline at 1-800-xxx-xxxx.

On behalf of all of us who are committed to fire prevention and protection, we thank for your support in this effort.

**IMPORTANT SAFETY INFORMATION**  
**RECALL OF CENTRAL SPRINKLER'S OMEGA BRAND FIRE SPRINKLERS**

October x, 1998

Dear Authority Having Jurisdiction:

I am writing to share with you urgent news regarding Omega fire sprinklers that may well be installed in your area. If you are not already, you must become aware of and familiarize yourself with this situation, the **new** steps being taken to correct it, and the vital role you play by your action in protecting consumer safety.

In cooperation with the United States Consumer Product Safety Commission (CPSC), Central Sprinkler is recalling approximately 8.4 million Omega series sprinklers now in service. According to the CPSC, these sprinklers are defective, and could likely fail in a fire.

The recall is comprehensive and fundamentally different from our prior remediation and notice efforts over the past three years. We are recalling all Omega sprinklers in service, including Omegas containing an EPDM o-ring made before June, 1996 and Omegas that contain a silicone o-ring made after June 1996. The recall encompasses Omegas from all dates of manufacture that are installed in all piping systems -- not simply steel, but polybutelene, CPVC, and copper, including those Omegas made after 1991. The recall involves no removal and testing of Omega field samples, upon which remediation was previously conditioned. The recall is not site-specific. It is total. As part of the recall, Central will provide to all Omega owners -- free of charge -- an approved Quick Response GB sprinkler as a replacement. The company has also established a special Trust to help building owners and homeowners defray the costs associated with replacing the sprinklers. The recall terms may also provide benefits to those who have already replaced Omegas between May 1, 1996 and the effective date of the Commission's Order.

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Building and homeowners who have Omegas installed in their buildings should call 1-800-896-5685 as soon as possible to request a Proof of Claim Form and Waiver and Release of Claims Form, which must be completed in order to receive free replacement sprinklers. In order to receive any reimbursement for replacement costs, owners must submit a completed Proof of Claim Form and a Waiver and Release of Claims Form to Central Sprinkler by August 1, 1999. Please feel free to distribute copies of this letter to owners of Omegas in your jurisdiction. Those owners filing a Proof of Claim and Waiver and Release of Claims Form postmarked after August 1, 1999 but before November 1, 2001, still qualify to receive replacement sprinklers (though not reimbursement).

We are utilizing advertising, direct mail notices and news stories to inform consumers about the recall. However, in identifying buildings and residences that contain Omegas there is no substitute for personal intervention from fire protection leaders such as yourself. Along with the CPSC, we encourage you to help us spread the word about this recall to protect the public health and safety.

Please keep these two phone numbers handy when you and your constituents need further assistance:

- Call the Omega Information Line - 1-800-896-5685 to learn more about how to identify an Omega sprinkler and to obtain a Proof of Claim Form. This is the first number consumers should call to initiate the replacement effort.

- If you have any questions about the recall and replacement effort that are not answered by the Omega Information or the Notice packet, you may call Central Sprinkler's Omega Hotline at 1-800-xxx-xxxx.

On behalf of all of us who are committed to fire prevention and protection, we thank for your support in this effort.

[ RECEIVED 10/02 12:57 1998 AT 69114  
FROM MORGAN LEWIS & BOCKIUS

PAGE 18 (PRINTED PAGE 18) ]

(FRI) 10. 2' 98 12:29/8T. 12:37/NO. 4860636523 P 18

**EXHIBIT 5**

## Newsgroups for Central Sprinkler Class Notice

acc.shell.usa-today.law  
acc.shell.usa-today.real  
alt.architecture  
alt.architecture.alternative  
alt.architecture.int-design  
alt.building.announcements  
alt.building.architecture  
alt.building.construction  
alt.building.consulting-specialty  
alt.building.contractors  
alt.building.distributor-dealer  
alt.building.education  
alt.building.engineering  
alt.building.environment  
alt.building.finance  
alt.building.gov-issues  
alt.building.health-safety  
alt.building.interior-design  
alt.building.law  
alt.building.manufacturing  
alt.building.planning-preservation  
alt.building.realestate  
alt.building.research  
alt.building.union-assn-society  
alt.business  
alt.business.home  
alt.business.misc  
alt.construction  
alt.consumers  
alt.consumers.experiences  
alt.current-events  
alt.current-events.usa  
alt.firefighters  
alt.home.repair  
alt.invest.real-estate  
alt.lawyers  
alt.real-estate.commercial.az  
alt.real-estate.commercial.ca-central  
alt.real-estate.commercial.ca-north  
alt.real-estate.commercial.ca-south  
alt.real-estate.commercial.fl-central  
alt.real-estate.commercial.fl-north  
alt.real-estate.commercial.fl-south  
alt.real-estate.commercial.go  
alt.real-estate.commercial.md  
alt.real-estate.commercial.nj  
alt.real-estate.commercial.ny  
alt.real-estate.commercial.oh  
alt.real-estate.commercial.pa  
alt.real-estate.commercial.tx-northeast

alt.real-estate.commercial.tx-northwest  
alt.real-estate.commercial.tx-southeast  
alt.real-estate.commercial.tx-southwest  
ca.news  
clari.biz  
clari.biz.industry.construction  
clari.biz.industry.construction.cbd.acquisition  
clari.biz.industry.construction.cbd.architect+eng  
clari.biz.industry.construction.maintenance  
clari.biz.industry.construction.misc  
clari.biz.industry.construction.supplies  
clari.biz.industry.real\_est+const  
clari.biz.industry.real\_est+const.releases  
clari.living.consumer  
clari.local.california.sfbay.fir  
clari.news.usa.law  
clari.usa.law.misc  
courts.usa  
courts.usa.state  
misc.consumer.house  
misc.consumers  
misc.consumer.house  
misc.consumers.house.homeowner-assn  
misc.invest.real-estate  
misc.legal  
misc.legal.moderated  
nj.housing  
nj.market.housing  
nyc.market.housing  
phil.housing  
realtynet.commercial  
realtynet.east  
realtynet.general  
realtynet.government  
realtynet.invest  
realtynet.lending  
realtynet.mid  
realtynet.pa  
realtynet.residential  
realtynet.south  
realtynet.west  
relcom.commerce.construction  
relcom.consumers  
sdnet.housing  
sdnet.real-estate  
sdnet.real-estate.agents  
seattle.forale.housing  
us.legal  
usa-today.law

