

FILED

MAR 16 2012

KIM LUKNER
Court Executive Officer
MARIN COUNTY SUPERIOR COURT
By: A. Garcia, Deputy

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10 JOHN MOORE

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF MARIN

13 UNLIMITED CIVIL JURISDICTION

14 JOHN MOORE,

15 Plaintiff,

16 v.

17 KRACO ENTERPRISES, LLC; WAL-MART
18 STORES, INC.; AUTO EXPRESSIONS, LLC;
19 *et al.*,

20 Defendants.

) Case No.: CIV-1100982

) ~~PROPOSED~~ JUDGMENT
) PURSUANT TO TERMS OF
) PROPOSITION 65 SETTLEMENT
) AND CONSENT JUDGMENT AS TO
) KRACO ENTERPRISES, LLC AND
) AUTO EXPRESSIONS, LLC

) Date: March 16, 2012

) Time: 8:30 a.m.

) Dept.: E

) Judge: Hon. Faye D'Opal

1 In the above-entitled action, Plaintiff JOHN MOORE and Defendants KRACO
2 ENTERPRISES, LLC and AUTO EXPRESSIONS, LLC having agreed through their respective
3 counsel that a judgment be entered pursuant to the terms of the Consent Judgment entered into by the
4 parties in resolution of this Proposition 65 action, and following the issuance of an order approving
5 the Parties' settlement agreement on ~~MAR 16 2012~~²⁰¹¹.

6 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that pursuant to Health & Safety
7 Code § 25249.7(f)(4) and Code of Civil Procedure § 664.6, judgment is hereby entered in accordance
8 with the terms of the Consent Judgment attached hereto as Exhibit 1. By stipulation of the parties,
9 the Court will retain jurisdiction to enforce the settlement under Code of Civil Procedure § 664.6.

10
11 **IT IS SO ORDERED.**

12 **MAR 16 2012**

12 **JAY D. GONAL**

13 Dated: _____

13 _____
14 JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

1 Laurence D. Haveson, State Bar No. 152631
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12 Attorneys for Defendants
KRACO ENTERPRISES, LLC and AUTO-
EXPRESSIONS, LLC
13

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 FOR THE COUNTY OF MARIN
16 UNLIMITED CIVIL JURISDICTION

17 JOHN MOORE,
18 Plaintiff,

19 v.

20 KRACO ENTERPRISES, LLC; WAL-MART
21 STORES, INC.; AUTO-EXPRESSIONS LLC;
and DOES 1-150, inclusive,
22 Defendants.
23
24

) Case No. CIV-1100982

) UNLIMITED JURISDICTION

) [PROPOSED] CONSENT JUDGMENT

) Dept: E

) Judge: Hon. Faye D'Opal

) Date: None set

) Complaint Filed: February 23, 2011
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1 **1. INTRODUCTION**

2 **1.1 John Moore, Kraco Enterprises, LLC, and Auto Expressions, LLC**

3 This Consent Judgment is entered into by and between plaintiff John Moore (“Moore” or
4 “Plaintiff”), on the one hand, and Kraco Enterprises, LLC (“Kraco”), and Auto-Expressions, LLC
5 (“Auto Expressions”), on the other hand. Plaintiff, Kraco, and Auto-Expressions are collectively
6 referred to as the “parties.”

7 **1.2 John Moore**

8 Moore is an individual residing in the State of California who seeks to promote awareness
9 of exposure to toxic chemicals and to improve human health by reducing or eliminating hazardous
10 substances contained in consumer and commercial products.

11 **1.3 Kraco**

12 Kraco employs ten or more persons and is a person in the course of doing business for
13 purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health &
14 Safety Code § 25249.6, *et seq.* (“Proposition 65”).

15 **1.4 Auto-Expressions**

16 Auto-Expressions employs ten or more persons and is a person in the course of doing
17 business for purposes of the Proposition 65.

