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**PROCTER & GAMBLE MANUFACTURING COMPANY**

NEW JERSEY DEPARTMENT OF  
ENVIRONMENTAL PROTECTION, THE  
COMMISSIONER OF THE NEW JERSEY  
ENVIRONMENTAL PROTECTION AGENCY,  
and THE ADMINISTRATOR OF THE NEW  
JERSEY SPILL COMPENSATION FUND,

Plaintiffs,

vs.

OCCIDENTAL CHEMICAL CORPORATION,  
TIERRA SOLUTIONS, INC., MAXUS ENERGY  
CORPORATION, REPSOL YPF, S.A., YPF, S.A.,  
YPF HOLDINGS, INC. and CLH HOLDINGS,

Defendants,

MAXUS ENERGY CORPORATION and  
TIERRA SOLUTIONS, INC.,

Third-Party Plaintiffs,

vs.

3M COMPANY,  
A.C.C., INC.,  
ACH FOOD COMPANIES, INC.,  
ACTIVE OIL SERVICE,  
ADCO CHEMICAL COMPANY,  
AGC CHEMICALS AMERICAS, INC.,  
ALDEN-LEEDS, INC.,  
ALLIANCE CHEMICAL, INC.,  
ALUMAX MILL PRODUCTS, INC.,  
AMCOL REALTY CO.,  
AMERICAN INKS AND COATINGS CORPORATION,

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION: ESSEX COUNTY

DOCKET NO. L-9868-05 (PASR)

CIVIL ACTION

**THIRD PARTY DEFENDANT**  
**PROCTER & GAMBLE**  
**MANUFACTURING COMPANY'S**  
**ANSWER TO THIRD-PARTY**  
**COMPLAINT "B"**

APEXICAL, INC.,  
APOLAN INTERNATIONAL, INC.,  
ARKEMA, INC.,  
ASHLAND INC.,  
ASHLAND INTERNATIONAL HOLDINGS, INC.,  
ASSOCIATED AUTO BODY & TRUCKS, INC.,  
ATLAS REFINERY, INC.,  
AUTOMATIC ELECTRO-PLATING CORP.,  
AKZO NOBEL COATINGS, INC.,  
BASF CATALYSTS LLC,  
BASF CONSTRUCTION CHEMICALS INC.,  
BASF CORPORATION,  
BAYER CORPORATION,  
BEAZER EAST, INC.,  
BELLEVILLE INDUSTRIAL CENTER,  
BENJAMIN MOORE & COMPANY,  
BEROL CORPORATION,  
B-LINE TRUCKING, INC.,  
BORDEN & REMINGTON CORP.,  
C.S. OSBORNE & CO.,  
CAMPBELL FOUNDRY COMPANY,  
CASCHEM, INC.,  
CBS CORPORATION,  
CELANESE LTD.,  
CHEMICAL COMPOUNDS INC.,  
CHEMTURA CORPORATION,  
CLEAN EARTH OF NORTH JERSEY, INC.,  
COSMOPOLITAN GRAPHICS CORPORATION,  
CIBA CORPORATION,  
COLTEC INDUSTRIES INC.,  
COLUMBIA TERMINALS, INC.,  
COMO TEXTILE PRINTS, INC.,  
CONAGRA PANAMA, INC.;  
CONOPCO, INC.,  
CONSOLIDATED RAIL CORPORATION,  
COOK & DUNN PAINT CORPORATION,  
COSAN CHEMICAL CORPORATION,  
COVANTA ESSEX COMPANY,  
CRODA, INC.,  
CRUCIBLE MATERIALS CORPORATION,  
CURTISS-WRIGHT CORPORATION,  
CWC INDUSTRIES, INC.,  
DARLING INTERNATIONAL, INC.,  
DAVANNE REALTY CO.,