# APPENDIX

## B

10/02/98

**APPENDIX B**  
**COMMERCIAL OMEGA REPLACEMENTS**

<u>OMEGA MODEL</u>	<u>REPLACEMENT</u>	<u>PART NO.</u>	<u>LISTING &amp; APPROVAL</u>
3/8" C-1 & C1A	7/16" GB-QR Pendent	155 <sup>o</sup> BR 1669 155 <sup>o</sup> CH 1670 155 <sup>o</sup> BB 1671 155 <sup>o</sup> OW 1672 155 <sup>o</sup> WH 1673 155 <sup>o</sup> BK 1674 200 <sup>o</sup> BR 1681 200 <sup>o</sup> CH 1682 200 <sup>o</sup> BB 1683 200 <sup>o</sup> OW 1684 200 <sup>o</sup> WH 1685 200 <sup>o</sup> BK 1686	UL (1)
1/2" C-1 & C-1A	1/2" GB-GR Pendent	155 <sup>o</sup> BR 1862 155 <sup>o</sup> CH 1863 155 <sup>o</sup> BB 1864 155 <sup>o</sup> OW 1865 155 <sup>o</sup> WH 1866 155 <sup>o</sup> BK 1867 200 <sup>o</sup> BR 1922 200 <sup>o</sup> CH 1923 200 <sup>o</sup> BB 1924 200 <sup>o</sup> OW 1925 200 <sup>o</sup> WH 1926 200 <sup>o</sup> BK 1927	UL & FM
EC20 & EC-20A	1/2" GB EC Pendent	155 <sup>o</sup> BR 2730 155 <sup>o</sup> CH 2731 155 <sup>o</sup> BB 2732 155 <sup>o</sup> OW 2735 155 <sup>o</sup> WH 2733 155 <sup>o</sup> BK 2734	UL (2)

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CPSC Office of Compliance

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Respondents Central Sprinkler Co. and  
Central Sprinkler Corporation

10/02/98

**APPENDIX B**  
**COMMERCIAL OMEGA REPLACEMENTS**

<b><u>OMEGA MODEL</u></b>	<b><u>REPLACEMENT</u></b>	<b><u>PART NO.</u></b>	<b><u>LISTING &amp; APPROVAL</u></b>
AC	1/2" GB-QR Pendent	155 <sup>º</sup> BR 1862	UL & FM
		155 <sup>º</sup> CH 1863	
		155 <sup>º</sup> BB 1864	
		155 <sup>º</sup> OW 1865	
		155 <sup>º</sup> WH 1866	
		155 <sup>º</sup> BK 1867	
HEC-12	1/2" GB-QR S/W	155 <sup>º</sup> BR 1904	UL & FM
		155 <sup>º</sup> CH 1905	
		155 <sup>º</sup> BB 1906	
		155 <sup>º</sup> OW 1907	
		155 <sup>º</sup> WH 1908	
		155 <sup>º</sup> BK 1909	
		200 <sup>º</sup> BR 1934	
		200 <sup>º</sup> CH 1935	
		200 <sup>º</sup> BB 1936	
		200 <sup>º</sup> OW 1937	
		200 <sup>º</sup> WH 1938	
		200 <sup>º</sup> BK 1939	
HEC-12EC	1/2" GB EC S/W	155 <sup>º</sup> BR 2720	UL (2)(3)
		155 <sup>º</sup> CH 2721	
		155 <sup>º</sup> BB 2722	
		155 <sup>º</sup> OW 2725	
		155 <sup>º</sup> WH 2723	
		155 <sup>º</sup> BK 2724	
M PENDENT	1/2" GB-QR Pendent	155 <sup>º</sup> BR 1862	UL & FM
		155 <sup>º</sup> CH 1863	
		155 <sup>º</sup> BB 1864	
		155 <sup>º</sup> OW 1865	
		155 <sup>º</sup> WH 1866	
		155 <sup>º</sup> BK 1867	
		200 <sup>º</sup> BR 1922	
		200 <sup>º</sup> CH 1923	
		200 <sup>º</sup> BB 1924	
		200 <sup>º</sup> OW 1925	
		200 <sup>º</sup> WH 1926	
		200 <sup>º</sup> BK 1927	

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## APPENDIX B

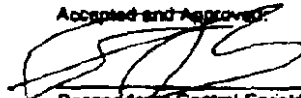
### COMMERCIAL OMEGA REPLACEMENTS

<u>OMEGA MODEL</u>	<u>REPLACEMENT</u>	<u>PART NO.</u>	<u>LISTING &amp; APPROVAL</u>
M UPRIGHT	1/2" GM-QR Upright	155° BR 1850	UL & FM
		155° CH 1851	
		155° BB 1852	
		155° OW 1853	
		155° WH 1854	
		155° BK 1855	
		200° BR 1946	
		200° CH 1947	
		200° BB 1948	
		200° OW 1949	
		200° WH 1950	
		200° BK 1951	
M SIDEWALL	1/2" GB-QR S/W	155° BR 1904	UL & FM
		155° CH 1905	
		155° BB 1906	
		155° OW 1907	
		155° WH 1908	
		155° BK 1909	
M-EC SIDEWALL	1/2" GB-EC S/W	155° BR 2720	UL (2)
		155° CH 2721	
		155° BB 2722	
		155° OW 2725	
		155° WH 2723	
		155° BK 2724	
HEC-20	1/2" GB-EC S/W	155° BR 2720	UL (4)
		155° CH 2721	
		155° BB 2722	
		155° OW 2725	
		155° WH 2723	
		155° BK 2724	
FC FLUSH	1/2" GB4-FR	155° 776	UL (5)

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Representative Central Sprinkler Co. and  
Central Sprinkler Corporation

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**APPENDIX B**

**COMMERCIAL OMEGA REPLACEMENTS**

<b><u>OMEGA MODEL</u></b>	<b><u>REPLACEMENT</u></b>	<b><u>PART NO.</u></b>	<b><u>LISTING &amp; APPROVAL</u></b>
FC PENDENT	1/2" GB-QR Pendent	155° BR 1862 155° CH 1863 155° BB 1864 155° OW 1865 155° WH 1866 155° BK 1867	UL & FM

PROHIBITOR                      NO REPLACEMENT                      (6)

**NOTES:**

- (1) Currently FM does not have an approved standard for 7/16" orifice heads. Because of very low demand, Central does not offer a 3/8" GBQR.
- (2) The GBEC sprinkler is currently being tested at FM
- (3) FM minimum pressure requirements for Extended Coverage do not allow Approval of a direct replacement for a UL Listed head in all applications.
- (4) FM does not approve mounting heights below 12"
- (5) For those owners that choose to do so, Central will offer the Model GB4-FR, even though it does not have the on-off capacity. The GB4-FR sprinkler is currently being tested at FM.
- (6) For those owners that choose to do so, Central will offer the Model GBQR, however it is not designed for institutional installation.

