

EXHIBIT B**FACTUAL BASIS**

For many years, defendant MONSANTO COMPANY (referred to as "Monsanto" or "defendant") has been a large agrochemical and biotechnology company. Monsanto's multinational business operations include locations on the Hawaiian Islands of Maui, Molokai, and Oahu that Monsanto has used to grow both conventional and genetically modified seed crops. As part of Monsanto's operations, Monsanto's employees have purchased and sprayed various "restricted use pesticides" on the seed crops.

The Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA") regulated the registration, sale, distribution, and use of pesticides. Under FIFRA, pesticides were classified as general use pesticides or "restricted use pesticides." A "restricted use pesticide" could not be purchased or used by the general public and could only be used by a certified applicator due to the possible adverse effects to the environment and injury to applicators or bystanders that could result.

For years Monsanto occasionally sprayed and stored Penncap-M, a pesticide that contained methyl parathion as the sole active ingredient, on its research and seed crop locations on Oahu, Maui, and Molokai. Penncap-M had been classified as a restricted use pesticide under FIFRA. In March 2010, however, two manufacturers of Penncap-M voluntarily sought the cancellation of Penncap-M's FIFRA registrations. Subsequently, on July 27, 2010, the Environmental Protection Agency ("EPA") issued a cancellation order ("the cancellation order") that canceled the FIFRA registrations for Penncap-M, prohibited all sale and distribution of end-use Penncap-M

1 as of August 31, 2013, and further prohibited all use of existing
2 stocks of end-use Pennacap-M as of December 31, 2013.

3 In addition to publishing notices about the cancellation order
4 in the Federal Register, the EPA also sent an email notice of the
5 cancellation order to an email listserv. This email notice was
6 received by Monsanto's regulatory compliance department in April
7 2010. Due to the ban on Pennacap-M, knowingly spraying Pennacap-M on
8 any of Monsanto's seed crop fields on or after December 31, 2013,
9 would constitute a criminal violation of FIFRA.

10 Further, because of the Pennacap-M ban, as well as Monsanto's
11 receipt and knowledge of the cancellation order, any Pennacap-M in
12 excess of one kilogram (2.2 pounds) that Monsanto knowingly stored
13 after December 31, 2013, had to be managed as an acute hazardous
14 waste in compliance with the Resource Conservation and Recovery Act
15 ("RCRA"). Monsanto knew that Pennacap-M had the substantial
16 potential to be harmful to others and to the environment.

17 In July of 2013 Monsanto had stopped spraying Pennacap-M at its
18 location on Molokai. From March 2013 through August 2014, Pennacap-M
19 appeared on lists of chemicals to be disposed of at the Molokai
20 location. Nevertheless, during that period Monsanto's Molokai
21 location knowingly stored 180 pounds of Pennacap-M hazardous waste,
22 which it ultimately disposed of with a licensed hazardous waste
23 disposal company on September 17, 2014.

24 By virtue of its stop-use use date and Monsanto's prior
25 decision to stop using Pennacap-M, as of December 31, 2013, at the
26 latest, the Pennacap-M stored by Monsanto on Molokai was an acute
27 hazardous waste under RCRA. Moreover, because Monsanto had
28 generated and stored more than one kilogram (2.2 pounds) of Pennacap-

1 M at its Molokai location, Monsanto's Molokai site was deemed under
2 RCRA to be a Large Quantity Generator of a hazardous waste. As a
3 result, Monsanto knowingly stored an acute hazardous waste in
4 violation of RCRA's prohibition against knowingly storing a
5 hazardous waste without a permit.

6 During 2013, prior to the December 31, 2013, stop use date,
7 Monsanto sprayed and stored Penncap-M on its research and seed crop
8 locations on Maui. On July 15, 2014, after Monsanto employees had
9 been notified of Penncap-M's stop use date, Monsanto knowingly
10 sprayed Penncap-M on two acres of corn seed research crops at its
11 Valley Farm location on Maui. At the time of that spraying,
12 defendant was aware that years earlier the re-entry interval for
13 Penncap-M, which was the period of time that had to elapse before
14 workers could re-enter an area where Penncap-M was sprayed, had been
15 increased from five to thirty-one days. Nevertheless, approximately
16 seven days after the July 15, 2014, spraying, Monsanto's employees
17 were told to and did re-enter the site where the Penncap-M had been
18 sprayed.

19 Shortly after its July 2014 spraying of Penncap-M, Monsanto
20 took steps to identify which of its sites had Penncap-M and,
21 ultimately, to dispose of the Penncap-M at the following Maui
22 locations -- Valley, Maalaea, and Piilani. Nevertheless, on or
23 about July 21, 2014, Monsanto knowingly stored approximately 111
24 gallons of Penncap-M hazardous waste among its Valley, Maalaea, and
25 Piilani sites without having the required permit to store the
26 hazardous waste at any of those locations.

27 Because Monsanto generated and stored more than one kilogram
28 (2.2 pounds) of Penncap-M waste at each of its Maui sites, each of

1 Monsanto's Maui sites was deemed a Large Quantity Generator of
2 hazardous waste under RCRA and was required, but failed, to obtain a
3 permit for hazardous waste storage and disposal. The Penncap-M
4 stored at Monsanto's Maui sites after December 31, 2013, was an
5 acute hazardous waste under RCRA.

6 To facilitate the disposal of its Penncap-M hazardous waste,
7 between July and September 2014 Monsanto consolidated its supplies
8 of Penncap-M at its Valley location. The Penncap-M hazardous waste
9 stored at each of Monsanto's Maui sites was also considered a
10 "hazardous material" under the Hazardous Materials Transportation
11 Act ("HMTA"). As a result, in order to transport Penncap-M on a
12 highway to its Valley site, Monsanto was required to use a shipping
13 manifest that identified the hazardous material being transported.
14 When it transported its Penncap-M hazardous waste to its Valley
15 site, however, Monsanto knowingly failed to use a shipping manifest
16 as required under the HMTA. Moreover, Monsanto's Valley site did
17 not have a permit under Title 42, United States Code, Chapter 82,
18 Subchapter III or pursuant to Title I of the Marine Protection,
19 Research, and Sanctuaries Act to treat hazardous waste.
20 Accordingly, Monsanto knowingly transported its Penncap-M hazardous
21 waste to its Valley site, a facility that defendant knew was not
22 licensed to accept such hazardous waste.

23 Ultimately, on October 21, 2014, Monsanto knowingly disposed of
24 approximately 2,250 pounds of waste which included Penncap-M,
25 Carbaryl, and Carbofuran hazardous waste, and several other wastes,
26 from its Valley site using a licensed hazardous waste disposal
27 company.