DELEET MERCHANDISING CORPORATION,  
DELVAL INK AND COLOR,  
INCORPORATED,DILORENZO PROPERTIES  
COMPANY, L.P.,  
E.I. DU PONT DE NEMOURS AND COMPANY,  
EASTMAN KODAK COMPANY,  
EDEN WOOD CORPORATION,  
ELAN CHEMICAL COMPANY, INC.,  
EM SERGEANT PULP & CHEMICAL CO.,  
EMERALD HILTON DAVIS, LLC,  
ESSEX CHEMICAL CORPORATION,  
EXXON MOBIL  
F.E.R. PLATING, INC.,  
FINE ORGANICS CORPORATION,  
FISKE BROTHERS REFINING COMPANY,  
FLEXON INDUSTRIES CORPORATION,  
FLINT GROUP INCORPORATED,  
FORT JAMES CORPORATION,  
FOUNDRY STREET CORPORATION,  
FRANKLIN-BURLINGTON PLASTICS, INC.,  
GARFIELD MOLDING COMPANY, INC.,  
GENERAL CABLE INDUSTRIES, INC.;  
GENERAL DYNAMICS CORPORATION,  
GENERAL ELECTRIC COMPANY,  
GENTEK HOLDING LLC,  
GIVAUDAN FRAGRANCES CORPORATION,  
G. J. CHEMICAL CO.,  
GOODY PRODUCTS, INC.,  
GORDON TERMINAL SERVICE CO. OF N.J., INC.,  
HARRISON SUPPLY COMPANY,  
HARTZ MOUNTAIN CORPORATION,  
HAVENICK ASSOCIATES L.P.,  
HEXCEL CORPORATION,  
HEXION SPECIALTY CHEMICALS, INC.,  
HOFFMANN-LA ROCHE INC.,  
HONEYWELL INTERNATIONAL INC.,  
HOUGHTON INTERNATIONAL INC.,  
HUDSON TOOL & DIE COMPANY, INC,  
HY-GRADE ELECTROPLATING CO.,  
ICI AMERICAS INC.,  
INNOSPEC ACTIVE CHEMICALS LLC,  
INX INTERNATIONAL INK CO.,  
ISP CHEMICALS INC.,  
ITT CORPORATION,

KEARNY SMELTING & REFINING CORP.,  
KAO BRANDS COMPANY,  
KOEHLER-BRIGITT STAR, INC.,  
LINDE, INC.,  
LUCENT TECHNOLOGIES, INC.,  
MACE ADHESIVES & COATINGS COMPANY, INC.,  
MALLINCKRODT INC.,  
MERCK & CO., INC.,  
METAL MANAGEMENT NORTHEAST, INC.,  
MI HOLDINGS, INC.,  
MILLER ENVIRONMENTAL GROUP, INC.,  
MORTON INTERNATIONAL, INC.,  
N L INDUSTRIES, INC.,  
NAPPWOOD LAND CORPORATION,  
NATIONAL FUEL OIL, INC.,  
NATIONAL-STANDARD, LLC,  
NELL-JOY INDUSTRIES, INC.,  
NESTLE U.S.A., INC.,  
NEW JERSEY TRANSIT CORPORATION,  
NEWS AMERICA, INC.,  
NEWS PUBLISHING AUSTRALIA LIMITED,  
NORPAK CORPORATION,  
NOVELIS CORPORATION,  
ORANGE AND ROCKLAND UTILITIES, INC.,  
OTIS ELEVATOR COMPANY,  
PRC-DESOTO INTERNATIONAL, INC.,  
PASSAIC PIONEERS PROPERTIES COMPANY,  
PFIZER INC.,  
PHARMACIA CORPORATION,  
PHELPS DODGE INDUSTRIES, INC.,  
PHILBRO, INC.,  
PITT-CONSOL CHEMICAL COMPANY,  
PIVOTAL UTILITY HOLDINGS, INC.,  
PPG INDUSTRIES, INC.,  
PRC-DESOTO INTERNATIONAL, INC.,  
PRAXAIR, INC.,  
PRECISION MANUFACTURING GROUP, LLC,  
PRENTISS INCORPORATED,  
PROCTER & GAMBLE MANUFACTURING COMPANY,  
PRYSMIAN COMMUNICATIONS CABLES AND  
SYSTEMS USA LLC,  
PSEG FOSSIL LLC,  
PUBLIC SERVICE ELECTRIC AND GAS COMPANY,  
PURDUE PHARMA TECHNOLOGIES, INC.,