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**APPENDIX B**  
**RESIDENTIAL OMEGA REPLACEMENTS**

<u>OMEGA MODEL</u>	<u>REPLACEMENT</u>	<u>PART NO.</u>	<u>LISTING &amp; APPROVAL</u>
1/2" C-1 & C-1A	LF Pendent	155 <sup>2</sup> BR 2703 155 <sup>2</sup> CH 2704 155 <sup>2</sup> BB 2705 155 <sup>2</sup> OW 2706 155 <sup>2</sup> WH 2709 155 <sup>2</sup> BK 2707	UL (5)
EC-20 & EC-20A	LF Pendent	155 <sup>2</sup> BR 2703 155 <sup>2</sup> CH 2704 155 <sup>2</sup> BB 2705 155 <sup>2</sup> OW 2706 155 <sup>2</sup> WH 2709 155 <sup>2</sup> BK 2707	UL (5)
HEC-12 RES & HEC-12	LF S/W	155 <sup>2</sup> BR 1724 155 <sup>2</sup> CH 1725 155 <sup>2</sup> BB 1726 155 <sup>2</sup> OW 1729 155 <sup>2</sup> WH 1727 155 <sup>2</sup> BK 1728	UL (5)
R-1, R-1A & R-1M	LF Pendent	155 <sup>2</sup> BR 2703 155 <sup>2</sup> CH 2704 155 <sup>2</sup> BB 2705 155 <sup>2</sup> OW 2706 155 <sup>2</sup> WH 2709 155 <sup>2</sup> BK 2707	UL (5)

**NOTES:**

- (5) FM Residential density requirements do not allow Approval of a direct replacement for a UL Listed Residential head.

JEG:bdm.Misc. Omega Replacements

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 Respondents: Central Sprinkler Co. and  
 Central Sprinkler Corporation

# APPENDIX

## C

## **APPENDIX C**

### **Obligations of Central:**

1. In order to defray the cost to owners of Omega fire sprinklers of removing and replacing those sprinklers, Central Sprinkler Corporation and Central Sprinkler Company (collectively, "Central") shall deposit \$8,800,000 into an interest-bearing irrevocable trust account for the benefit of Omega owners who participate in the remediation program as outlined in the Consent Agreement and Order (the "Trust"). Central shall have no interest, whether legal, equitable or otherwise, in the funds in the Trust, and no amounts in the Trust shall ever be paid to, for the benefit of, or revert back to Central. The Trust shall be created solely for the purpose of providing Omega owners with a contribution towards the costs of removal and replacement of their Omega sprinklers ("Replacement Contribution"). All expenses of the Trust, including but not limited to compensation and indemnification of the Trustee, will be paid from the corpus of the Trust. The funds shall be deposited into the Trust as follows:
  - a. Central shall deposit \$2,200,000 into the Trust within one day of the date of entry of the Commission's Order.
  - b. Central shall deposit an additional \$2,200,000 into the Trust on the first, second, and third anniversaries of the Effective Date of the Commission's Order.
  - c. Central shall also deposit into the Trust a portion of all proceeds, including punitive and treble damages, from claims and lawsuits against its insurers or other third parties relating to Omega sprinklers, regardless of whether such proceeds are paid directly to Central, its attorneys, agents and/or other representatives (the "Proceeds"). (Central's claims and lawsuits against its insurers or other third parties relating to Omega sprinklers are hereinafter referred to as the "Claims.") The Proceeds shall not include any amounts received by Central in reimbursement or compensation for actions filed or claims made against it by persons and/or entities who sustained property damage, personal injury or death as a result of the premature activation of Omega sprinkler(s), or the inactivation of Omega sprinkler(s) in a fire. The Proceeds shall be distributed as follows:
    - i. Central shall retain for itself Proceeds equal to the amount it spends in reasonable costs and attorneys' fees to defend itself against civil lawsuits

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filed against it by persons, non-governmental entities, or governmental entities in their proprietary capacity as building owners or operators, relating to Omega sprinklers, but not claiming personal injury, property damage and/or death as a result of the premature activation of Omega sprinkler(s) or the inactivation of Omega sprinkler(s) in a fire.

- ii. Central shall deposit into the Trust 50% of the Proceeds in excess of the amount stated in Paragraph i above, up to the amount of Central's contributions to the Trust pursuant to Paragraphs 1.a, 1.b, and 2 of this Appendix.
- iii. Central shall deposit into the Trust 70% of all Proceeds in excess of the amounts stated in Paragraphs i and ii above.

All interest from the Trust shall be placed into the Trust for distribution to Omega owners with other amounts in the Trust. The Trust agreement shall be in a form approved by the staff. The Trust shall remain in effect until the expiration or final determination of all Claims, and the final distribution of all funds in the Trust.

- 2 By November 30, 2001, Central shall make an additional deposit into the Trust based on the total number of Replacement Sprinklers needed to fulfill the Proofs of Claim submitted pursuant to Paragraphs 5 and 6 below. In calculating the total number of sprinklers, Central shall include not only Replacement Sprinklers, but also Omega sprinklers for which Central must make payment pursuant to Paragraph 12 of the Consent Order. Specifically, Central shall make this additional deposit as follows:

Total Number of Sprinklers Included in Proofs of Claim Submitted by November 1, 2001	Central's Additional Deposit into the Trust
less than or equal to 1 million sprinklers	\$15.00 million
greater than 1 million sprinklers, but less than or equal to 1.5 million sprinklers	\$13.00 million
greater than 1.5 million sprinklers, but less than or equal to 2 million sprinklers	\$11.00 million

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greater than 2 million sprinklers, but less than or equal to 2.5 million sprinklers	\$9.00 million
greater than 2.5 million sprinklers, but less than or equal to 3 million sprinklers	\$7.00 million
greater than 3 million sprinklers, but less than or equal to 3.5 million sprinklers	\$4.75 million
greater than 3.5 million sprinklers, but less than or equal to 4 million sprinklers	\$2.75 million
greater than 4 million sprinklers, but less than or equal to 4.5 million sprinklers	\$1.25 million
greater than 4.5 million sprinklers, but less than or equal to 4.75 million sprinklers	\$0.50 million
greater than 4.75 million sprinklers	\$0.00 million

