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FILED
SEP 11 2006

ALEX CALVO, CLERK
BY LISA MITCHELL
DEPUTY, SANTA CRUZ COUNTY

5 Attorneys for Plaintiff PEOPLE
6 OF THE STATE OF CALIFORNIA

7
8 SUPERIOR COURT OF CALIFORNIA

9 IN AND FOR THE COUNTY OF SANTA CRUZ

10 PEOPLE OF THE STATE OF CALIFORNIA,) No. CV-153033
11 Plaintiffs) STIPULATED FINAL JUDGMENT
12 vs.)
13 JUDLAR CORPORATION, CHEFWORKS,)
and DOES 1 through 20, inclusive,)
14 Defendants.)
15

16 PEOPLE OF THE STATE OF CALIFORNIA ("Plaintiff"), appearing
17 through its attorney, Bob Lee, District Attorney, by Morgan C.
18 Taylor, Asst. District Attorney, and JUDLAR CORPORATION and
19 CHEFWORKS ("Settling Defendants"), appearing through their
20 attorney, Ann L. Butler, Esq., hereby stipulate and agree, by
21 their signatures set forth herein, that without the taking of
22 evidence, and without trial or adjudication of any facts herein,
23 the Court may enter this Stipulated Final Judgment ("Judgment").

24 1. WHEREAS:

25 (a) Settling Defendant JUDLAR CORPORATION was and is a Texas
26 corporation qualified to do business in the State of California,
27 doing business in Santa Cruz County, California as a retailer of
28 cookware and related merchandise, under the fictitious business

1 name of Settling Defendant CHEFWORKS, and employing ten or more
2 persons.

3 (b) Plaintiff alleges that Settling Defendants have sold
4 certain glass oil bottles and other glassware intended for the
5 consumption of food or beverages with colored artwork or designs,
6 containing lead (and/or lead compounds) and/or cadmium on the
7 exterior, including but not limited to "Oil Bottle, #BT2-H,"
8 which may be referred to herein as "Products." The manner of
9 exposure is and was through ingestion and/or dermal contact.
10 Lead and cadmium are listed pursuant to the Safe Drinking Water
11 and Toxic Enforcement Act of 1986, California Health & Safety
12 Code §25249.5 et seq., also known as Proposition 65, as known to
13 cause birth defects or other reproductive harm. Lead (and/or
14 lead compounds) and cadmium may alternatively be referred to
15 herein as "Listed Chemicals."

16 (c) On or about September 27, 2005, Russell Brimer, a
17 citizen of California, served Settling Defendants, and various
18 public enforcement agencies, with a document entitled "60-Day
19 Notice of Violation" ("Notice") that provided Settling Defendants
20 and such public enforcers with notice alleging that Settling
21 Defendants were in violation of Health & Safety Code §25249.6 for
22 failing to warn purchasers that the Products exposed consumers in
23 California to the Listed Chemicals.

24 (d) On November 22, 2005, BOB LEE, District Attorney of the
25 County of Santa Cruz, in the name of the People of the State of
26 California, filed the present action in the Superior Court for
27 the County of Santa Cruz against Settling Defendants, alleging
28 violations of Health & Safety Code §25249.6 and Business &

1 Professions Code §17200, based on the alleged exposures to the
2 Listed Chemicals contained in the Products sold by Settling
3 Defendants.

4 (e) Settling Defendants deny the material factual and legal
5 allegations contained in Plaintiff's Complaint and maintain that
6 all products that they have sold in California, including these
7 Products, have been and are in compliance with all laws, and/or
8 that said sales were without knowledge of their status as
9 containing Listed Chemicals and without intent to expose any
10 individual to such Listed Chemicals. Nothing in this Judgment
11 shall be construed as an admission by Settling Defendants of any
12 fact, finding, issue of law, or violation of law, nor shall
13 compliance with this Judgment constitute or be construed as an
14 admission by Settling Defendants of any fact, finding,
15 conclusion, issue of law or violation of law, such being
16 specifically denied by Settling Defendants. Nothing in this
17 Judgment shall apply to, or be used as evidence regarding
18 compliance for any product sold, other than those Products
19 referred to specifically herein, by Settling Defendants with
20 Proposition 65 or any other statute or regulation. However, this
21 section shall not diminish or otherwise affect the obligations,
22 responsibilities and duties of Settling Defendants under this
23 Judgment.

24 (f) For purposes of this Judgment only, the Parties
25 stipulate that this Court has jurisdiction over the allegations
26 of violations contained in the Complaint and personal
27 jurisdiction over Settling Defendants as to the acts alleged in
28 the Complaint, that venue is proper in the County of Santa Cruz,

1 and that this Court has jurisdiction to enter this Judgment and
2 to enforce the provisions thereof.

3 2. THEREFORE:

4 The PEOPLE having filed their complaint, the parties having
5 stipulated to this final Judgment, and good cause appearing,

6 IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

7 (a) Settling Defendants shall not sell or offer for sale any
8 of the Products containing the Listed Chemicals in exterior
9 colored decorations unless such Products comply with the
10 provisions set forth herein.

11 (b) Settling Defendants shall not sell any of the Products
12 requiring warnings pursuant to §25249.6 in its retail stores
13 unless such warnings are provided in the following manner:

14 (1) Point of Sale warnings may be provided through one
15 or more signs posted at or near the point of sale or display of
16 the Products that state as follows:

17 "WARNING: The materials used as colored decoration on
18 this product contain chemicals, including lead and/or
19 cadmium, known to the State of California to cause birth
20 defects or other reproductive harm."

