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**ENDORSED
FILED
ALAMEDA COUNTY**

NOV 03 2011

K. McCoy, Exec. Off./Clerk

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8 PEOPLE OF THE STATE OF CALIFORNIA

9 LEXINGTON LAW GROUP
10 MARK N. TODZO, State Bar No. 168389
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16 Attorneys for Plaintiff
17 CENTER FOR ENVIRONMENTAL HEALTH

18 **SUPERIOR COURT OF CALIFORNIA**
19 **FOR THE COUNTY OF ALAMEDA**

20 PEOPLE OF THE STATE OF
21 CALIFORNIA, ex rel. EDMUND G.
22 BROWN, JR., Attorney General,

23 Plaintiff,

24 v.

25 BAY AREA JUMP, et al.,
26 Defendants

Case No. RG 10-530436

CONSENT JUDGMENT AS TO
DEFENDANT MAGIC JUMP, INC.

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CENTER FOR ENVIRONMENTAL
HEALTH, a non-profit corporation,

Plaintiff,

v.
CUTTING EDGE CREATIONS, INC., et al.,

Defendants

Case No. RG 10-530300

1 **1. INTRODUCTION**

2 1.1 On August 11, 2010, the People of the State of California (“People”), by and
3 through the Attorney General of the State of California (“Attorney General”) filed a complaint for
4 civil penalties and injunctive relief for violations of Proposition 65 and unlawful business
5 practices in the Superior Court for the County of Alameda. The People’s Complaint alleges that
6 the named Defendants failed to provide clear and reasonable warnings that their inflatable
7 structures made with vinyl such as, but not limited to, bounce houses, slides, games, ball ponds,
8 combos, obstacle courses and interactives (the “Products”) contain lead and lead compounds
9 (together “Lead”), and that use of, and contact with, those Products results in exposure to Lead, a
10 chemical known to the State of California to cause cancer and reproductive harm. The Complaint
11 further alleges that under the Safe Drinking Water and Toxic Enforcement Act of 1986, Health
12 and Safety Code section 25249.6, also known as “Proposition 65,” businesses must provide
13 persons with a “clear and reasonable warning” before exposing individuals to these chemicals,
14 and that the Defendants failed to do so. The Complaint further alleges that the Lead levels in the
15 Products exceed the standards set by the Consumer Product Safety Improvement Act (“CPSIA”)
16 of 2008. The Complaint also alleges that the violations of Proposition 65 and the CPSIA
17 constitute unlawful acts in violation of the Unfair Competition Law, pursuant to Business and
18 Professions Code sections 17200 *et seq.*

19 1.2 The Center for Environmental Health (“CEH”) first brought the issue of Lead
20 exposures from the Products to the attention of the Attorney General by issuing its first 60-Day
21 Notice of Violation on February 19, 2010 (“Notice”). The Notice alleges that defendant Magic
22 Jump, Inc. (“Magic Jump”) and others were violating Proposition 65 by introducing the Products
23 into the stream of commerce thereby exposing individuals to Lead. CEH filed its case, Center for
24 Environmental Health v. Cutting Edge Creations, LLC, et al., Alameda County Superior Court,
25 Case No. RG 19-530300, on August 11, 2010. CEH also seeks civil penalties and injunctive relief
26 for alleged violations of Proposition 65. On October 25, 2010, the People’s action was
27 coordinated with CEH’s action. The People and CEH are together referred to as “Plaintiffs.”
28

1 1.3 Both CEH and the People's complaints name Magic Jump, Inc. ("Settling
2 Defendant") as a defendant.

3 1.4 Settling Defendant is a corporation that employs more than ten (10) persons and
4 employed ten or more persons at certain times relevant to the allegations of the Complaints, and
5 manufactures, distributes and/or sells Products (as defined below) in the State of California and/or
6 has done so in the past four years. Settling Defendant contends that, at all relevant times prior to
7 January 2009, Settling Defendant had less than 10 employees and was therefore exempt from
8 Proposition 65.