18 **1.5 General Allegations**

19 Moore alleges that Kraco and Auto-Expressions manufactured, imported, distributed
20 and/or sold vinyl mats that contain di(2-ethylhexyl)phthalate (“DEHP”) and lead, and automotive
21 seat covers that contain DEHP, without the requisite Proposition 65 warnings. DEHP and lead are
22 on the Proposition 65 list as known to cause cancer or birth defects and other reproductive harm.

23 **1.6 Product Description**

24 The products that are covered by this Consent Judgment are defined as follows: vinyl mats
25 containing DEHP and/or lead including, but not limited to, *Utility All Purpose mat, U-810 (#0*
26 *33299 25071 9)* and automotive seat covers containing DEHP including, but not limited to, *Auto*
27 *Expressions Seat Cover, Part #80001457 (#0 19912 00040 4)* manufactured, imported, distributed
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1 and/or sold by Kraco (mats) and Auto Expressions (seat covers). All such vinyl mats containing
2 DEHP and lead, and automotive seat covers containing DEHP, are referred to hereinafter as the
3 "Products."

4 **1.7 Notices of Violation**

5 On June 17, 2010, Moore served Kraco and various public enforcement agencies with a
6 document entitled "60-Day Notice of Violation" (the "Notice") that provided the recipients with
7 notice of alleged violations of California Health & Safety Code § 25249.6 based on Kraco's
8 alleged failure to warn consumers that its vinyl mats exposed users in California to DEHP. To the
9 best of the parties' knowledge, no public enforcer has prosecuted the allegations set forth in the
10 Notice.

11 On October 29, 2010, Moore served Kraco, Wal-Mart Stores, Inc. ("Walmart"), and
12 various public enforcement agencies with a document entitled "Supplemental 60-Day Notice of
13 Violation" (the "Supplemental Notice") that provided the recipients with notice of alleged
14 violations of California Health & Safety Code § 25249.6 based on an alleged failure to warn
15 consumers that the Products exposed users in California to DEHP. To the best of the parties'
16 knowledge, no public enforcer has prosecuted the allegations set forth in the Supplemental Notice.

17 On December 30, 2010, Moore served Kraco, Walmart, and various public enforcement
18 agencies with a document entitled "Second Supplemental 60-Day Notice of Violation" (the
19 "Second Supplemental Notice") that provided the recipients with notice of alleged violations of
20 California Health & Safety Code § 25249.6 based on an alleged failure to warn consumers that the
21 Products exposed users in California to DEHP and lead. To the best of the parties' knowledge, no
22 public enforcer has prosecuted the allegations set forth in the Second Supplemental Notice.

23 On April 25, 2011, Moore served Kraco, Walmart, Auto Expressions, LLC and various
24 public enforcement agencies with a document entitled "Third Supplemental 60-Day Notice of
25 Violation" (the "Third Supplemental Notice") that provided the recipients with notice of alleged
26 violations of California Health & Safety Code § 25249.6 based on an alleged failure to warn
27 consumers that the Products exposed users in California to DEHP and lead. To the best of the
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1 parties' knowledge, no public enforcer has prosecuted the allegations set forth in the Third
2 Supplemental Notice.

3 The Notice, Supplemental Notice, Second Supplemental Notice and Third Supplemental
4 Notice shall hereinafter collectively be referred to as the "Notices."

5 **1.8 Complaints**

6 On February 23, 2011, Moore filed a complaint in the Superior Court in and for the County
7 of Marin against Kraco and Does 1 through 150, *Moore v. Kraco, et al.*, Case No. CIV-1100982
8 (the "Complaint"), alleging violations of California Health & Safety Code § 25249.6, based on the
9 alleged exposures to DEHP contained in certain automotive seat covers sold by Kraco.

10 On August 22, 2011, Moore filed a first amended complaint in the Superior Court in and
11 for the County of Marin against Auto Expressions, Kraco, Walmart and Does 1 through 150,
12 *Moore v. Auto Expressions, et al.*, Case No. CIV-1100982 (the "First Amended Complaint"),
13 alleging violations of California Health & Safety Code § 25249.6, based on the alleged exposures
14 to DEHP or lead contained in certain automotive seat covers sold by the defendants. The
15 Complaint and Amended Complaint shall hereinafter be referred to as the "Complaints".