QUALA SYSTEMS, INC.,  
QUALITY CARRIERS, INC.,  
RECKITT BENCKISER, INC.,  
REICHHOLD, INC.,  
REVERE SMELTING & REFINING CORPORATION,  
REXAM BEVERAGE CAN COMPANY,  
ROMAN ASPHALT CORPORATION,  
ROYCE ASSOCIATES, A LIMITED PARTNERSHIP,  
R.T. VANDERBILT COMPANY, INC.,  
RUTHERFORD CHEMICALS LLC,  
S&A REALTY ASSOCIATES, INC.,  
SCHERING CORPORATION,  
SEQUA CORPORATION,  
SETON COMPANY,  
SIEMENS WATER TECHNOLOGIES CORP.  
SINGER SEWING COMPANY  
SPECTRASERV, INC.,  
STWB, INC.,  
SUN CHEMICAL CORPORATION,  
SVP WORLDWIDE, LLC,  
TATE & LYLE INGREDIENTS AMERICAS, INC.,  
TEVA PHARMACEUTICALS USA, INC.,  
TEVAL CORP.,  
TEXTRON INC.,  
THE DIAL CORPORATION,  
THE DUNDEE WATER POWER AND LAND COMPANY,  
THE NEWARK GROUP, INC.,  
THE OKONITE COMPANY, INC.,  
THE SHERWIN-WILLIAMS COMPANY,  
THE STANLEY WORKS,  
THE VALSPAR CORPRATION,  
THIRTY-THREE QUEEN REALTY INC.,  
THREE COUNTY VOLKSWAGEN CORPORATION,  
TIDEWATER BALING CORP.,  
TIFFANY & CO.,  
TIMCO, INC.,  
TRIMAX BUILDING PRODUCTS, INC.,  
TROY CHEMICAL CORPORATION, INC.,  
UNIVERSAL OIL PRODUCTS COMPANY,  
V. OTTILIO & SONS, INC.,  
VELSICOL CHEMICAL CORPORATION,  
VEOLIA ES TECHNICAL SOLUTIONS, L.L.C.,  
VERTELLUS SPECIALTIES INC.,  
VITUSA CORP.,

VULCAN MATERIALS COMPANY,  
W.A.S. TERMINALS CORPORATION,  
W.A.S. TERMINALS, INC.,  
W.C. INDUSTRIES,  
WHITTAKER CORPORATION,  
WIGGINS PLASTICS, INC.,  
ZENECA INC.,

Third-Party Defendants.

Third-Party Defendant PROCTER & GAMBLE MANUFACTURING COMPANY  
("P&GMC"), by and through its undersigned counsel, and in accordance with this Court's Case  
Management Order V, Section 9, entered April 16, 2009 ("CMO V"), hereby answers the Third-  
Party Complaint "B" by Defendants/Third-Party Plaintiffs Maxus Energy Corporation and Tierra  
Solutions, Inc. ("Third-Party Plaintiffs"), as follows:

**GENERALLY**

1. P&GMC denies each and every allegation contained in Third Party Complaint  
"B" that is not otherwise herein addressed, including, without limitation, any allegations  
concerning the relief sought in the First Count and the Second Count and all headings and titles  
used in Third-Party Complaint "B".

**AS TO PROCEDURAL BACKGROUND**

**(Paragraphs 1 through 15)**

2. P&GMC responds that the referenced pleadings speak for themselves. No response is required pursuant to CMO V.

**AS TO THE THIRD PARTY PLAINTIFFS**

**(Paragraphs 16 through 18)**

3. No response is required pursuant to CMO V.

**AS TO THE THIRD PARTY DEFENDANTS**

**(Paragraphs 19 through 209)**

4. To the extent that the allegations in Paragraphs 19 through 209 relate to other parties, no response is required pursuant to CMO V.

5. P&GMC admits the allegations in Paragraph 187.

6. The allegations in Paragraph 210 state a legal conclusion as to which no response is required.

**AS TO DEFINITIONS**

7. Paragraphs 211 through 236 contain definitions. No response is required pursuant to CMO V.

**AS TO FACTUAL ALLEGATIONS**

**(Paragraphs 237 through 3445)**

8. Paragraphs 237-3445 do not relate to P&GMC. No response is required pursuant to CMO V, except to the extent noted below.

9. P&GMC denies the allegation in Paragraph 2304 to the extent that, based on information and belief, the Procter & Gamble Site included land in tax blocks 1400, 1338, and 1309.

10. P&GMC denies the allegation in Paragraph 2305 to the extent that, based on information and belief, the boundary line to the North of the Procter & Gamble Site fronted the confluence of the Arthur Kill and Newark Bay.

11. P&GMC denies the allegation in Paragraph 2306 to the extent that the Procter and Gamble site was sold in 2000.

12. P&GMC denies the allegation in Paragraph 2307 to the extent that, based on information and belief, P&GMC's operations at the Procter & Gamble Site did not include manufacture of naphtha; P&GMC admits the other items of manufacture were produced at various times.

13. P&GMC admits that the referenced agencies in Paragraphs 2314, 2317-2332 conducted inspections and issued notices as alleged. Otherwise, the records speak for themselves.

14. P&GMC is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 2308, 2310-2311, 2313, 2315-2316.

15. P&GMC is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2309 except that, based on information and belief, it admits that ammonia, nickel compounds, sodium hydroxide, sulfuric acid, and zinc compounds were utilized, processed, handled, stored, or otherwise used at the Procter & Gamble Site.