9 1.5 For purposes of this Consent Judgment only, the People, CEH and the Settling
10 Defendant stipulate that this Court has jurisdiction over the allegations of violations contained in
11 the Notice and Complaints and personal jurisdiction over Settling Defendant as to the acts alleged
12 in the Notice and Complaints, that venue is proper in Alameda County, and that this Court has
13 jurisdiction to enter this Consent Judgment as a full and final resolution of all claims which were
14 or could have been raised in the Complaints based on the facts alleged therein.

15 1.6 The People, CEH and Settling Defendant enter into this Consent Judgment as a full
16 and final settlement of all claims relating to the Products (as that term is defined below) arising
17 from the alleged failure to warn regarding the presence of Lead in such Products, and of all claims
18 that were or could have been raised in the Notice and Complaints. Nothing in this Consent
19 Judgment shall be construed as an admission by the Parties of any fact, conclusion of law, issue of
20 law or violation of law, nor shall compliance with the Consent Judgment constitute or be
21 construed as an admission by Parties of any fact, conclusion of law, issue of law or violation of
22 law. Nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy
23 argument or defense the Parties may have against any Non-Parties to this Settlement Agreement
24 in this or any other future legal proceedings. By execution of this Consent Judgment and agreeing
25 to provide the relief and remedies specified herein, Settling Defendant does not admit any
26 violations of Proposition 65 or the Business and Professions Code, the federal Consumer Product
27 Safety Improvement Act or any other law or legal duty. Settling Defendant expressly asserts that
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1 its Products do not require a warning under Proposition 65 and denies any wrongdoing or liability
2 whatsoever.

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4 **2. DEFINITIONS**

5 **2.1** The “Actions” shall collectively mean the People of the State of California v. Bay
6 Area Jump, et al., Case No. RG 10-530436, Alameda County Superior Court (filed August 11,
7 2010) and the Center for Environmental Health v. Cutting Edge Creations, LLC, et al., Case No.
8 RG 10-530300, Alameda County Superior Court (filed August 11, 2010).

9 **2.2** “Products” shall mean all inflatable structures made with vinyl, including but not
10 limited to bounce houses, slides, games, ball ponds, combos, obstacle courses and interactives
11 manufactured, distributed or sold by Settling Defendant.

12 **2.3** The “Effective Date” of this Consent Judgment shall be the date on which this
13 Consent Judgment is entered as a judgment by the trial court.

14 **2.4** “Parties” shall mean the following entities: People of the State of California ex rel.
15 Edmund G. Brown, Jr., CEH and Settling Defendant.

16 **2.5** “Plaintiffs” shall mean People of the State of California ex rel. Kamala Harris, ,
17 Attorney General and CEH.

18 **2.6** “Old Products” means any Products, located in the state of California,
19 manufactured by Settling Defendant during the following time periods: (1) from September 26,
20 2006 through April 26, 2007; (2) from September 2, 2008 and December 12, 2008; and (3) after
21 January 2009 and prior to September 2010, which are the time periods during which Settling
22 Defendant is alleged to have sold Products with levels of Lead exceeding 1000 ppm.

23 **3. INJUNCTIVE RELIEF: LEAD REDUCTION**

24 **3.1 Immediate Product Reformulation.** Immediately upon the Effective Date of this
25 Consent Judgment, Settling Defendant shall not manufacture, distribute or sell Products with lead
26 levels that exceed the Federal Consumer Product Safety Improvement Act (“CPSIA”) levels or
27 100 ppm, whichever is lower (“Compliance Level”) as determined pursuant to total Lead testing,
28 EPA Method 3050B or CPSIA method CPSC-CH-E1001-08 (the “Test Protocols”).

1 3.2 Specification and Certification of Vinyl. For so long as Settling Defendant
2 manufactures, distributes, or ships the Products for sale in California, Settling Defendant shall
3 issue specifications to its vinyl suppliers requiring that the vinyl supplied to it for the Products
4 shall not contain Lead in excess of the Compliance Level. Defendant shall obtain and maintain
5 written certification from its suppliers of the vinyl certifying that the vinyl used in the Products
6 does not contain Lead in excess of the Compliance Level.

