1 2 3 4 5 6 7	LEXINGTON LAW GROUP Mark N. Todzo, State Bar No. 168389 Howard Hirsch, State Bar No. 213209 Lisa Burger, State Bar No. 239676 1627 Irving Street San Francisco, CA 94122 Telephone: (415) 759-4111 Facsimile: (415) 759-4112 Attorneys for Plaintiff CENTER FOR ENVIRONMENTAL HEALTH			
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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
10 11	COUNTY OF MARIN			
11				
12	CENTER FOR ENVIRONMENTAL HEALTH, ) Case No. CIV1100300			
14	a non-profit corporation,			
15	Plaintiff, (PROPOSED) CONSENT JUDGMENT AS TO KITTRICH CORPORATION			
16	v. )			
17				
18	99 CENTS ONLY STORES; KITTRICH ) CORPORATION; and Defendant DOES 1			
19	through 200, inclusive,			
20	Defendants.			
21	)			
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	CEH V 99 CENTS ONLY STORES ET AL - CONSENT HIDGMENT RE-KITTRICH - Case No. CIVI100300			

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#### 1. INTRODUCTION

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1.1 On January 18, 2011, Plaintiff Center for Environmental Health
 ("CEH"), a non-profit corporation acting in the public interest, filed a complaint entitled *Center for Environmental Health v. 99 Cents Only Stores, et al.*, Marin County Superior Court Case
 Number CIV1100300, for civil penalties and injunctive relief pursuant to the provisions of Cal.
 Health & Safety Code § 25249.5, *et seq.* ("Proposition 65") and naming Kittrich Corporation
 ("Defendant") as a defendant.

8 1.2 Defendant is a corporation that employs ten or more persons and
9 manufactured, distributed and/or sold shelf paper containing insecticide (the "Products") in the
10 State of California.

11 1.3 On or about November 11, 2010, CEH served Defendant and the appropriate public enforcement agencies with the requisite 60-day Notice (the "Notice") alleging 12 13 that Defendant was in violation of Proposition 65. CEH's Notice and the Complaint in the CEH action allege that Defendant exposes people who use or otherwise handle the Products to 14 15 propoxur, a chemical known to the State of California to cause cancer, without first providing 16 clear and reasonable warning to such persons regarding the carcinogenicity of propoxur. The Notice and Complaint allege that Defendant's conduct violates Health & Safety Code § 25249.6, 17 the warning provision of Proposition 65. Defendant disputes such allegations and asserts that all 18 19 of its Products comply with all applicable laws.

1.4 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the subject matter of the violations alleged in CEH's Complaint and personal jurisdiction over Defendant as to the acts alleged in CEH's Complaint, that venue is proper in the County of Marin, and that this Court has jurisdiction to enter this Consent Judgment as a full and final resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein.

1.5 The Parties enter into this Consent Judgment pursuant to a settlement of
certain disputed claims between the Parties as alleged in the Complaint. By executing this
Consent Judgment, the Parties do not admit any facts or conclusions of law. It is the Parties'

intent that nothing in this Consent Judgment shall be construed as an admission by the Parties of
 any fact, conclusion of law, issue of law or violation of law, nor shall compliance with the
 Consent Judgment constitute or be construed as an admission by the Parties of any fact,
 conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall
 prejudice, waive or impair any right, remedy, argument or defense the Parties may have in this or
 any other or future legal proceedings.

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#### **COMPLIANCE – WARNING**

8 2.1 Warnings on Product Labels. Upon entry of this Consent Judgment (the
9 "Compliance Date"), Defendant shall not distribute, ship, or sell, or cause to be distributed,
10 shipped or sold, any Product that contains propoxur unless such Product bears a label containing
11 the following warning language:

12	<b>"WARNING:</b>	This product contains propoxur, a
13		chemical known to the State of California
14		to cause cancer. Do not use this product
15		near food or any items that touch food.
16		Wash hands after handling this product
17		or items stored on this product."

The warning statement shall be prominently displayed in bold on the front of the outside of the 18 packaging for the Product, and shall be displayed in a separate outlined box set apart from any 19 other print and that contains no other language. The warning must be displayed with such 20 conspicuousness, as compared with other words, statements, or designs as to render it likely to be 21 22 read and understood by an ordinary individual. The warning statement shall not be preceded, 23 followed, or surrounded by words, symbols, or other matter that reduces its conspicuousness or that introduces, modifies, qualifies, or explains the required text, such as "legal notice required 24 25 by law." The parties agree that the copy of the label attached hereto as Exhibit A satisfies the 26 requirements of this section. Defendant shall not provide the warning described in this paragraph 27 for Products that do not contain propoxur. Defendant shall maintain documentation 28 demonstrating its compliance with this Section 2.1, which shall be made available to CEH upon

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request.