16 Previously, on September 8, 2010, Moore filed a complaint in the Superior Court in and for the
17 County of Marin against Everlast Worldwide, Inc. (and several other parties, including Kraco),
18 *Moore v. Everlast, et al.*, Case No. CIV-1004742 ("Everlast Action"). All parties named in the
19 Everlast Action, other than Kraco, have since settled their disputes. Within five court days of
20 approval of this Consent Judgment, Moore shall dismiss Kraco with prejudice from the Everlast
21 Action and shall dismiss Walmart with prejudice from the First Amended Complaint filed in this
22 case.

23 **1.9 No Admission**

24 Kraco and Auto-Expressions deny the material, factual and legal allegations contained in
25 Moore's Notices and Complaints and maintain that all products that they have sold, manufactured,
26 imported and/or distributed in California, including the Products, have been and are in compliance
27 with all laws. Nothing in this Consent Judgment shall be construed as an admission by Kraco or
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1 Auto-Expressions of any fact, finding, issue of law, or violation of law, nor shall compliance with
2 this Consent Judgment constitute or be construed as an admission by Kraco or Auto-Expressions
3 of any fact, finding, conclusion, issue of law, or violation of law. However, this section shall not
4 diminish or otherwise affect Kraco's or Auto-Expressions' obligations, responsibilities, and duties
5 under this Consent Judgment.

6 **1.10 Consent to Jurisdiction**

7 For purposes of this Consent Judgment only, the parties stipulate that this Court has
8 jurisdiction over Kraco and Auto-Expressions as to the allegations contained in the First Amended
9 Complaint, that venue is proper in the County of Marin and that this Court has jurisdiction to enter
10 and enforce the provisions of this Consent Judgment.

11 **1.11 Effective Date**

12 For purposes of this Consent Judgment, the term "Effective Date" shall mean December 1,
13 2011.

14 **2. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS**

15 **2.1 Reformulation Standards**

16 Reformulated Products are defined as: (a) those Products containing DEHP in
17 concentrations less than 0.1 percent (1,000 parts per million) in each accessible component when
18 analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and
19 8270C or any other methodology utilized by federal or state agencies for the purpose of
20 determining the DEHP content in a solid substance; and (b) containing less than or equal to 100
21 parts per million ("ppm") of lead when using a method of detection and analysis authorized under
22 27 C.C.R. § 25900 and which yield not more than 1.0 micrograms of lead when using a wipe test
23 pursuant to NIOSH Test Method 9100 in any component that may be handled, touched, or
24 mouthed by a customer.

25 **2.2 Reformulation Commitment**

26 As of the Effective Date, all Products manufactured or distributed by Kraco and Auto-
27 Expressions for sale in the State of California shall be Products that qualify as Reformulated
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1 Products as defined in section 2.1 above or, if not commercially feasible to be so reformulated,
2 shall carry appropriate Proposition 65 warnings pursuant to section 2.3 below.

3 **2.3 Product Warnings**

4 Commencing on the Effective Date, Kraco and Auto-Expressions shall, for all Products
5 that do not meet the Reformulation Standards set forth in Section 2.1, provide clear and reasonable
6 warnings as set forth in subsection 2.3 (a) and (b). Each warning shall be prominently placed with
7 such conspicuousness as compared with other words, statements, designs, or devices as to render it
8 likely to be read and understood by an ordinary individual under customary conditions before
9 purchase or use. Each warning shall be provided in a manner such that the consumer or user
10 understands to which *specific* Product the warning applies, so as to minimize the risk of consumer
11 confusion.

12 **(a) Retail Store Sales.**

13 **(i) Product Labeling.** Kraco and/or Auto-Expressions shall affix a
14 warning to the packaging, labeling, or directly on each Product sold in retail outlets in California
15 by Kraco and/or Auto-Expressions or any person selling the Products, pursuant to either Option A
16 or Option B below:

17 **Option A:**

18 For Products containing DEHP:

19 **WARNING:** This product contains DEHP, a phthalate
20 chemical known to the State of California to
21 cause birth defects and other reproductive
harm.