7 3.3 Settling Defendant's Independent Testing. In order to ensure compliance with
8 Section 3.1, Settling Defendant shall conduct (or cause to be conducted) testing to confirm
9 Products sold in California comply with the Compliance Level. Settling Defendant shall either
10 conduct the testing of the vinyl used in the Products using an X-Ray Fluorescence Analyzer or
11 shall cause to have the testing performed by an independent, CPSIA-approved laboratory in
12 accordance with the Test Protocol. Settling Defendant shall perform the testing described in this
13 Section on a minimum of one roll of each color of vinyl contained in each shipment purchased
14 from its suppliers.

15 (a) Vinyl That Exceeds the Compliance Level. If the results of the testing
16 required pursuant to Section 2.3 show Lead levels in excess of the Compliance Level in
17 the vinyl, Defendant shall: (1) refuse to accept all the vinyl contained in each container
18 that contained any rolls that tested above the Compliance Level; and (2) send a notice to
19 the supplier explaining that such vinyl does not comply with either Settling Defendant's
20 specifications for Lead or the supplier's certification.

21 4. **INJUNCTIVE RELIEF: CLEAR AND REASONABLE WARNINGS**

22 4.1 Plaintiffs allege that warnings are necessary as to certain of the Old Products in the
23 state of California because these products purportedly cause continuing exposures to Lead. While
24 expressly denying such allegations, Settling Defendant agrees to implement the following
25 programs to provide clear and reasonable warnings to persons who come into contact with Old
26 Products sold before the Effective Date of this Consent Judgment:

27 (a) Informational Program. Settling Defendant shall mail the warnings and
28 informational materials attached hereto as Exhibit A, in English and Spanish, to the known

1 addresses of all parties within the State of California who purchased Old Products. The
2 informational materials provided pursuant to this section shall include an offer to perform
3 testing on the Old Products paid for by Settling Defendant. The purchasers of Old
4 Products referred to herein shall have six (6) months from the date of mailing by Settling
5 Defendant of the warnings and informational materials attached hereto as Exhibit A to
6 initiate the Testing referred to in paragraph 5.1, and Replacement and credit, referred to in
7 paragraph 5.2, or they will have no rights under paragraph 5.1 and/or 5.2.

8 **5. ADDITIONAL ACTIONS BY SETTLING DEFENDANT**

9 **5.1 Testing of Old Products.** Upon request by an individual or entity that purchased
10 any Old Product which is located in the state of California, Settling Defendant shall perform
11 testing on all Old Products purchased and located in the state of California by the individual or
12 entity that requests testing. The testing pursuant to this section may be performed by X-Ray
13 Fluorescence or pursuant to the Test Protocol. This request for testing by an individual or entity
14 that purchased any Old Product which is located in the state of California must be initiated no
15 later than six (6) months from the date of mailing of the warning and informational materials
16 referred to in paragraph 4.1(a). In the event that testing is not initiated within said time period,
17 said individuals or entities shall have no further rights pursuant to this provision. All testing shall
18 be performed only in accordance with the terms set forth in Exhibit A hereto. Settling Defendant
19 shall provide CEH and the Attorney General with the results of the testing described in this
20 Section.

21 **5.2 Replacing Certain Old Products.** If the testing described in Section 5.1 reveals
22 Lead levels in excess of 1,000 ppm and the Product was purchased after January 1, 2009, Settling
23 Defendant shall, at its own cost, either (1) provide the present owner of any such Old Product with
24 a credit of between 75% and 100% of the original purchase price of the affected Product toward
25 the purchase of a new product from Settling Defendant based on the present condition of the Old
26 Product provided that possession and title to the Old Product be turned over to Settling Defendant,
27 or (2) provide the present owner of any Old Product with a Notice in compliance with Proposition
28 65 that the present owner must agree to place on the Old Product. Assuming they otherwise

1 qualify, the present owner of Old Products shall decide which of the alternatives set forth in this
2 Paragraph they wish to receive. A request for replacement or credit hereunder is only valid to the
3 extent it results from the testing and timing provisions set forth in Section 5.1 and in Exhibit A
4 hereto.