3. On November 30, 2002, Central shall make an additional contribution to the Trust in an amount equal to the difference between \$37.3 million and the sum of the following expenses, incurred between the date the parties sign the Consent Agreement and November 1, 2002, provided that such expenses total less than \$37.3 million:
- Manufacturing and supplying Replacement Sprinklers and Replacement Parts to owners of Omega sprinklers;
  - Paying \$5.00 per Omega sprinkler to Omega owners who do not want or cannot use Central's Replacement Sprinklers pursuant to Paragraph 12 of the Order;
  - Making contributions to the Trust pursuant to Paragraphs 1 and 2 of this Appendix;
  - An amount equal to (i) the actual cost of providing notice to the public of this settlement and the settlement of the class action styled *Harr v. Central Sprinkler Corp., et al.*, Case No. BC176727, pending in California Superior Court, Los Angeles County, or (ii) \$1.6 million, whichever is less;

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- e. An amount equal to (i) the actual cost of administering the remediation program under this Consent Agreement and Order, or (ii) \$3.0 million, whichever is less; and
  - f. An amount equal to the costs of defending any actions by, and paying any judgments or settlements obtained by, parties who do not participate in and/or choose to exclude themselves from the remediation program under this Consent Agreement and Order and/or the class action settlement referenced in Paragraph 3.d of this Appendix, including a reasonable amount to address litigation by such persons that is pending as of November 1, 2002, less Proceeds received on account of such claims or suits. The amount reserved to address such pending litigation must be approved by the staff, but shall not exceed 20% of the amount spent by Central on all such litigation between the effective date of this Order and November 1, 2002.
4. Beginning 3 months after the Effective Date of the Commission's Order, and for every 3 months thereafter until the expiration of 48 months or until the expiration or final determination of the Claims, whichever is later, Central shall provide the Commission staff with progress reports, in a format approved by the Commission staff, regarding: (a) the number of persons who have contacted Central to make a claim; (b) the number of Proofs of Claim that have been submitted and the number of sprinklers represented in those Proofs of Claim; and (c) the status of the Claims described in Paragraph 1.c above. This report shall also include current bank statements for the Trust. At the request of the Commission staff, Central shall provide to the staff the names of all persons who have contacted Central to make a claim and/or who have submitted a Proof of Claim.

**Obligations of Omega Owners:**

5. Omega owners who submit to Central a Proof of Claim form and a Waiver and Release of Claims form postmarked by August 1, 1999, substantially in the forms attached to this Appendix, will receive free Replacement Sprinklers and Parts, as well as an initial and any supplemental Replacement Contributions from the Trust.


To receive payment from the Trust, owners of Omega sprinklers must also submit to Central a Verification, substantially in the form attached to this Appendix, within 365 days after receiving Replacement Sprinklers and Parts. The Verification shall state under penalty of perjury the number of Omega sprinklers that the owner actually has replaced in the owner's building(s). The Verification also shall be accompanied by a

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work order, bill, receipt, or other documentation from the person or company replacing the sprinklers, establishing the number of Omega sprinklers that have been replaced. Failure to timely submit a Verification and supporting documentation will disqualify an Omega owner from receiving any payment from the Trust, unless the delay in submitting the Verification is caused by an act or omission on the part of Central.

6. Omega owners who submit to Central a Proof of Claim form and a Waiver and Release of Claims form postmarked after August 1, 1999, but no later than November 1, 2001, substantially in the form attached to this Appendix, will receive free Replacement Sprinklers and Parts, but will not be eligible to receive contributions from the Trust, unless their delay in submitting a Proof of Claim form and/or Waiver and Release of Claims form is caused by an act or omission on the part of Central. Omega owners whose delay in submitting a Proof of Claim form and/or Waiver and Release form is caused by an act or omission on the part of Central will be entitled to distributions from the Trust, as if their Proof of Claim form and/or Waiver and Release of Claims form had been timely submitted.

#### **Distribution Plans**

7. By October 15, 1999, Central shall provide the Commission staff with a proposed plan of distribution ("Initial Distribution Plan") of the Trust to all Omega owners who meet the requirements specified in Paragraph 5 above. The Distribution Plan shall be consistent with Paragraphs 1 and 2 (and 3, if applicable) of this Appendix, and shall be designed to compensate Omega owners for replacement labor costs and to motivate participation in this remediation program. The Distribution Plan shall include: (a) the total funds to be distributed; (b) the timetable by which the funds will be distributed; and, (c) the apportionment of the Trust funds among the eligible Omega owners. The Distribution Plan must be approved by the Commission staff. In no event, and under no circumstances, may any amounts in the Trust be paid or revert back to Central. If the Commission staff does not approve the Distribution Plan, the staff shall notify Central within 45 days of receiving the Distribution Plan and shall submit to Central its proposed plan of distribution. If the parties cannot agree to a plan of distribution, the parties will submit competing plans to the Commission for resolution. The Commission's decision shall be final and binding upon the parties and cannot be appealed.
8. By December 31, 2001, Central shall prepare a First Supplemental Distribution Plan with respect to all remaining amounts in the Trust. The First Supplemental Distribution Plan shall be subject to the same requirements and procedures as the Initial Distribution

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Plan specified in Paragraph 7 above. To the extent that any or all of an Omega owner's claim for distributions from the Trust is forfeited because of the owner's failure to submit the Release and/or Verification required by Paragraph 5 above, the full amount of such forfeiture shall be apportioned among owners who have complied with all requirements specified in Paragraph 5 above.

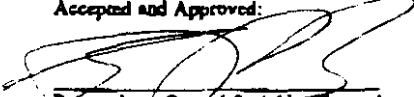
9. By November 30, 2002, Central shall prepare a Second Supplemental Distribution Plan with respect to all remaining amounts in the Trust. The Second Supplemental Distribution Plan shall be subject to the same requirements and procedures as the Initial Distribution Plan specified in Paragraph 7 above. To the extent that any or all of an Omega owner's claim for distributions from the Trust is forfeited because of the owner's failure to submit the Release and/or Verification required by Paragraph 5 above, the full amount of such forfeiture shall be apportioned among owners who have complied with all requirements specified in Paragraph 5 above.
10. Within 30 days after the expiration or final determination of the Claims, Central shall provide to the Commission staff a proposed supplemental plan of distribution ("Proceeds Distribution Plan") for distribution of the Proceeds to all Omega owners who meet the requirements specified in Paragraph 5 above. The Proceeds Distribution Plan shall be subject to the same requirements and procedures as the Initial Distribution Plan specified in Paragraph 7 above.