22 For Products containing lead:

23 **WARNING:** This product contains lead, a chemical known
24 to the State of California to cause birth defects
and other reproductive harm.

25 For Products containing DEHP and lead:

26 **WARNING:** This product contains DEHP and lead,
27 chemicals known to the State of California to
cause birth defects and other reproductive
28 harm.

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Option B:

WARNING: This product contains one or more chemicals known to the State of California to cause birth defects and other reproductive harm.

(ii) Point-of-Sale Warnings. Alternatively, Kraco and/or Auto-

Expressions may provide warning signs in the form presented in either Option A or Option B below to its customers in California with instructions to post the warnings in close proximity to the point of display of the Products. Such instruction sent to Kraco's and/or Auto-Expressions' customers shall be sent by certified mail, return receipt requested. Sales of Products at Wal-Mart Stores, Inc. and its affiliates and subsidiaries shall be excluded from this warning alternative.

Option A:

For Products containing DEHP:

WARNING: This product contains DEHP, a phthalate chemical known to the State of California to cause birth defects and other reproductive harm.

For Products containing lead:

WARNING: This product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

For Products containing DEHP and lead:

WARNING: This product contains DEHP and lead, chemicals known to the State of California to cause birth defects and other reproductive harm.

Option B:

WARNING: This product contains one or more chemicals known to the State of California to cause birth defects and other reproductive harm.

1 If Point of Sale Warnings are used, where more than one Product is sold in proximity to
2 other like items or to those that do not require a warning (e.g., Reformulated Products as defined
3 in Section 2.1), the following statements under either Option A or Option B below must be used:¹

4 Option A:

5 For Products containing DEHP:

6 **WARNING:** The following products contain DEHP, a
7 phthalate chemical known to the State of
8 California to cause birth defects and other
reproductive harm:

9 *[list products for which warning is required]*

10 For Products containing lead:

11 **WARNING:** The following products contain lead, a
12 chemical known to the State of California to
cause birth defects and other reproductive
harm:

13 *[list products for which warning is required]*

14 For Products containing DEHP and lead:

15 **WARNING:** The following products contain DEHP and
16 lead, chemicals known to the State of
California to cause birth defects and other
reproductive harm:

17 *[list products for which warning is required]*

18 Option B:

19 **WARNING:** The following products contain one or more
20 chemicals known to the State of California to
cause birth defects and other reproductive
harm:

21 *[list products for which warning is required]*

22 **(b) Mail Order Catalog and Internet Sales.** In the event that Kraco and/or
23 Auto-Expressions sells Products via mail order catalog and/or the internet, to customers located in
24 California, after the Effective Date, and that are not Reformulated Products, Kraco and/or Auto-
25 Expressions shall provide a warning for such Products sold via mail order catalog or the internet to
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27 ¹ For purposes of the Consent Judgment, "sold in proximity" shall mean that the Product and another product are
28 offered for sale close enough to each other that the consumer, under customary conditions of purchase, could not
reasonably determine which of the two products is subject to the warning sign.

1 California residents. Warnings given in the mail order catalog or on the internet shall identify the
2 *specific* Product to which the warning applies as further specified in Sections 2.3(b)(i) and (ii).

3 (i) **Mail Order Catalog Warning.** Any warning provided in a mail
4 order catalog shall be in the same type size or larger than the Product description text within the
5 catalog. Warnings shall be provided pursuant to either Option A or Option B below and shall be
6 on the same page and in the same location as the display and/or description of the Product:

7 Option A:

8 For Products containing DEHP:

9 **WARNING:** This product contains DEHP, a phthalate
10 chemical known to the State of California to
11 cause birth defects and other reproductive
12 harm.

12 For Products containing lead:

13 **WARNING:** This product contains lead, a chemical known
14 to the State of California to cause birth defects
15 and other reproductive harm.

15 For Products containing DEHP and lead:

16 **WARNING:** This product contains DEHP and lead,
17 chemicals known to the State of California to
18 cause birth defects and other reproductive
19 harm.