5 **6. PAYMENTS**

6 **6.1 Payment Timing.** Payments under the Consent Judgment shall be made in two
7 parts: A first payment totaling \$18,750 shall be due within thirty (30) days following the Effective
8 Date and a second payment totaling \$18,750 shall be due no later than ninety (90) days following
9 the Effective Date. Accordingly, the total settlement payment required hereunder is \$37,500
10 allocated as follows:

11 **6.2 Civil Penalties.** Settling Defendant shall pay a civil penalty of \$10,000 pursuant to
12 California Health & Safety Code §§ 25249.7(b) and 25249.12. Pursuant to § 25249.12, 75% of
13 these funds shall be remitted to the California Office of Environmental Health Hazard Assessment
14 (“OEHHA”), and the remaining 25% apportioned evenly among the Attorney General and CEH.

15 **6.3 Cy pres– Product Testing.** Settling Defendant shall make the following payment in
16 lieu of additional civil penalties. Settling Defendant shall pay \$5,000 to CEH to be used
17 exclusively for testing and/or replacement of inflatable structures made with vinyl such as bounce
18 houses, combos, obstacle courses and interactives. The payment required under this section shall
19 be made payable to CEH.

20 **6.4 Other Payments.** Settling Defendant shall also make the following payments:

21 (a) **Attorney General.** Settling Defendant shall pay the sum of \$5,000 to the
22 Attorney General, to reimburse the fees and costs his office has expended with respect to this
23 matter. Funds paid pursuant to this paragraph shall be placed in an interest-bearing Special
24 Deposit Fund established by the Attorney General. These funds, including any interest, shall be
25 used by the Attorney General, until all funds are exhausted, for the costs and expenses associated
26 with the enforcement and implementation of Proposition 65, including investigations,
27 enforcement actions, other litigation or activities as determined by the Attorney General to be
28 reasonably necessary to carry out his duties and authority under Proposition 65. Such funding

1 may be used for the costs of the Attorney General's investigation, filing fees and other court costs,
2 payment to expert witnesses and technical consultants, purchase of equipment, travel, purchase of
3 written materials, laboratory testing, sample collection, or any other cost associated with the
4 Attorney General's duties or authority under Proposition 65. Funding placed in the Special
5 Deposit Fund pursuant to this paragraph, and any interest derived therefrom, shall solely and
6 exclusively augment the budget of the Attorney General's Office and in no manner shall supplant
7 or cause any reduction of any portion of the Attorney General's budget.

8 (b) CEH's Attorney Fees. Settling Defendant shall pay \$17,500 to reimburse
9 CEH and its attorneys for their reasonable investigation fees and costs, attorneys' fees, and any
10 other costs incurred as a result of investigating, bringing this matter to the attention of Settling
11 Defendant and the People, litigating and negotiating a settlement in the public interest. The
12 payment required under this section shall be made payable to Lexington Law Group.

13 6.5 Each payment required by this Consent Judgment shall be made through the
14 delivery of separate checks payable to the applicable person, as follows:

15 (a) Attorney General. Payments due to the Attorney General shall be made
16 payable to the "California Department of Justice," and sent to the attention of Robert Thomas,
17 Legal Analyst, Department of Justice, 1515 Clay Street, 20th Floor, Oakland, CA 94612.

18 (b) CEH/Lexington Law Group. The payments due to CEH and the Lexington
19 Law Group shall be made payable as set forth above and sent to: Mark N. Todzo, Lexington Law
20 Group, 503 Divisadero Street, San Francisco, CA 94117.

21 (c) Copies of checks. Settling Defendant will cause copies of each check
22 issued by it pursuant to this Consent Judgment to be sent to: Jamie Jefferson, Deputy Attorney
23 General, 1515 Clay Street, 20th Floor, Oakland, California 94612.