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**Exhibit3****CENTRAL SPRINKLER COMPANY  
OMEGA SPRINKLER  
PROOF OF CLAIM FORM**

Omega ID # \_\_\_\_\_ (Internal Use Only)

In order to make a claim for Replacement Sprinklers and Replacement Parts and a payment from the Trust, you must complete this Proof of Claim Form, sign the attached Waiver and Release of Claims Form, and submit both documents plus the required photographs by August 1, 1999. You can still make a claim for Replacement Sprinklers and Replacement Parts after August 1, 1999 as long as you submit these forms prior to November 1, 2001, but in that event, you will not be eligible for a payment from the Trust.

If you have already had your Omega Sprinklers replaced, you may be eligible for a payment from the Trust. You must complete this Proof of Claim Form and the attached Waiver and Release of Claims Form, and submit both documents before August 1, 1999.

*If you have more than one building in which Omega Sprinklers have been installed, make copies of this form before filling it in.*

**A. CLAIMANT INFORMATION**

1. Name of Claimant: \_\_\_\_\_
2. Claimant's mailing address: \_\_\_\_\_  
Street  
\_\_\_\_\_  
City State Zip Code
3. Name of contact person: \_\_\_\_\_
4. Telephone: ( ) \_\_\_\_\_
5. Fax: ( ) \_\_\_\_\_
6. If you have already replaced your Omega Sprinklers, check here \_\_\_\_\_.  
If so, attach pertinent documentation regarding the replacement of the sprinklers.

**Exhibit3****B. BUILDING AND OMEGA SPRINKLER INFORMATION**

Please complete this section for each building in which Omega sprinklers have been installed. Please copy this form and complete for each additional building.

1. Name of building: \_\_\_\_\_
2. Building street address: \_\_\_\_\_  

Street

City

State

Zip Code
3. Name of Contact Person: \_\_\_\_\_
4. Telephone: (    ) \_\_\_\_\_
5. Fax: (    ) \_\_\_\_\_
6. E-Mail Address: \_\_\_\_\_
7. Shipping address for replacement sprinklers: \_\_\_\_\_  

**\*\* PLEASE NOTE: WE CANNOT SHIP TO  
A POST OFFICE BOX**

Name of Addressee

Attention

Street

City

State

Zip Code
8. Nature of building:

<input type="checkbox"/> Private Home	<input type="checkbox"/> Apartment Bldg.	<input type="checkbox"/> Condo
<input type="checkbox"/> Retail	<input type="checkbox"/> Hotel	<input type="checkbox"/> School
<input type="checkbox"/> Restaurant	<input type="checkbox"/> Nursing Home	<input type="checkbox"/> Hospital
<input type="checkbox"/> Jail/Prison	<input type="checkbox"/> Office Bldg	<input type="checkbox"/> Warehouse
<input type="checkbox"/> Group Home	<input type="checkbox"/> Mental Health Ctr.	
<input type="checkbox"/> Other please explain: _____		

**C. IDENTIFICATION OF OMEGA SPRINKLERS**

In order for Central to provide the correct number and model of Replacement Sprinklers, it is vital that you provide accurate information regarding the Omega sprinklers in your building. This Notice Packet contains pictures and other identifying information that will help you determine if you have on Omega sprinkler, and if so, help identify the model. Please refer to that section when completing this Proof of Claim Form. If you need assistance identifying your Omega Sprinklers, call Central at 1-800-XXX-XXXX, or contact your sprinkler contractor, builder, architect, or local fire marshal.

**Exhibit3**

Central has manufactured the following models of Omega sprinkler:

C-1 (Pendent)	Protector-M (Horizontal Sidewall QR)
C-1A (Pendent)	Protector-M (Horizontal Sidewall QREC)
EC-20 (Pendent)	HEC-12 (Sidewall)
EC-20A (Pendent)	HEC-12 Res (Sidewall)
R-1 (Pendent)	HEC-12 EC (Sidewall)
R-1A (Pendent)	HEC-20 (Sidewall)
R-1M (Pendent)	HEC-12 PRO (Prohibitor Sidewall)
Flow Control - FC (Pendent)	HEC-12 PRO (Prohibitor QR Sidewall)
Flow Control - FC (Flush Pendent)	C-1A PRO (Prohibitor Pendent)
Protector-M (Upright)	C-1A PRO QR (Prohibitor QR Pendent)
Protector-M (Pendent)	AC (Concealed Pendent)
Protector-M (Horizontal Sidewall)	

Please complete the information requested in the table below, setting forth the particular Omega model, quantity of such model, and other information regarding the sprinklers in your building. In addition, you are required to provide a photograph of each different Omega model. Note that this request does not require you to photograph each sprinkler, but only each different model installed in your building. Please make every effort to ensure clarity for proper identification.

Most Omegas contain three small circular heat-collecting disks.

Omega Sprinkler Model	Position or Type ***	Quantity	Temperature Rating (160°, 145°, 200°) (as listed on deflector) *	Sprinkler Finish (brass, chrome, white)	Escutcheon Finish (brass, chrome, white) **

\* The Deflector is the circular disk with notches, resembling a snowflake, saw blade, flower or gear and is depicted in the Pamphlet next to the photograph of Omega sprinklers.

\*\* The Escutcheon is the decorative ring surrounding the sprinkler that is flush to the wall or ceiling.

\*\*\* For Model M Omega Sprinklers only, you must pick one of the following styles (Sidewall, Pendent or Upright).

- a. For owners of C-1 or C-1A, quick-response pendent sprinklers only, please identify the orifice size ( $1/2"$  or  $3/8"$ ) for each sprinkler. The orifice size is the measurement of the inside diameter of the water flow opening, not the threads on

**Exhibit3**

the sprinkler.

Sprinkler Model	Quantity
C-1 1/2"	
C-1 3/8"	
C-1A 1/2"	
C-1A 3/8"	

- b. For owners of HEC-20 sprinklers, please indicate how many inches below the ceiling the top of each sprinkler is installed.

Quantity of HEC-20 Sprinklers	Distance from Ceiling

**D. ADDITIONAL INFORMATION**

Please answer the following questions to the best of your ability. The information may be used to prioritize your claims. If you cannot answer these questions, you nevertheless will receive Replacement Sprinklers and a payment from the Trust (if you submit this Proof of Claim and accompanying Waiver and Release of Claims postmarked by August 1, 1999), but the date on which you receive Replacement Sprinklers and the amount of payment may be affected.