16. P&GMC denies the allegations in Paragraph 2312 except that P&GMC is without knowledge or information sufficient to form a belief as to whether wastewater flowed from the Procter & Gamble Site to an outfall known as regulator R1-W.

17. P&GMC denies the allegations in Paragraphs 2333 – 2334.

18. Paragraphs 2334-3032 do not relate to P&GMC. No response is required pursuant to CMO V.

#### **AS TO FIRST COUNT**

##### **New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11.f.a.2(a)**

19. P&GMC incorporates by reference as if fully set forth herein its responses and denials as asserted in Paragraphs 1 through 18 herein.

20. P&GMC is without knowledge or information sufficient to form a belief as to the truth of the matters stated in Paragraphs 3447 through 3448, and therefore denies the same.

21. P&GMC denies that it is liable to Third-Party Plaintiffs for contribution. P&GMC is without knowledge or information sufficient to form a belief as to the truth of the matters alleged in Paragraphs 3449 through 3451, and therefore denies the same.

#### **AS TO SECOND COUNT**

##### **Statutory Contribution**

22. P&GMC incorporates by reference as if fully set forth herein its responses and denials as asserted in Paragraphs 1 through 21 herein.

23. P&GMC denies that it is liable to Third-Party Plaintiffs for contribution. P&GMC is without knowledge or information sufficient to form a belief as to the truth of the matters in Paragraphs 3452 through 3453, which constitute legal conclusions, and therefore denies the same.

#### **FIRST AFFIRMATIVE DEFENSE**

24. The Third-Party Complaint is barred in whole or in part as it fails to state a cause of action against Third-Party Defendant upon which relief can be granted.

#### **SECOND AFFIRMATIVE DEFENSE**

25. P&GMC is not a discharger or a person in any way responsible for a discharge under N.J.S.A. 58:10-23 et seq. (“Spill Act”).

#### **THIRD AFFIRMATIVE DEFENSE**

26. The claims of Third-Party Plaintiffs are barred in whole or in part by the statutory defenses to liability provided by the Spill Act and the Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq. (“WPCA”).

#### **FOURTH AFFIRMATIVE DEFENSE**

27. Third-Party Plaintiffs have no Spill Act claim against P&GMC because they have not cleaned up and/or removed a discharge of hazardous substances within the meaning of the Spill Act.

#### **FIFTH AFFIRMATIVE DEFENSE**

28. Third-Party Plaintiffs have no right of contribution against P&GMC under the WPCA.

#### **SIXTH AFFIRMATIVE DEFENSE**

29. Third-Party Plaintiffs’ claims are barred, in whole or in part, by the entire controversy doctrine.

#### **SEVENTH AFFIRMATIVE DEFENSE**

30. To the extent the Third-Party Complaint purports to seek any relief under New Jersey’s Environmental Rights Act, N.J.S.A. 2A:35A-1 et seq., in whole or in part, the

pleading is barred because Third-Party Plaintiffs have failed to meet the procedural and/or substantive requirements entitling them to sue P&GMC under that statute.

**EIGHTH AFFIRMATIVE DEFENSE**

31. Some or all of Third-Party Plaintiffs do not have standing to sue.

**NINTH AFFIRMATIVE DEFENSE**

32. Upon information and belief, Third-Party Plaintiffs are mere corporate shells who are periodically infused with cash or equivalent contributions by other corporate entities which money Third-Party Plaintiffs purport to use to address the environmental contamination at issue in this litigation. Consequently, the claims by Third-Party Plaintiffs are barred under the collateral source doctrine or its equitable equivalent.

**TENTH AFFIRMATIVE DEFENSE**

33. Third-Party Plaintiffs are not the real parties in interest for pursuit of the claims set forth in the Third-Party Complaint, nor are Third-Party Plaintiffs acting in the capacity of an executor, administrator, guardian of a person or property, trustee of an express trust, or a party with whom or in whose name a contract has been made for the benefit of another. Consequently, all claims are barred under R. 4:26-1 of the New Jersey Court Rules.

**ELEVENTH AFFIRMATIVE DEFENSE**

34. Third-Party Plaintiffs are mere volunteers for remediation of the environmental contamination for which they claim contribution and/or other relief from P&GMC. Consequently, the claims in the Third-Party Complaint are barred, in whole or in part.

**TWELFTH AFFIRMATIVE DEFENSE**

35. The claims brought by Third-Party Plaintiffs reflect damages that are wholly speculative, conjectural, unreasonable, excessive and/or arbitrary and capricious.