1 **7. MODIFICATION OF CONSENT JUDGMENT**

2 7.1 This Consent Judgment may only be modified by express written agreement of the
3 Parties with the approval of the Court; by an order of this Court on noticed motion from the
4 People, CEH or Settling Defendant in accordance with law; or by the Court in accordance with its
5 inherent authority to modify its own judgments.

6 7.2 Before filing an application with the Court for a modification to this Consent
7 Judgment, the Party seeking modification shall meet and confer with the other parties to determine
8 whether the modification may be achieved by consent. If a proposed modification is agreed upon,
9 then the Parties will present the modification to the Court by means of a stipulated modification to
10 the Consent Judgment.

11 **8. ENFORCEMENT**

12 8.1 Enforcement by Plaintiffs. Plaintiffs may, by noticed motion in compliance with
13 CCP Sec. 1005 before this Court, seek to enforce the terms and conditions contained in this
14 Consent Judgment or seek resolution of any dispute arising under this Consent Judgment. In any
15 proceeding to enforce the terms of this Consent Judgment, Plaintiffs may seek whatever fines,
16 costs, penalties, or remedies are provided by law for failure to comply with the Consent Judgment.
17 However, Plaintiffs may not seek any fees or costs if Settling Defendant agrees to take the action
18 demanded by Plaintiffs during the meet and confer process described in section 8.3, below, and
19 implements such action in a prompt manner.

20 8.2 Enforcement by Separate Action. Where violations of this Consent Judgment are
21 based on subsequent alleged violations of Proposition 65 or other laws occurring subsequent to
22 the Effective Date of this Consent Judgment, the Attorney General is not limited to enforcement
23 of the Consent Judgment, but may instead elect to seek, in another action, whatever fines, costs,
24 penalties, or remedies are provided for by law for failure to comply with Proposition 65 or other
25 laws. In any action brought by the Attorney General alleging subsequent violations of Proposition
26 65 or other laws, Settling Defendant may assert any and all defenses that are available, including
27 the *res judicata* or collateral estoppel effect of this Consent Judgment. The Attorney General
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1 must elect whether (a) to use the enforcement provisions of section 8.1 of this Consent Judgment
2 or (b) to bring a new action pursuant to this subsection 8.2.

3 **8.3** Meet and Confer Required. Before any party files any motion or institutes any
4 proceeding or separate action based on an alleged violation of the Consent Judgment, the moving
5 or enforcing party (Moving Party) shall provide the other party (Other Party) with at least thirty
6 (30) days written notice during which the Parties will meet and confer in good faith in an attempt
7 to informally resolve the alleged violation.

8 **8.4** The terms of this Consent Judgment shall be enforced exclusively by the Parties
9 hereto.

10 **9. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT**

11 **9.1** Each signatory to this Consent Judgment certifies that he or she is fully authorized
12 to stipulate to this Consent Judgment and to enter into and execute the Consent Judgment on
13 behalf of the party he or she represents.

14 **10. CLAIMS COVERED**

15 **10.1** Full and Binding Resolution. This Consent Judgment is a full, final, and binding
16 resolution between the Plaintiffs, CEH, and Settling Defendant and its parents, divisions,
17 subdivisions, subsidiaries, sister companies, affiliates, cooperative members, licensors and
18 licensees, distributors, wholesalers, officers, directors, shareholders, affiliates, customers, agents,
19 employees, attorneys, successors and assigns, and all entities to whom they have distributed or
20 sold Products manufactured, distributed or sold by Settling Defendant, of any violation of
21 Proposition 65., the Business & Professions Code, including but not limited to sections 17200 *et*
22 *seq.*, and 17500 *et seq.*, and any other statutory or common law claims that have been or could
23 have been asserted in the public interest or by or on behalf of the people of the State of California
24 in the Notice or Complaints regarding or relating to the presence of lead and lead compounds in
25 the Products manufactured by or for Settling Defendant and/or the failure to warn about exposure
26 to lead or lead compounds in the Products. Compliance with the terms of this Consent Judgment
27 resolves any issue now, in the past, and in the future, concerning the presence of lead and lead
28 compounds in Products manufactured or distributed by or for Settling Defendant, and the failure