- Year of Omega sprinkler system installation (1982 to Present): \_\_\_\_\_
- Number of floors or stories: \_\_\_\_\_
- Ceiling height:      \_\_\_ 15' and under      \_\_\_ 15-30'      \_\_\_ over 30'
- Material (Ceiling or Wall Type) in which sprinklers have been installed  
(e.g., suspended ceiling, plaster, drywall, etc.): \_\_\_\_\_
- Does the sprinkler system contain antifreeze?      \_\_\_ Yes      \_\_\_ No
- Is security clearance required to complete installation?      \_\_\_ Yes      \_\_\_ No
- Does the building have access restrictions?      \_\_\_ Yes      \_\_\_ No

**Exhibit3**

8. Sprinkler system piping:  
(If combination system, please  
check all types of piping in  
the system)      ☐ Steel    ☐ CPVC    ☐ Copper    ☐ Polybutylene
9. System Hydraulic calculation is per:  
(This information may be  
necessary for Central to  
determine the appropriate  
Replacement Sprinklers)      ☐ NFPA 13    ☐ NFPA 13R    ☐ NFPA 13D
10. Sprinkler system static water pressure: \_\_\_\_\_  
(The pressure gauge may be found where the  
local water supply main meets your building's  
fire-protection system piping, typically in the  
garage or basement of a home. The gauge  
will read in "PSI," or pounds per square inch).
11. Additional comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IF YOU HAVE ANY QUESTIONS REGARDING THIS FORM,  
CALL CENTRAL SPRINKLER AT 1-800-XXX-XXXX

OR

CALL YOUR LOCAL FIRE AUTHORITY OR AUTHORIZED  
SPRINKLER INSTALLATION CONTRACTOR

Central Sprinkler will rely on the accuracy of this response in providing Replacement Sprinklers and otherwise processing your claim. It is therefore vital that you complete this Proof of Claim carefully and accurately. Failure to do so could result in your receiving Replacement Sprinklers that are not appropriate for your building, for which Central Sprinkler has no liability. Providing false information also could subject you to prosecution or other legal proceedings.

**Exhibit3****E. VERIFICATION**

I hereby declare under penalty of perjury under the laws of the United States that the information in Sections A, B and C of this Form is true and correct, and that the remaining information is true and correct to the best of my knowledge, information and belief.

---

Signature

---

Print Name Here

Executed on this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**REMINDER**

Please remember to include a photograph of each Omega model installed in your building and a signed Waiver and Release of Claims form.

### **WAIVER AND RELEASE OF CLAIMS**

In exchange for Central's (1) providing a Glass Bulb sprinkler containing a Belleville-Type Washer Seal to replace each Omega sprinkler owned by the undersigned ("Replacement Sprinkler"); (2) providing a replacement escutcheon, extension and any and all fittings, fixtures and/or appurtenances necessary for the proper replacement of each Omega with a Replacement Sprinkler ("Replacement Parts"), or (3) providing \$5.00 for each Omega sprinkler in lieu of (1) and (2) above; and (4) creating and making required contributions to a Trust Fund in which the undersigned may participate, the undersigned has agreed as follows:

1. The undersigned, on behalf of him or herself, and any person claiming through him or her as his or her heir, administrator, devisee, predecessor, successor, representative of any kind, shareholder, partner, director, owner, affiliate, subrogee, assignee or insurer (the "Releasing Party") shall be deemed to and does hereby release and forever discharge Central Sprinkler Co. and Central Sprinkler Corp., including its predecessors, successors, subsidiaries, affiliates and any and all of their past, present and future officers, directors, stockholders, partners, agents, servants, successors, subrogees and assigns and their respective insurers and persons or entities in the chain of distribution of Omega sprinklers ("Releasees"), of and from any and all claims of any type or description that relate to or arise from the purchase, installation, presence or use of Omega sprinklers, including but not limited to any claims for actual, incidental, consequential or punitive damages relating to the inspection and replacement of Omega sprinklers other than the obligations resulting from or created by this Remediation Program, that such Releasing Parties have or may have whether known or unknown that arise from the Actions (the "Released

Claims"). However, no release is being given by a Releasing Party for compensatory damages arising from fire damage, property damage, personal injury or wrongful death associated with the failure or alleged failure of an Omega sprinkler to perform as intended, designed or expected in a fire or premature activation of an Omega sprinkler. Release is being given for punitive damages for such claims.

2. The Releasing Parties, and each of them, expressly waive the provisions of Section 1542 of the California Code of Civil Procedure (and all other like provisions of law), which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if unknown to him must have materially affected his settlement with the debtor.

Unknown claims for compensatory damages arising from fire damage, property damage, personal injury or wrongful death associated with the failure of an Omega sprinkler to perform as intended, designed or expected in a fire or premature activation of an Omega sprinkler are not released hereby. Release is being given for punitive damages for such claims.

3. The parties intend that the Releasees obtain in this Settlement satisfaction and protection from any liability arising from the claims described herein and from any claims for contribution or indemnity asserted by any person arising from such claims. The parties further intend to obviate the necessity and expense to the Releasees of appearing and defending any action commenced by the Releasing Party asserting claims relating to the purchase and installation of Omega-series fire sprinklers against any other person.



4. The undersigned agrees to take the following steps to bar, discharge and release any liability on the part of the Releasees to any other person for contribution and/or indemnity arising from the claims that are the subject of this Release.

The Releasing Party shall reduce any judgment he, she or it obtains against any person by the amount, percentage or share of such judgment attributable to Central, so as to bar, discharge and release under applicable law any claims for contribution and/or indemnity against Central arising from or related to the claims that are the subject of this Release. In the event that any Releasing Party obtains a judgment (including pursuant to a settlement agreement) against one or more persons and any of those persons obtains a judgment against Central, in whole or in part, for contribution or indemnity, then such Releasing Party will be required to reduce or remit any judgment or portion thereof obtained by those persons by the amount of the judgment against Central.

\_\_\_\_\_  
[Print Name of Individual or Name  
of Entity if Corporation, Partnership or  
other Form of Entity]

By: \_\_\_\_\_  
[Name of individual signing]

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CENTRAL SPRINKLER COMPANY  
OMEGA REMEDIATION PROGRAM  
VERIFICATION FORM**

Omega ID Number \_\_\_\_\_ (Office Use Only)

Property Name \_\_\_\_\_

Property Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name of Claimant \_\_\_\_\_

Sprinkler Contractor Performing Work \_\_\_\_\_

**Please Complete The Following:**

1. Number of Omega sprinkler heads replaced \_\_\_\_\_
2. Date Omega sprinklers were replaced \_\_\_\_\_

I hereby declare that: to the best of my knowledge, the Omega fire sprinkler heads in this system have been replaced in accordance with the codes and ordinances of the Local Authority Having Jurisdiction and further declare under the penalty of perjury under the laws of the United States that, to the best of my knowledge, all information on this form is true and correct to the best of my knowledge.