18 Option B:

19 **WARNING:** This product contains one or more chemicals
20 known to the State of California to cause birth
21 defects and other reproductive harm.

21 Where it is impracticable to provide the warning on the same page and in the same location
22 as the display and/or description of the Product, Kraco and/or Auto-Expressions may utilize a
23 designated symbol to cross reference the applicable warning and shall define the term "designated
24 symbol" with language pursuant to either Option A or Option B below on the inside of the front
25 cover of the catalog or on the same page as any order form for the Product(s):
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1 For Products containing DEHP:

2 Option A:

3 **WARNING:** Certain products identified with this symbol
4 ▼ and offered for sale in this catalog
5 contain DEHP, a phthalate chemical known
6 to the State of California to cause birth
7 defects and other reproductive harm.

6 For Products containing lead:

7 **WARNING:** Certain products identified with this symbol
8 ■ and offered for sale in this catalog
9 contain lead, a chemical known to the State
10 of California to cause birth defects and
11 other reproductive harm.

10 For Products containing DEHP and lead:

11 **WARNING:** Certain products identified with this
12 symbol ● and offered for sale in this
13 catalog contain DEHP and lead, chemicals
14 known to the State of California to cause
15 birth defects and other reproductive harm.

14 Option B:

15 **WARNING:** Certain products identified with this symbol
16 ▼ and offered for sale in this catalog
17 contain one or more chemicals known to
18 the State of California to cause birth defects
19 and other reproductive harm.

18 The designated symbol shall appear on the same page and in close proximity to the display
19 and/or description of the Product. On each page where the designated symbol appears, Kraco
20 and/or Auto-Expressions shall provide a header or footer directing the consumer to the warning
21 language and definition of the designated symbol.

22 (ii) **Internet Website Warning.** A warning may be given in
23 conjunction with the sale of the Products via the internet, provided it appears either: (a) on the
24 same web page on which a Product is displayed; (b) on the same web page as the order form for a
25 Product; (c) on the same page as the price for any Product; or (d) on one or more web pages
26 displayed to a purchaser during the checkout process. A warning statement pursuant to either
27 Option A or Option B below shall be used and shall appear in any of the above instances adjacent
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1 to or immediately following the display, description, or price of the Product for which it is given
2 in the same type size or larger than the Product description text:

3 Option A:

4 For Products containing DEHP:

5 **WARNING:** This product contains DEHP, a phthalate
6 chemical known to the State of California to
7 cause birth defects and other reproductive
8 harm.

8 For Products containing lead:

9 **WARNING:** This product contains lead, a chemical known
10 to the State of California to cause birth defects
11 and other reproductive harm.

11 For Products containing DEHP and lead:

12 **WARNING:** This product contains DEHP and lead,
13 chemicals known to the State of California to
14 cause birth defects and other reproductive
15 harm.

14 Option B:

15 **WARNING:** This product contains one or more chemicals
16 known to the State of California to cause birth
17 defects and other reproductive harm.

17 Alternatively, the designated symbol may appear adjacent to or immediately following the
18 display, description, or price of the Product for which a warning is being given, provided that a
19 warning statement pursuant to Option A or Option B below also appears elsewhere on the same
20 web page:

21 Option A:

22 For Products containing DEHP:

23 **WARNING:** Products identified on this page with the
24 following symbol ▼ contain DEHP, a
25 phthalate chemical known to the State of
26 California to cause birth defects and other
27 reproductive harm.
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For Products containing lead:

WARNING: Products identified on this page with the following symbol ■ contain lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

For Products containing DEHP and lead:

WARNING: Products identified on this page with the following symbol ● contain DEHP and lead, chemicals known to the State of California to cause birth defects and other reproductive harm.

Option B:

WARNING: Products identified on this page with the following symbol ▼ contain one or more chemicals known to the State of California to cause birth defects and other reproductive harm.