21 (2) Any Point of Sale warning provided pursuant to
22 this section shall be prominently placed with such
23 conspicuousness as compared with other words, statements, designs
24 or devices as to render it likely to be read and understood by an
25 ordinary individual under customary conditions of use or purchase
26 and shall be placed or written in a manner such that the consumer
27 understands to which Products the warnings apply.

28 (c) The Products shall be deemed to comply with Proposition

1 65 and be exempt from any Proposition 65 warning requirements if
2 all of the following standards are met:

3 (1) All designs applied to the exterior surface of the
4 Products that are sold by Settling Defendant contain less than
5 0.06% lead by weight in the decoration either before or after the
6 decoration is applied to the Product, using a test method of
7 sufficient sensitivity to establish a quantity limit of less than
8 600 parts per million (ppm).

9 (2) All designs applied to the exterior surface of the
10 Products that are sold by Settling Defendant contain less than
11 0.42% cadmium by weight in the decoration either before or after
12 the decoration is applied to the Product, using a test method of
13 sufficient sensitivity to establish a quantity limit of less than
14 2400 parts per million (ppm).

15 (3) There are no decorations within 20 millimeters of
16 the rim, or any decorations within 20 millimeters of the rim
17 result in a wipe test result of no more than 0.5 micrograms of
18 lead and no more than 4.1 micrograms of cadmium on a Ghost Wipe,
19 using the NIOSH 9100 wipe test method.

20 (d) Should any court of this state enter an order in a case
21 brought by the People of the State of California that sets forth
22 the standards defining when Proposition 65 warnings will or will
23 not be required for products substantially similar to the type
24 and function of Products at issue here ("Alternative Standards"),
25 or if the California Attorney General's Office or Office of
26 Environmental Health Hazard Assessment otherwise provide written
27 endorsement (i.e. a writing that is circulated by the Attorney
28 General that is not intended for the purposes of soliciting

1 further input or comments) of Alternative Standards applicable to
2 products that are of the same type and function as the Products,
3 Settling Defendants shall be entitled to seek a modification of
4 this Judgment so as to enable it to utilize and rely on such
5 Alternative Standards in lieu of those set forth above.
6 Plaintiff shall not unreasonably withhold consent to any proposed
7 stipulation to effectuate such a modification.

8 (e) This Judgment is a full, final, and binding resolution
9 between the Plaintiff and Settling Defendants, of any violation
10 of Proposition 65, Business & Professions Code sections 17200 et
11 seq., or any other statutory or common law claims that have been
12 or could have been asserted in the complaint against Settling
13 Defendants, arising from the failure to provide clear and
14 reasonable warnings required by Proposition 65 for exposure to
15 lead and/or cadmium from the use of the Products, whether based
16 on actions committed by Settling Defendants, or by any entity to
17 whom it distributes or sells the Products, and covers no other
18 claims. As to the Products, compliance with the terms of this
19 Judgment resolves any issue now, in the past, and in the future
20 concerning compliance by Settling Defendants, their parents,
21 shareholders, divisions, subdivisions, subsidiaries, sister
22 companies, affiliates, franchisees, cooperative members, and
23 licensees; their distributors, wholesalers, and retailers who
24 sell the Products; and the predecessors, successors, and assigns
25 of any of them; with the requirements of Proposition 65 with
26 respect to Listed Chemicals in the Products.

27 (f) The terms of this Judgment shall be governed by the laws
28 of the State of California and apply within the State of

1 California. In the event that Proposition 65 is repealed or is
2 otherwise rendered inapplicable by reason of law generally, or as
3 to the Products specifically, then Settling Defendants shall have
4 no further obligations pursuant to this Judgment with respect to,
5 and to the extent that, those Products are so affected.

6 (g) This Judgment may be modified only by (1) written
7 agreement of the Parties and upon entry of a modified Judgment by
8 the Court thereon, or (2) motion of any Party as provided by law
9 and upon entry of a modified Judgment by the Court. The Attorney
10 General shall be served with Notice of any proposed modification
11 to this Judgment at least fifteen (15) days in advance of its
12 consideration by the Court.

13 (h) The undersigned are authorized to execute this
14 Stipulation on behalf of their respective Parties and have read,
15 understood and agree to all of the terms and conditions of this
16 Judgment.

17 (i) The Court retains jurisdiction for the purpose of
18 entertaining applications at any time for such further orders as
19 may be necessary or appropriate for the construction or carrying
20 out of this Judgment, for the modification or termination of any
21 of its provisions, and the enforcement thereof, including the
22 punishment of any violations or contempts.

23 (j) All causes of action alleged against DOES 1 through 20,
24 inclusive, are hereby dismissed.

25 (k) Defendant shall pay to the Clerk of the Superior Court
26 of the County of Santa Cruz the sum of \$320.00 pursuant to
27 Government Code §6103.5.

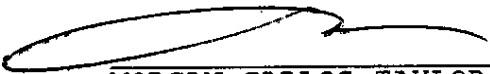
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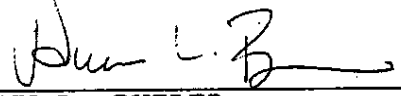
SO STIPULATED.

DATED: 9/1/06

BOB LEE
District Attorney


MORGAN CARLOS TAYLOR
Asst. District Attorney

DATED: 8-31-06


ANN L. BUTLER
Attorney for Settling
Defendants JUDLAR CORPORATION
and CHEFWORKS

IT IS SO ORDERED.

DATED: 9-7-06

ROBERT B YONTS JR

JUDGE OF THE SUPERIOR COURT