**Attach work orders, bills receipts or other documentation establishing the number of Omega sprinklers that you have replaced.**

\_\_\_\_\_  
Print Name of Claimant/Building Owner

\_\_\_\_\_  
Signature and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tax ID or Social Security Number

# APPENDIX D

## APPENDIX D

### LIST OF DOCUMENTS CONTAINING MATERIAL REPRESENTATIONS

1. Letter dated June 3, 1998 (with attachments), from Albert T. Sabol, Central Sprinkler Corporation, to Eric L. Stone, CPSC.
  - a) Central's Annual Reports for fiscal 1995-1997
  - b) Central's Form 10-K's for fiscal 1995-1997
  - c) Central's Form 10-Q's for each quarter of fiscal 1995-1997 and for the quarter ending January 31, 1998
2. Package on June 17, 1998 (consisting of Central's 10-Q for April 30, 1998), from Albert T. Sabol to James T. Conversano, U.S. Department of Justice.
3. Letter dated June 22, 1998 (with attachments consisting of copies of Central's slide presentation materials presented to the staff on June 17, 1998), from Michael A. Bloom, Morgan, Lewis & Bockius, L.L.P., to Eric L. Stone, CPSC.
  - a) Central Summary of Projected Omega Expense and Available Cash Flow
  - b) Central Analysis of Omega Costs for Class Action Settlement (2 years) as of April 30, 1998
  - c) Central Estimated Total Available Cash over Two Years
  - d) Central Analysis of Quarterly Cash Flow, Class Action Settlement Agreement (Cumulative % of Heads to be Located of 40%, 50%, and 60%)
  - e) Central Analysis of Omega Costs, CPSC Proposal, Heads with Silicone Rings not Remediated, as of April 30, 1998
  - f) Central Analysis of Quarterly Cash Flow, Heads with Silicone Rings not Remediated (Cumulative % of Heads to be Located of 40%)
  - g) Central Analysis of Omega Costs, CPSC Proposal, Heads with Silicone Rings not Remediated, as of April 30, 1998
  - h) Central Analysis of Quarterly Cash Flow- CPSC Program, Heads with Silicone Rings not Remediated (Cumulative % of Heads to be Located of 40%)

Accepted and Approved:



CPSC Office of Compliance

central.upd  
10/02/98 8:00 a.m.

Accepted and Approved:



Responsible Central Sprinkler Co.  
and Central Sprinkler Corp.

FROM : South Seas Plantation ESTUACS PHONE NO. : 3414727891  
DATE: 10/21/98 LEAD FROM MORGAN LEWIS-PHILADELPHIA TO

OCT-13-1998 16:59 OPSC COMPLIANCE

Oct. 21 1998 09:44PM PE  
480045#813015040355#  
301 SBA GCSB P.BB/RK

- 1) Central Analysis of Omega Case, Consumer Product Safety Commission Proposal Heads with Silicone Rings Remediated, as of April 30, 1998
- 2) Central Analysis of Quantity Cash Flow- CPSC Program, Heads with Silicone Rings Remediated (Cumulative % of Heads to be Located of 40%)
- 3) Central Analysis of Omega Case, CPSC Proposal, Heads with Silicone Rings Remediated, as of April 30, 1998
- 4) Central Analysis of Quantity Cash Flow- CPSC Program, Heads with Silicone Rings Remediated (Cumulative % of Heads to be Located of 40%)

4. Letter dated July 15, 1998 (with attachments), from J. Gordon Cooney, Jr., Morgan, Lewis & Bockius, L.L.P., to Eric H. Singer, CPSC. Additional attachments to this letter were received by the CPSC staff from Kathleen M. Sauro, Morgan, Lewis & Bockius, L.L.P., on July 23, 27, and July 28, 1998.
  - a) Letter dated July 9, 1998, from E. Talbot Bridwell, Central Sprinkler Corporation, to William A. Brown and J. Gordon Cooney, Jr.
  - b) Report dated March 6, 1998 prepared by Select Equity Group Research
  - c) Central Consolidated Balance Sheet, May & June 1998
  - d) Central Consolidated Income Statement, May & June 1998
  - e) Central Consolidated Statement of Cash Flows, May & June 1998
  - f) Central Profit Improvement Program, April 29, 1998

5. Package on July 28, 1998 (consisting of Central Sprinkler Corporation Revised List of Documents: Presentation to Consumer Product Safety Commission, July 28, 1998), from E. Talbot Bridwell to Eric L. Stone.
  - a) Central Projected Fiscal 1998 Income Statement, 6 Months Actual and 4 Months Budget (Revised) (7/28/98)
  - b) Central Projected Income Statement (7/28/98)
  - c) Central Projected Income Statement Ratio (7/28/98)
  - d) Central Income Statement Assumptions (7/28/98)
  - e) Central Projected Balance Sheet Assets (7/28/98)
  - f) Central Projected Balance Sheet Liabilities and Equity (7/28/98)
  - g) Central Balance Sheet Assumptions (7/28/98)

Accepted and Forwarded  
ERIC COONEY, Compliance

cc:ed  
JUL28/98 ECD L.M.

Accepted and Forwarded  
KATHLEEN M. SAURO, Morgan, Lewis & Bockius, L.L.P.  
cc:ed  
JUL28/98 ECD L.M.

- b) Central Financial Covenant Compliance and Z-Score Analysis (7/28/98)
  - i) Central Outstanding Debt and Interest Expense Analysis (7/28/98)
  - j) Central Projected Statement of Cash Flow (7/28/98)
  - l) Central Settlement Cost Summary (7/28/98)
  - m) Central Glass Bulb Replacement Cost Analysis (7/28/98)
  - n) Central Customer Service and Administrative Costs (7/28/98)
  - o) Central Omega Reserve Analysis (7/28/98)
6. Package on July 28, 1998 (consisting of Central Sprinkler Corporation's Slide Presentation for the staff of the CPSC on July 28, 1998). from E. Talbot Briddell to Eric L. Stone.
7. Facsimile dated July 31, 1998 (with attachments), from Michael E. Jacoby, Phoenix Management Services, Inc., to Howard N. Tarnoff, CPSC, and James T. Conversano.
- a) Central Revised Budget Forecasts
  - b) Central Consolidated- Six Month Actual and Six Month Budget, Fiscal Year 1998
8. Package dated July 31, 1998 (with attachments regarding Central's loan covenants), from Michael E. Jacoby to Howard N. Tarnoff and James T. Conversano.
- a) Credit Agreement dated October 28, 1997, among Central, et al, and The Lenders Identified Herein and CoreStates Bank, N.A.
  - b) Waiver Letter dated June 11, 1998, from Francis J. Coldren, First Union National Bank, to Central Sprinkler Corporation
  - c) Modification to Credit Agreement dated January 31, 1998, among Central, et al, and The Lenders Identified Herein and CoreStates Bank, N.A.
9. Facsimile dated August 3, 1998 (with attachments), from Michael E. Jacoby to Howard N. Tarnoff.
- a) Central Projected Income Statement (8/3/98)
  - b) Central Projected Income Statement Ratios (8/3/98)