### **THIRTEENTH AFFIRMATIVE DEFENSE**

36. P&GMC cannot be held liable for or be required to pay Third-Party Plaintiffs' damages or other claims based on actions or inactions by P&GMC that arise out of conduct lawfully undertaken in compliance with permits or other approvals issued by relevant government agencies, including the State of New Jersey and/or the United States and/or in compliance with applicable laws, regulations, rules, orders, ordinances, directives and common law, and other requirements of all foreign, federal, state and local government entities ("applicable Environmental Laws").

### **FOURTEENTH THIRD AFFIRMATIVE DEFENSE**

37. At common law, P&GMC held, and still holds, a usufructuary interest allowing it, along with all other citizens, the reasonable use of assets held for the benefit of the public by the State of New Jersey under the Public Trust Doctrine. P&GMC has at all relevant times acted in accordance with its rights of reasonable use of publicly held assets. As a matter of law, Third-Party Plaintiffs' claims are derivative of, and cannot be any greater than, the claims that the State of New Jersey has or would have against P&GMC directly. As a result, the claims set forth in the Third-Party Complaint are barred, in whole or in part.

### **FIFTEENTH AFFIRMATIVE DEFENSE**

38. The State of New Jersey is legally barred from asserting direct claims against P&GMC for the damages sought in its Amended Complaint. Consequently, all claims that are or may be derivative of the State of New Jersey's claims are barred as to the P&GMC as well, including the claims set forth in the Third-Party Complaint.

#### **SIXTEENTH AFFIRMATIVE DEFENSE**

39. The Third-Party Complaint is barred and/or is constitutionally impermissible to the extent that it seeks to impose retroactive liability for acts that were previously authorized or condoned by law including applicable Environmental Laws.

#### **SEVENTEENTH AFFIRMATIVE DEFENSE**

40. Third-Party Plaintiffs' Complaint is barred to the extent that it seeks relief for damages incurred prior to the effective date of the Spill Act.

#### **EIGHTEENTH AFFIRMATIVE DEFENSE**

41. At all relevant times, P&GMC complied with all applicable Environmental Laws, regulations, industry standards and ordinances, and otherwise conducted itself reasonably, prudently, in good faith, and with due care for the rights, safety and property of others.

#### **NINETEENTH AFFIRMATIVE DEFENSE**

42. The claims asserted against P&GMC in the Third-Party Complaint are barred because at all relevant times P&GMC exercised due care with respect to hazardous substances, if any, that may have been handled at the subject property or properties, took precautions against foreseeable acts or omissions of others and the consequences that could reasonably result from such acts or omissions, and because any release or threat of release of any hazardous substances, if any, and any costs or damages resulting therefrom, were caused solely by the negligence, acts or omissions of third parties over whom P&GMC had no control, whether by, in whole or part, contract or otherwise, or any duty to control, including without limitation the State of New Jersey and its agencies and officials, and the United States and its agencies and officials.

**TWENTIETH AFFIRMATIVE DEFENSE**

43. The claims set forth in the Third-Party Complaint are barred in whole or in part by the doctrine of preemption.

**TWENTY-FIRST AFFIRMATIVE DEFENSE**

44. Third-Party Plaintiffs suffered no losses or injuries that were proximately caused by P&GMC.

**TWENTY-SECOND AFFIRMATIVE DEFENSE**

45. Third-Party Plaintiffs' claims against P&GMC are barred, in whole or in part, by the applicable Statute of Limitations, Statute of Repose, and/or the equitable doctrines of laches and estoppel.

**TWENTY-THIRD AFFIRMATIVE DEFENSE**

46. Third-Party Plaintiffs' claims are barred in whole or in part by the doctrines of accord and satisfaction, waiver, consent, estoppel, release and/or assumption of risk.

**TWENTY-FOURTH THIRD AFFIRMATIVE DEFENSE**

47. Third-Party Plaintiffs' claims are barred, in whole or in part, by the doctrine of "coming to the nuisance."

**TWENTY-FIFTH AFFIRMATIVE DEFENSE**

48. Third-Party Plaintiffs' claims are barred, in whole or in part, by the "unclean hands" doctrine.

**TWENTY-SIXTH AFFIRMATIVE DEFENSE**

49. The claims for equitable contribution under the Spill Act in the Third-Party Complaint are barred because: (1) equity will not compel action that is impossible of performance; (2) equity will not exceed the rights of parties existing at law; (3) equity will not

consciously become an instrument of injustice; and/or (4) equity will not permit double satisfaction.

**TWENTY-SEVENTH AFFIRMATIVE DEFENSE**

50. Third-Party Plaintiffs' claims are barred, in whole or in part, by the doctrines of collateral estoppel, *res judicata*, and/or judicial estoppel including in connection with prior findings as to Third-Party Plaintiffs' intentional misconduct.