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2 2.2 Warnings on Defendant's Website. Defendant intends to cease all
internet sales of the Products from its website. However, should Defendant, at any time after the
Compliance Date, begin selling Products over the internet from its website, Defendant shall not
distribute, ship, or sell, or cause to be distributed, shipped or sold, any Product over the internet
unless the following warning is provided to any internet purchaser prior to payment for the
Product:

"WARNING: This product contains propoxur, a chemical known to the State of California to cause cancer. Do not use this product near food or any items that touch food. Wash hands after handling this product or items stored on this product."

13 The warning statement shall be prominently displayed in at least 14 point font on the webpage to which a customer is directed prior to commencing a purchase of any Product. The warning must 14 15 be displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual. The warning statement 16 shall not be preceded, followed, or surrounded by words, symbols, or other matter that reduces its 17 18 conspicuousness or that introduces, modifies, qualifies, or explains the required text, such as 19 "legal notice required by law." Defendant shall not provide the warning described in this 20 paragraph for Products that do not contain propoxur. Defendant shall maintain documentation 21 demonstrating its compliance with this Section 2.2, which shall be made available to CEH upon 22 request.

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### 3. SETTLEMENT PAYMENTS

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 3.1
 Payments From Defendant. Within ten (10) days of entry of this

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 Consent Judgment, Defendant shall pay the total sum of \$32,500 as a settlement payment.

3.2 Allocation of Payments. The total settlement amount for Defendant shall
be paid in three separate checks delivered to the offices of the Lexington Law Group at the
address set forth in Section 10 below, and made payable and allocated as follows:

3.2.1 Civil Penalty. Defendant shall pay \$3,000 as a civil penalty
 pursuant to Health & Safety Code § 25249.7(b), such money to be apportioned by CEH in
 accordance with Health & Safety Code § 25249.12. The penalty check shall be made payable to
 the Center For Environmental Health.

5 3.2.2 Monetary Payment in Lieu of Civil Penalty. Defendant shall 6 pay to CEH \$9,000 in lieu of penalty pursuant to Health & Safety Code § 25249.7(b). CEH shall 7 use such funds to continue its work protecting people from exposures to toxic chemicals. In 8 addition, as part of its Community Environmental Action and Justice Fund, CEH will use four 9 percent of such funds to award grants to grassroots environmental justice groups working to 10 educate and protect people from exposures to toxic chemicals. The method of selection of such 11 groups can be found at the CEH web site at www.ceh.org/justicefund. The payment in lieu of 12 penalty check shall be made payable to the Center For Environmental Health.

3.2.3 Attorneys' Fees and Costs. Defendant shall pay \$20,500 to
reimburse CEH and its attorneys for their reasonable investigation fees and costs, attorneys' fees,
and any other costs incurred as a result of investigating, bringing this matter to Defendant's
attention, litigating and negotiating a settlement in the public interest. The attorneys' fees and
cost reimbursement check shall be made payable to the Lexington Law Group.

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#### **MODIFICATION OF CONSENT JUDGMENT**

4.1 This Consent Judgment may be modified by written agreement of CEH
and Defendant, or upon motion of CEH or Defendant as provided by law.

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#### 5. ENFORCEMENT OF CONSENT JUDGMENT

5.1 Enforcement Procedures. Prior to bringing any motion or order to show
cause to enforce the terms of this Consent Judgment, a Party seeking to enforce shall provide the
violating party thirty (30) days advanced written notice of the alleged violation. The Parties shall
meet and confer during such thirty (30) day period in an effort to try to reach agreement on an
appropriate cure for the alleged violation. After such thirty (30) day period, the Party seeking to
enforce may, by new action, motion or order to show cause before the Superior Court of Marin,
seek to enforce the terms and conditions contained in this Consent Judgment. Should the Party

seeking to enforce prevail on any motion or application under this section, such Party shall be 1 2 entitled to recover its reasonable attorneys' fees and costs associated with such motion or order to 3 show cause from the non-moving Party.

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## APPLICATION OF CONSENT JUDGMENT

This Consent Judgment shall apply to and be binding upon the Parties 5 6.1 hereto, their divisions, subdivisions and subsidiaries, and the successors or assigns of any of 6 7 them.

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### CLAIMS COVERED AND RELEASE OF CLAIMS

This Consent Judgment is a full, final and binding resolution between 9 7.1 10 CEH and Defendant of any violation of Proposition 65 that was or could have been asserted in the Complaint against Defendant (including any claims that could be asserted in connection with 11 12 any of the Products covered by this Consent Judgment) or its parents, subsidiaries, affiliates, directors, officers, employees, agents, attorneys, distributors, customers or retailers including 13 defendant 99 Cents Only Stores (collectively, "Defendant Releasees") based on failure to warn 14 about alleged exposures to propoxur resulting from any Products manufactured, distributed or 15 sold by Defendant ("Covered Claims") on or prior to the date of entry of this Consent Judgment. 16 17 CEH, its directors, officers, employees and attorneys hereby release all Covered Claims against Defendant Releasees. Compliance with the terms of this Consent Judgment constitutes 18 compliance with Proposition 65 for purposes of propoxur exposures from the Products. 19

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#### 8. **GOVERNING LAW**

21 8.1 The terms of this Consent Judgment shall be governed by the laws of the State of California. 22

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#### 9. **RETENTION OF JURISDICTION**

24 9.1 This Court shall retain jurisdiction of this matter to implement and enforce 25 the terms this Consent Judgment.