1 to warn about exposure to, lead or lead compounds, in Products manufactured or distributed by or
2 for Settling Defendant, its parents, divisions, subdivisions, subsidiaries, sister companies,
3 affiliates, cooperative members, licensors and licensees; its distributors, wholesalers, and retailers
4 who sell Products; and the shareholders, officers, predecessors, successors, and assigns of any of
5 them. This Consent Judgment does not resolve any claims that Plaintiffs may assert with respect
6 to (i) products other than the Products, or (ii) chemicals other than Lead.

7 **10.2 Settling Defendant's reservation of Rights.**

8 Nothing in this Consent Judgment shall be construed to compromise any rights Settling
9 Defendant may have against the suppliers from whom it purchased vinyl for Covered Products or
10 against any other party to this action.

11 **11. PROVISION OF NOTICE**

12 **11.1** Notices sent pursuant to this Consent Judgment shall be sent to the person(s) and
13 addresses set forth in this paragraph. Any Party may modify the person and address to whom the
14 notice is to be sent by sending each other Party notice by certified mail, return receipt requested.
15 Said change shall take effect for any notice mailed at least five days after the date the return
16 receipt is signed by the party receiving the change.

17 **11.2** Notices shall be sent by overnight delivery, or by concurrent e-mail and by First
18 Class Mail, to the following when required:

19 For the Attorney General:

20 Jamie Jefferson, Deputy Attorney General
21 California Department of Justice
22 1515 Clay Street, 20th Floor,
23 Oakland, CA 94612
24 Jamie.Jefferson@doj.ca.gov

25 and simultaneously to:

26 Robert Thomas, Legal Analyst,
27 Department of Justice,
28 1515 Clay Street, 20th Floor,
Oakland, CA 94612
Robert.Thomas@doj.ca.gov

For the Center for Environmental Health

Mark N. Todzo

Lexington Law Group, LLP
503 Divisadero Street
San Francisco, CA 94117
mtodzo@lexlawgroup.com

For the Settling Defendant:

J. Robert Maxwell
ROGERS JOSEPH O'DONNELL
311 California Street, 10th fl
San Francisco, CA 94104
jmaxwell@rjo.com

11.3 Written Notification. Within 15 days of completing the actions required by sections 3.1 (Immediate Product Reformulation), and also on Plaintiffs' written request with respect to any other action required by this Consent Judgment, Settling Defendant shall provide Plaintiffs with written notification that the required action has been completed.

12. COURT APPROVAL AND DISMISSAL OF THE ACTIONS

12.1 This Consent Judgment shall be submitted to the Court for entry by noticed motion or as otherwise may be required or permitted by the Court. If this Consent Judgment is not approved by the Court, it shall be of no force or effect and may not be used by the Plaintiffs or Settling Defendant for any purpose.

13. ENTIRE AGREEMENT

13.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties.

14. RETENTION OF JURISDICTION

14.1 This Court shall retain jurisdiction of this matter to implement and enforce the Consent Judgment, and to resolve any disputes that may arise as to the implementation of this Judgment.

1 **15. EXECUTION IN COUNTERPARTS**

2 **15.1** The stipulations to this Consent Judgment may be executed in counterparts and by
3 means of facsimile, which taken together shall be deemed to constitute one document.

4
5 IT IS SO ORDERED and ADJUDGED:

6 DATED: NOV 03 2011

7 STEVEN A. BRICK
8 JUDGE OF THE SUPERIOR COURT

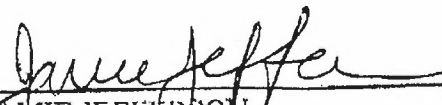
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IT IS SO STIPULATED:

DATED: 7/22/11

KAMALA HARRIS
Attorney General
J. MATTHEW RODRIQUEZ
Chief Assistant Attorney General
SALLY MAGNANI KNOX
Senior Assistant Attorney General

By: 
JAMIE JEFFERSON
Deputy Attorney General
For People of the State of California

DATED: _____

CENTER FOR ENVIRONMENTAL HEALTH

By: _____
CHARLIE PIZARRO
Assistant Director

DATED: 7/15/2011

MAGIC JUMP, INC.