3. PAYMENT OF PENALTIES

In settlement of all the claims referred to in this Consent Judgment, Kraco and Auto-Expressions, combined, shall pay \$20,000 in civil penalties as follows:

3.1 Initial Civil Penalty

Kraco and Auto-Expressions, combined, shall pay an initial civil penalty of \$8,000, to be apportioned in accordance with California Health & Safety Code § 25249.12(c) & (d), with 75% of these funds remitted to the State of California’s Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to John Moore. Kraco and Auto-Expressions, combined, shall issue two separate checks for the penalty payment: (a) one check made payable to “The Chanler Group in Trust For OEHHA” in the amount of \$6,000 representing 75% of the total penalty; and (b) one check to “The Chanler Group in Trust for John Moore” in the amount of \$2,000, representing 25% of the total penalty. Two separate 1099s shall be issued for the above payments: (a) OEHHA, P.O. Box 4010, Sacramento, CA, 95814 (EIN: 68-0284486); and (b) John Moore, whose information shall be provided five calendar days before the payment is due.

1 Payment shall be delivered to Moore's counsel on or before November 1, 2011, at the
2 following address:

3 The Chanler Group
4 Attn: Proposition 65 Controller
5 2560 Ninth Street
6 Parker Plaza, Suite 214
7 Berkeley, CA 94710

6 **3.2 Final Civil Penalty**

7 Kraco and Auto-Expressions, combined, shall pay a final civil penalty of \$12,000, on
8 March 30, 2012. As incentive to reformulate the Products, however, the final civil penalty shall
9 be waived in its entirety if an Officer of Kraco or Auto-Expressions certifies in writing that as of
10 March 1, 2012, Kraco has sold, shipped and offered for sale in California only Reformulated
11 Products and that it will continue to sell, ship and offer for sale in California only Reformulated
12 Products. Such certification must be received by The Chanler Group on or before March 15,
13 2012. The final civil penalty payment shall be apportioned in accordance with California Health
14 & Safety Code § 25249.12(c) & (d), with 75% of these funds remitted to the State of California's
15 Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the
16 penalty remitted to John Moore. Kraco and Auto-Expressions, combined, shall issue two separate
17 checks for the final civil penalty payment: (a) one check made payable to "The Chanler Group in
18 Trust For OEHHA" in an amount representing 75% of the total penalty; and (b) one check to "The
19 Chanler Group in Trust for John Moore" in an amount representing 25% of the total penalty. Two
20 separate 1099s shall be issued for the above payments: (a) OEHHA, P.O. Box 4010, Sacramento,
21 CA, 95814 (EIN: 68-0284486); and (b) John Moore, whose information shall be provided five
22 calendar days before the payment is due (if different than the information already provided to
23 Kraco and Auto-Expressions under Section 3.1 above).

24 Payment shall be delivered to Moore's counsel at the following address:

25 The Chanler Group
26 Attn: Proposition 65 Controller
27 2560 Ninth Street
28 Parker Plaza, Suite 214
Berkeley, CA 94710

1 **4. REIMBURSEMENT OF ATTORNEY'S FEES AND COSTS**

2 The parties acknowledge that Moore and his counsel offered to resolve this dispute without
3 reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee
4 issue to be resolved after the material terms of the agreement had been settled. Kraco and Auto-
5 Expressions then expressed a desire to resolve the fee and cost issue shortly after the other
6 settlement terms had been finalized. The parties reached an accord on the compensation due to
7 Moore and his counsel under general contract principles and the private attorney general doctrine
8 codified at California Code of Civil Procedure (CCP) §1021.5. Kraco and Auto-Expressions shall
9 reimburse Moore and his counsel \$79,679 for fees and costs incurred as a result of investigating,
10 bringing this matter to its attention, and negotiating a settlement in the public interest. This figure
11 includes Moore's future fees and costs including attorney's fees to be incurred in seeking judicial
12 approval of this Consent Judgment as well as any other legal work performed after the execution
13 of this Consent Judgment incurred in an effort to obtain finality of the case. However, in the event
14 a third party were to appeal entry of this Consent Judgment, Moore and his counsel shall be
15 entitled to seek their reasonable attorney's fees and costs associated with all appellate work
16 defending the entry of judgment pursuant to CCP §1021.5. The check for reimbursement of fees
17 and costs shall be made payable to "The Chanler Group" and shall be delivered on or before
18 November 1, 2011, to the following address:

19 The Chanler Group
20 Attn: Proposition 65 Controller
21 2560 Ninth Street
22 Parker Plaza, Suite 214
23 Berkeley, CA 94710

24 A separate 1099 shall be issued to "The Chanler Group" (EIN: 94-3171522) for the
25 amount of the reimbursement of Plaintiff's fees and costs.