**TWENTY-EIGHTH AFFIRMATIVE DEFENSE**

51. Third-Party Plaintiffs' claims are barred because the relief sought against P&GMC, were it claimed directly by Plaintiffs, would amount to unlawful taxation.

**TWENTY-NINTH AFFIRMATIVE DEFENSE**

52. Third-Party Plaintiffs' claims against P&GMC are subject to setoff and recoupment and therefore must be reduced accordingly.

**THIRTIETH AFFIRMATIVE DEFENSE**

53. P&GMC did not own or operate a "Major Facility" as defined by the Spill Act or the WPCA.

**THIRTY-FIRST AFFIRMATIVE DEFENSE**

54. Third-Party Plaintiffs' claims are barred, in whole or in part, by Third-Party Plaintiffs' failure to comply with the prerequisites to liability under the Spill Act including, without limitation to, Third-Party Plaintiffs' have not incurred costs authorized by the Spill Act and Third-Party Plaintiffs' have failed to direct cleanup and removal activities in accordance with the National Contingency Plan to the greatest extent possible.

### **THIRTY-SECOND AFFIRMATIVE DEFENSE**

55. Third-Party Plaintiffs' claims are barred because neither they nor Plaintiffs have incurred "costs of restoration and replacement ... of any natural resources damaged or destroyed by a discharge" under the Spill Act.

### **THIRTY-THIRD AFFIRMATIVE DEFENSE**

56. Third-Party Plaintiffs have failed to join necessary and indispensable parties needed for a just adjudication of the claims asserted in this action, in whose absence complete relief can not be afforded the existing parties pursuant to R. 4:28-1 of the New Jersey Court Rules. These necessary and indispensable parties include, without limitation, State of New Jersey agencies and instrumentalities, including without limitation the State trustees for tidelands, certain United States agencies and instrumentalities with liability under the Spill Act, and certain state and local governmental agencies located outside the boundaries of New Jersey, including the State of New York and its agencies and instrumentalities, all of whom are or may be separately liable for contamination allegedly located in the "Newark Bay Complex," as defined in Plaintiffs' Second Amended Complaint.

### **THIRTY-FOURTH THIRD AFFIRMATIVE DEFENSE**

57. Third-Party Plaintiffs' claims are not ripe for adjudication, inter alia, because Third-Party Plaintiffs have a joint liability to the Plaintiffs and have not paid and will not pay more than their fair or equitable share of the liability.

### **THIRTY-FIFTH AFFIRMATIVE DEFENSE**

58. P&GMC denies that Third-Party Plaintiffs have suffered any harm whatsoever, but in the event that they did suffer any form of injury or damage cognizable under applicable Environmental Law, such injury was caused by the intervening acts, omissions, or superseding acts of persons or entities over whom P&GMC exercised no control and for whose conduct



P&GMC was not responsible including, without limitation, unpermitted and storm event discharges from publically owned treatment works.

**THIRTY-SIXTH AFFIRMATIVE DEFENSE**

59. If Third-Party Plaintiffs sustained any injury or are entitled to any damages, such injury and damages were wholly, or in part, caused by Third-Party Plaintiffs' own acts or omissions, negligence, lack of due care and fault and/or that of Third-Party Plaintiffs' agents or employees. In the event that Third-Party Plaintiffs are found to have sustained any injury and are entitled to damages, Third-Party Plaintiffs' recovery against P&GMC, if any, must be reduced by the proportionate damages caused by the acts and conduct of Third-Party Plaintiffs and/or its agents or employees.

**THIRTY-SEVENTH AFFIRMATIVE DEFENSE**

60. Although P&GMC denies that it is liable for the contamination described in Third-Party Plaintiffs' Complaint, in the event it is found liable, P&GMC is entitled to an offset against any such liability on its part for the equitable share of the liability of any person or entity not joined as a defendant in this action that would be liable to Third-Party Plaintiffs.

**THIRTY-EIGHTH AFFIRMATIVE DEFENSE**

61. Under N.J.S.A. 2A:15-97, the amount of damages, if any, should be reduced by any amounts recovered from any other source.

**THIRTY-NINTH AFFIRMATIVE DEFENSE**

62. Third-Party Plaintiffs' claims are barred to the extent that the conduct of P&GMC alleged to give rise to liability in the Third-Party Complaint is the subject of a release, covenant not to sue, or has otherwise been excused by Plaintiffs, including, without limitation, through issuance of a no further action letter, consent order, settlement agreement or other

applicable document, with or without inclusion of contribution protection, or through the Plaintiffs' allowance of any applicable Statute of Limitations or Statute of Repose to lapse.