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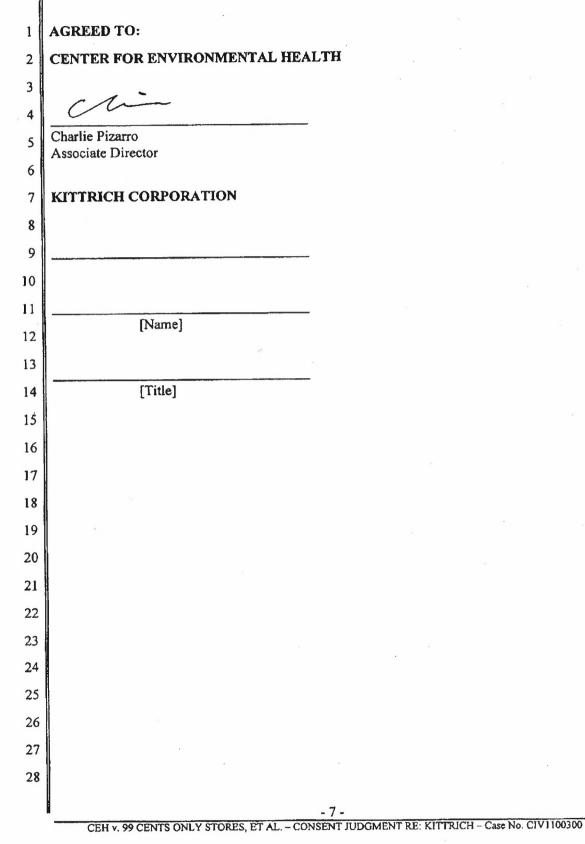
## **PROVISION OF NOTICE**

10.1 All notices required pursuant to this Consent Judgment and 28 correspondence shall be sent to the following:

[			1	
1	For CEH:			
2		Mark N. Todzo		
3		Lexington Law Group 503 Divisidero Street		
4		San Francisco, CA 94117		
5	For Defendar	t:		
6		Todd Winter		
7	Winter LLP 1901 Newport Blvd., Ste. 350			
8		Costa Mesa, CA 92627		
9	11.	COURT APPROVAL		
10		11.1 CEH will comply with the settlement notice provisions of Health & Safety		
11	Code § 25249.7(f) and Title 11 of the California Code of Regulations § 3003 by preparing and			
12	filing a motio	n for approval of this Consent Judgment and Defendant shall support approval of		
13	such motion.			
14	12.	COUNTERPARTS		
15		12.1 The stipulations to this Consent Judgment may be executed in		
16	counterparts.			
17	13.	AUTHORIZATION		
18		13.1 Each signatory to this Consent Judgment certifies that he or she is fully		
19	authorized by	the party he or she represents to stipulate to this Consent Judgment and to enter		
20	into and exec	ute the Consent Judgment on behalf of the party represented and legally bind that		
21	party. The ur	dersigned have read, understand and agree to all of the terms and conditions of this		
22	Consent Judg	ment. Except as explicitly provided herein, each party is to bear its own fees and		
23	costs.			
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	0000	CENTS ONLY STOPES ET AL - CONSENT HIDOMENT RE-KITTRICH - Care No. CIVI 100300		

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CEH v. 99 CENTS ONLY STORES, ET AL. - CONSENT JUDGMENT RE: KITTRICH - Case No. CIV1100300



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**AGREED TO: CENTER FOR ENVIRONMENTAL HEALTH** Charlie Pizarro Associate Director KITTRICH CORPORATION bert Friedland [Name] President obert [Title] - 7 -CEH v. 99 CENTS ONLY STORES, ET AL. - CONSENT JUDGMENT RE: KITTRICH - Case No. CIV1100300

1	JUDGMENT
2	Based upon the stipulated Consent Judgment between CEH and Kittrich
3.	Corporation, the settlement is approved and the clerk is directed to enter judgment in accordance
4	with the terms herein.
5	JUL 1 9 2011
6	Dated:
7	I VNINI IN IDVICE
8	LYNN DURYEE Judge, Superior Court of the State of California
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	- 8 - CEH v. 99 CENTS ONLY STORES, ET AL. – CONSENT JUDGMENT RE: KITTRICH – Case No. CIV1100300

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# **Exhibit** A