26 **5. CLAIMS COVERED AND RELEASED**

27 **5.1 Full, Final and Binding Resolution of Proposition 65 Allegations**

28 This Consent Judgment is a full, final, and binding resolution between Plaintiff, on behalf
of himself and the public, and Kraco and Auto-Expressions, of any violation of Proposition 65 that
was or could have been asserted by Plaintiff against Kraco and Auto-Expressions, their parents,

1 subsidiaries, affiliated entities that are under common ownership, directors, officers, employees,
2 attorneys, and each entity to whom Kraco and Auto-Expressions directly or indirectly distributes
3 or sells Products, including but not limited to downstream distributors, wholesalers, customers,
4 retailers, including, but not limited to, Wal-Mart Stores, Inc. and its affiliates and subsidiaries,
5 franchisees, cooperative members, licensors, and licensees ("Releasees"), based on their failure to
6 warn about alleged exposures to lead and DEHP contained in the Products that were sold,
7 manufactured or distributed by Kraco and/or Auto-Expressions.

8 **5.2 Moore's Public Release of Proposition 65 Claims**

9 In further consideration of the promises and agreements herein contained, Plaintiff on
10 behalf of himself, his past and current agents, representatives, attorneys, successors, and/or
11 assignees, and in the interest of the general public, hereby waives all rights to institute or
12 participate in, directly or indirectly, any form of legal action and releases all claims, including,
13 without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands,
14 obligations, damages, costs, fines, penalties, losses, or expenses -- including, but not limited to,
15 investigation fees, expert fees, and attorneys' fees, but exclusive of fees and costs on appeal --
16 limited to and arising under Proposition 65 with respect to lead and DEHP in the Products sold by
17 Kraco and/or Auto-Expressions (collectively "claims"), against Kraco, Auto-Expressions and
18 Releasees.

19 **5.3 Moore's Individual Release of Claims**

20 Moore also, in his individual capacity only and *not* in his representative capacity, provides
21 a release herein which shall be effective as a full and final accord and satisfaction, as a bar to all
22 actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims,
23 liabilities and demands of plaintiff of any nature, character or kind, whether known or unknown,
24 suspected or unsuspected, limited to and arising out of alleged or actual exposures to lead and
25 DEHP in the Products manufactured, distributed or sold by Kraco and/or Auto-Expressions.

1 **5.4 Kraco's and Auto-Expressions' Release of Moore**

2 Kraco and Auto-Expressions on behalf of themselves, their past and current agents,
3 representatives, attorneys, successors, and/or assignees, hereby waive any and all claims against
4 Plaintiff, his attorneys and other representatives, for any and all actions taken or statements made
5 (or those that could have been taken or made) by Plaintiff and his attorneys and other
6 representatives, whether in the course of investigating claims or otherwise seeking to enforce
7 Proposition 65 against it in this matter with respect to the Products.

8 **6. COURT APPROVAL**

9 This Consent Judgment is not effective until it is approved and entered by the Court and
10 shall be null and void if, for any reason, it is not approved and entered by the Court within one
11 year after it has been fully executed by all parties.

12 **7. SEVERABILITY**

13 If, subsequent to the execution of this Consent Judgment, any of the provisions of this
14 Consent Judgment are held by a court to be unenforceable, the validity of the enforceable
15 provisions remaining shall not be adversely affected.