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- c) Central Income Statement Assumptions (8/3/98)
  - d) Central Projected Balance Sheet Assets (8/3/98)
  - e) Central Projected Balance Sheet Liabilities and Equity (8/3/98)
  - f) Central Balance Sheet Assumptions (8/3/98)
  - g) Central Financial Covenant Compliance and Z-Score Analysis (8/3/98)
  - h) Central Deferred Tax Rollforward (8/3/98)
  - i) Central Outstanding Debt and Interest Expense Analysis (8/3/98)
  - j) Central Projected Statement of Cash Flow (8/3/98)
10. Letter dated August 6, 1998 (with attachments), from Kathleen M. Sanzo to Deborah S. Orlove, CPSC. This letter was sent in response to Deborah S. Orlove's letter dated July 30, 1998, to J. Gordon Cooney, Jr., regarding the Omega Remediation Program and Belleville Seal Glass Bulb Sprinklers.
11. Letter dated August 24, 1998 (with attachments), from E. Talbot Briddell to Howard N. Tarnoff.
- a) Central Outstanding Debt and Interest Expense Analysis (8/20/98)
  - b) Central Estimated Liquidation Analysis, April 30, 1998 Assets (8/20/98)
  - c) Report dated January 9, 1998 by Brown Brothers Harriman & Company and Cushman & Wakefield of Georgia, Inc., regarding Complete Appraisal of Real Property of Central CPVC Facility
  - d) Report dated April 27, 1998 by MB Valuation Services, Inc., regarding Appraisal of Equipment located at Central CPVC Facility
12. Facsimile dated September 1, 1998 (with attachments), from E. Talbot Briddell to Eric L. Stone and Deborah S. Orlove.
- a) Automation of Glass Bulb Line in Support of Omega Replacement Program
  - b) Central NPV Analysis, Automation of Glass Bulb Line
13. Facsimile dated September 14, 1998 (with attachment), from Kathleen M. Sanzo to Deborah S. Orlove.
- a) Central Customer Service and Administrative Costs (9/12/98)

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14. Letter dated September 17, 1998 (with Exhibits), from Michael E. Jacoby to Howard N. Tarnoff.
  - a) Central Customer Service and Administrative Personnel Projected Fiscal 1999 Head Count and Salary (9/17/98)
  - b) Central Customer Service and Administrative Personnel Projected Head Count (9/17/98)
15. Letter dated September 18, 1998 (with attachments), from E. Talbot Briddell to Howard N. Tarnoff.
  - a) Appendix A- Glass Bulb Replacement Cost Analysis
  - b) Central Projected Fiscal 1998 Income Statement- 9 Months Actual and 3 Months Budget (9/14/98)
  - c) Central Projected Income Statement (9/14/98)
  - d) Central Projected Income Statement Ratios (9/14/98)
  - e) Central Income Statement Assumptions (9/14/98)
  - f) Central Projected Balance Sheet Assets (9/14/98)
  - g) Central Projected Balance Sheet Liabilities and Equity (9/14/98)
  - h) Central Balance Sheet Assumptions (9/14/98)
  - i) Central Deferred Tax Rollforward (9/14/98)
  - j) Central Outstanding Debt Analysis (9/14/98)
  - k) Central Interest Expense Analysis (9/14/98)
  - l) Central Projected Statement of Cash Flow (9/14/98)
  - m) Central Settlement Cost Summary (9/14/98)
  - n) Central Sensitivity Analysis of Settlement Costs Based on Number of Replacement Units (9/14/98)
  - o) Central Omega Reserve Analysis (9/14/98)
  - p) Central Per Unit Glass Bulb Replacement Cost Analysis (9/14/98)
  - q) Central Customer Service and Administrative Costs (9/14/98)
  - r) Central Omega Inventory Analysis (9/14/98)
  - s) Central Reconciliation with Prior Financial Package (9/14/98)
  - t) Central's Draft Form 10-Q for July 31, 1998.

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10/02/98 8:00 A.M.

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Responding Central Sprinkler Co.  
and Central Sprinkler Corp.



# APPENDIX E

## APPENDIX E

### LIST OF REPORTABLE FMRC AND UL TEST STANDARD RESULTS

#### UL 199 and FMRC Approval Standard (Class 2000 Series)

1. Strength of Heat Responsive Element (UL and FM)
2. Hydrostatic Strength Test (UL and FM)
3. Water Hammer (UL and FM)
4. Operating Temp (UL and FM)
5. Vacuum Test (UL and FM)
6. Rough Use and Abuse (UL and FM)
7. Hang-Up (FM)
8. Thermal Shock (FM)
9. Moist Air (FM)
10. Corrosion (FM)

Salt  
Stress Cracking  
Co2 - So2  
H2S  
Vibration

11. Minimum Operation Pressure (FM)
12. Sensitivity (RTI)
13. Sensitivity (FM)
14. Fire Standard Crib (FM)

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15. Operation - Cold Soldering (UL)
16. Impact Resistance Test (UL)
17. 10-Day Corrosion (UL)
18. 30 Day Corrosion (UL)
19. 90 Day Moist Air (UL)
20. Stress Corrosion Cracking - Brass Parts (UL)
21. Stress Corrosion Cracking - Stainless Steel (UL)
22. Operational Tests on Gaskets/O-Ring Seals (UL)
23. Elastomeric Parts Fire (350 lb) Crib (UL)

UL 1626


24. Strength of Heat Responsive Element
25. Hydrostatic Strength
26. Water Hammer
27. Operating Temperature (Bath)
28. Operation - Lodgment
29. Operation - Cold Soldering
30. Fire Test
31. Corrosion Exposure Test
32. Moist Air Test

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- 33. Stress Corrosion Cracking - Brass
- 34. Stress Corrosion Cracking - Steel
- 35. Elastomeric Parts
- 36. Rough Use
- 37. Sensitivity
- 38. Vacuum

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