By: 
Its: _____

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IT IS SO STIPULATED:


DATED: _____

KAMALA HARRIS
Attorney General
J. MATTHEW RODRIQUEZ
Chief Assistant Attorney General
SALLY MAGNANI KNOX
Senior Assistant Attorney General

By: _____
JAMIE JEFFERSON
Deputy Attorney General
For People of the State of California

DATED: 7/22/11

CENTER FOR ENVIRONMENTAL HEALTH

By:  _____
CHARLIE PIZARRO
Assistant Director

DATED: _____

MAGIC JUMP, INC.

By: _____
Its:

Exhibit A

Letter to Customers of Unreformulated Products

Dear Customer:

Our records show that you purchased products from us during one of the following time periods: (1) from September 26, 2006 through April 26, 2007; (2) from September 2, 2008 and December 12, 2008; or (3) after January 2009 and prior to September 2010. This letter is written to inform you that some of the products manufactured by Magic Jump during those time periods may contain levels of lead which require a warning notice under Proposition 65 as follows:

WARNING --Lead is a chemical known to the state of California to cause cancer and reproductive harm.

All of our products have now been formulated to reduce the amount of lead to levels below those that are of concern or that may require a Proposition 65 warning. However, some of our older products manufactured during the time periods identified above may have lead levels that would require a warning notice under Proposition 65.

We would like to provide you with the opportunity to have the products you purchased from us during those time periods tested to determine if such products contain levels of lead that require a Proposition 65 warning. If you purchased a product or products from us that were manufactured during one of the time periods listed above that are still in use, please contact [Name] at [telephone number] to arrange for testing of those products. Magic Jump will arrange to conduct or pay for all testing of the products on the terms described below.

If the product was purchased after September 1, 2009 and the testing of any of the products reveals lead levels in excess of 1,000 parts per million, Magic Jump will either: (1) provide you with a credit of between 75% and 100% of the original purchase price of the affected product toward the purchase of a new product from Magic Jump based on the present condition of your existing product, and provided you transfer title to the old product to Magic Jump; or (2) provide you with a Notice in Compliance with Proposition 65 that you will be required to place on your existing product. Assuming that you otherwise qualify, it will be your choice to decide which of the foregoing alternatives you wish to receive. You must initiate testing within 6 months from the date of this letter, in order to obtain credit towards the purchase of a new product from Magic Jump hereunder.

For any testing hereunder, Magic Jump will provide an opportunity for testing from ___ to ___ at the following address in the San Francisco Bay Area: _____. Magic Jump will also provide an opportunity for testing in the Los Angeles area from ___ to ___ at the following address: _____. Magic Jump's obligations to provide and pay for testing hereunder are limited to these two offerings. At its discretion, magic Jump will also pay for testing for products shipped to it at the owner's expense at Magic Jump's place of business, provided the owner's contact Magic Jump in advance and make mutually agreeable arrangements for the timing of such tests within the 6 month period from the date of this letter.

If the product was purchased between September 26, 2006 and April 26, 2007 or from September 2, 2008 and December 12, 2008 you do not qualify for a credit from Magic Jump. However, there may be funds available to assist you in replacing the product. Such funds, if

1 available, will be administered by the Center for Environmental Health and/or the Attorney
2 General's Office. In order to determine whether you qualify for such a credit, please contact:

3 [Insert AG/CEH Contact info]

4 In the meantime, you can reduce exposures to lead from these products by employing the
5 following practices:

- 6 a. Keeping the products clean;
- 7 b. Having children wash their hands after playing in or on one of the products;
- 8 c. Food, beverages and other ingestible items should not be allowed in or on the
9 products; and
- 10 d. Clothing worn when playing on the products should be cleaned after use.

11 For further information, please call [name] at [number].

12 Sincerely, Name