**FORTIETH AFFIRMATIVE DEFENSE**

63. The disposal of waste, if any, which allegedly originated from P&GMC, was undertaken in accordance with the then state of the art, the then accepted industrial practice and technology, and the then prevailing legal requirements for which P&GMC cannot be found retroactively liable.

**FORTY-FIRST AFFIRMATIVE DEFENSE**

64. Any discharge that allegedly originated from P&GMC, was investigated and remediated by a licensed professional and under the direct oversight of state and/or federal agencies with the then state of the art, the then accepted industrial practice and technology, and the then prevailing requirements for which P&GMC cannot be found retroactively liable.

**FORTY-SECOND AFFIRMATIVE DEFENSE**

65. Third-Party Plaintiffs are not entitled to recover costs incurred for cleanup actions not undertaken in coordination or conjunction with federal agencies.

**FORTY-THIRD AFFIRMATIVE DEFENSE**

66. The damages or other relief that Third-Party Plaintiffs seek, if awarded, would result in unjust enrichment to the Third-Party Plaintiffs.

**FORTY-FOURTH THIRD AFFIRMATIVE DEFENSE**

67. Third-Party Plaintiffs' claims are barred due to its own conduct in unilaterally, and without notice to P&GMC, implementing clean-up plan(s) or taking other actions that resulted in the commingling of formerly divisible areas of environmental harm.

#### **FORTY-FIFTH AFFIRMATIVE DEFENSE**

68. P&GMCs' liability to Third-Party Plaintiffs, if any, is limited to Spill Act and contribution claims and excludes any such claims which may properly be apportioned to parties pursuant to *Burlington Northern and Santa Fe Railway Co., et al. v. United States, et al.*, 556 U.S. \_\_\_\_; 129 S.Ct. 1870 (2009), and other comparable decisional law.

#### **FORTY-SIXTH AFFIRMATIVE DEFENSE**

69. Third-Party Plaintiffs cannot assert contribution claims against P&GMC because the discharges for which the Plaintiffs are seeking relief are different from P&GMCs' alleged discharges.

#### **FORTY-SEVENTH AFFIRMATIVE DEFENSE**

70. Third-Party Plaintiffs cannot seek contribution under the Joint Tortfeasors Contribution Law because P&GMC(s) are not liable for "the same injury" caused by Third-Party Plaintiffs' discharges and do not share a common liability to the State of New Jersey.

#### **FORTY-EIGHTH AFFIRMATIVE DEFENSE**

71. Third-Party Plaintiffs' claims are barred to the extent they seek to hold P&GMC liable, in contribution, for any claims for which it would be a violation of public policy to hold P&GMC liable, including but not limited to punitive damages and penalties.

#### **FORTY-NINTH AFFIRMATIVE DEFENSE**

72. Third-Party Plaintiffs' claims are barred, in whole or in part, because no actions or inactions by P&GMC have resulted in any permanent impairment or damage to a natural resource.

#### **FIFTIETH AFFIRMATIVE DEFENSE**

73. Third-Party Plaintiffs claims for contribution, whether under the Spill Act or the New Jersey statutory provisions for contribution, are derivative of, and are therefore no greater

than, Plaintiffs' claims against Third-Party Plaintiffs. Consequently, Third-Party Plaintiffs' claims against P&GMC are barred to the extent of any legal extinguishments of actual or potential claims by the Plaintiffs against P&GMC pertaining to the alleged environmental contamination (including natural resource damage) of any site(s) alleged by Third-Party Plaintiffs to be the subject of their contribution claims against P&GMC. Examples of legal extinguishments that are or may be applicable to P&GMC include, with respect to each such site:

- A. Any release or covenant not to sue granted by Plaintiffs to P&GMC;
- B. Any settlement or other compromise between Plaintiffs and P&GMC;
- C. Any expiration of the statute of limitations or statute of repose governing Plaintiffs' right to maintain a claim against P&GMC;
- D. Any failure to join a claim relating to the "Newark Bay Complex" (as defined in the Third-Party Complaint) in a prior litigation between Plaintiffs and P&GMC, which would result in relinquishment of such a claim by virtue of New Jersey's Entire Controversy Doctrine; and/or
- E. Any issuance by Plaintiffs to P&GMC, directly or indirectly, of any "No Further Action" (a/k/a "NFA") determination, "Negative Declaration," or similar determination.