16 **8. GOVERNING LAW**

17 The terms of this Consent Judgment shall be governed by the laws of the State of
18 California and apply within the State of California. In the event that Proposition 65 is repealed,
19 preempted or is otherwise rendered inapplicable by reason of law generally, or if any of the
20 provisions of this Consent Judgment are rendered inapplicable or no longer require as a result of
21 any such repeal or preemption or rendered inapplicable by reason of law generally as to the
22 Products, then Kraco and Auto-Expressions shall have no further obligations pursuant to this
23 Consent Judgment with respect to, and to the extent that, the Products are so affected.

24 **9. NOTICES**

25 Unless specified herein, all correspondence and notices required to be provided pursuant to
26 this Consent Judgment shall be in writing and personally delivered or sent by: (i) first-class,

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1 (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the
2 other party at the following addresses:

3	To Kraco and Auto-Expressions:	To Moore:
4	Stephen J. O'Neil, Esq.	Proposition 65 Coordinator
5	Sheppard Mullin	The Chanler Group
6	Richter & Hampton LLP	2560 Ninth Street
7	333 South Hope Street	Parker Plaza, Suite 214
	Forty-Third Floor	Berkeley, CA 94710-2565
	Los Angeles, CA 90071	

8 Any party, from time to time, may specify in writing to the other party a change of address
9 to which all notices and other communications shall be sent.

10 **10. COUNTERPARTS; FACSIMILE SIGNATURES**

11 This Consent Judgment may be executed in counterparts and by facsimile or pdf signature,
12 each of which shall be deemed an original, and all of which, when taken together, shall constitute
13 one and the same document. A facsimile or pdf signature shall be as valid as the original.

14 **11. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)**

15 Moore and his attorneys agree to comply with the reporting form requirements referenced
16 in California Health & Safety Code § 25249.7(f).

17 **12. ADDITIONAL POST EXECUTION ACTIVITIES**

18 Moore and Kraco and Auto-Expressions agree to mutually employ their best efforts to
19 support the entry of this agreement as a Consent Judgment and obtain approval of the Consent
20 Judgment by the Court in a timely manner. The parties acknowledge that, pursuant to California
21 Health & Safety Code § 25249.7, a noticed motion is required to obtain judicial approval of this
22 Consent Judgment, which Moore shall draft and file, and Kraco and Auto-Expressions shall join.
23 If any third party objection to the noticed motion is filed, Moore and Kraco and Auto-Expressions
24 shall work together to file a joint reply and appear at any hearing before the Court. This provision
25 is a material component of the Consent Judgment and shall be treated as such in the event of a
26 breach.

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1 **13. MODIFICATION**

2 This Consent Judgment may be modified only: (1) by written agreement of the parties and
3 upon entry of a modified Consent Judgment by the Court thereon; or (2) upon a successful motion
4 of any party and entry of a modified Consent Judgment by the Court.

5 **14. AUTHORIZATION**

6 The undersigned are authorized to execute this Consent Judgment on behalf of their
7 respective parties and have read, understood, and agree to all of the terms and conditions of this
8 Consent Judgment.

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11 **AGREED TO:**

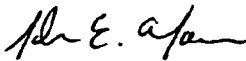
AGREED TO:

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13 **Date:** September 28, 2011

Date: September 28, 2011

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15 **By:** 
Plaintiff, John Moore

By: _____
Defendant, Kraco Enterprises, LLC

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AGREED TO:

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Date: September 28, 2011

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By: _____
Defendant, Auto-Expressions, LLC

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13. MODIFICATION

This Consent Judgment may be modified only: (1) by written agreement of the parties and upon entry of a modified Consent Judgment by the Court thereon; or (2) upon a successful motion of any party and entry of a modified Consent Judgment by the Court.

14. AUTHORIZATION

The undersigned are authorized to execute this Consent Judgment on behalf of their respective parties and have read, understood, and agree to all of the terms and conditions of this Consent Judgment.

AGREED TO:

Date: September 28, 2011

By: _____
Plaintiff, John Moore

AGREED TO:

Date: September 28, 2011

By: Robert R. Brocuff
Defendant, Kraco Enterprises, LLC

AGREED TO:

Date: September 28, 2011

By: Robert R. Brocuff
Defendant, Auto-Expressions, LLC