#### **FIFTY FIRST AFFIRMATIVE DEFENSE**

74. 51. Third-Party Plaintiffs' claims are barred because the relief sought against P&GMC, were it claimed directly by Plaintiffs, would amount to a "taking" of P&GMC's property in violation of its constitutional rights to due process and/or in violation of its rights under the Eminent Domain Act of 1971, N.J.S.A. 20:3-1 et seq.

#### **FIFTY SECOND AFFIRMATIVE DEFENSE**

75. Third-Party Plaintiffs' claims are barred to the extent the relief sought by Third-Party Plaintiffs in the Complaint is at odds with P&GMC's responsibilities to conduct ongoing environmental cleanups under oversight of the Plaintiffs at any site(s) alleged by Third-Party

Plaintiffs to be the subject of their contribution claims against P&GMC, thereby exposing P&GMC to inconsistent responsibilities, penalties and liabilities, and the possibility of paying twice for the same actions (i.e., double recovery).

#### **FIFTY THIRD AFFIRMATIVE DEFENSE**

76. To the extent P&GMC is acting or has acted to conduct environmental cleanup at any site(s) alleged by Third-Party Plaintiffs to be the subject of their contribution claims against P&GMC, the claims for equitable contribution under the Spill Act in the Third-Party Complaint are barred because equity will not compel action that is already being undertaken and/or is unnecessary.

#### **FIFTY FOURTH AFFIRMATIVE DEFENSE**

77. Without admitting liability, P&GMC alleges that if it is found to have been engaged in any of the activities alleged in the Third-Party Complaint, such activities were *de minimis* and not the cause of any damages or other claims by Third-Party Plaintiffs.

#### **FIFTY FIFTH AFFIRMATIVE DEFENSE**

78. P&GMC incorporates by reference any affirmative defense asserted by other parties in this action to the extent such affirmation defenses are defenses to Third-Party Plaintiffs' claims and do not impose liability on P&GMC.

#### **FIFTY SIXTH AFFIRMATIVE DEFENSE**

79. P&GMC reserves the right to assert and hereby invoke each and every Environmental Law defenses that may be available during the course of this action.

#### **COUNTER-CLAIMS, CROSS CLAIMS AND THIRD/FOURTH PARTY CLAIMS**

80. No such claims are required to be asserted at this time and are expressly reserved pursuant to CMO V.

WHEREFORE, Third-Party Defendant PROCTER & GAMBLE MANUFACTURING COMPANY respectfully requests that the Court enter an Order dismissing the Third-Party Complaint "B" with prejudice, and awarding costs, attorney fees and any other relief the Court deems just and proper.

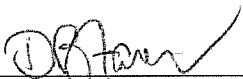
**DESIGNATION OF TRIAL COUNSEL**

81. In accordance with Rule 4:25-4 you are hereby notified that David B. Farer is assigned to try this case.

Respectfully submitted,

Farer Fersko  
A Professional Association  
Attorneys for Third-Party Defendant  
PROCTER & GAMBLE MANUFACTURING  
COMPANY  
600 South Avenue  
Westfield, New Jersey 07091-0580  
Tel: (908) 789-8550  
Fax: (908) 789-8660  
By:

Dated: March 22, 2010

  
\_\_\_\_\_  
David B. Farer, Esq.

**CERTIFICATION PURSUANT TO R:4:5-1(b)(2)**

Pursuant to R. 4:5-1(b)(2), the undersigned hereby certifies that:

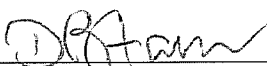
(a) The matter in controversy is not the subject of any other action pending in any court or a pending arbitration proceeding and no action or arbitration proceeding is contemplated by the undersigned; and

(b) Since it is the legal position of the undersigned that the potential liability, if any, of a Third-Party Defendant for the claims set forth in the Third-Party Complaint "B" is several only, there are no non-parties which should be joined in the action pursuant to R. 4:28; but that

(c) In the event the Court shall determine that the potential liability of a Third-Party Defendant, if any, for the claims set forth in the Third-Party Complaint "B" is in any respect joint and several (which is denied), then all or some of the non-parties listed on the attachments to the letter dated October 7, 2009 from Eric Rothenberg, Esq. of O'Melveny and Myers to the Honorable Marina Corodemus may constitute non-parties who should be joined in the action pursuant to R. 4:28; and

(d) In either event, some or all of such non-parties are subject to joinder pursuant to R. 4:29-1(b) because of potential liability to any party on the basis of the same transactional facts.

Farer Fersko  
A Professional Association  
Attorneys for Third-Party Defendant  
PROCTER & GAMBLE MANUFACTURING  
COMPANY  
By:

  
\_\_\_\_\_  
David B. Farer, Esq.

Dated: March 22, 2010