Ī MICHAEL J. STEEL (BAR NO. 107492) Email: MSteel@mofo.com WILLIAM F. TARANTINO (BAR NO. 215343) 2 Email: WTarantino@mofo.com 3 MORRISON & FOERSTER LLP 425 Market Street San Francisco, California 94105-2482 4 Telephone: 415.268.7000 5 Facsimile: 415.268.7522 6 Attorneys for Defendants FORTUNE BRANDS HOME & SECURITY, INC. 7 MASTER LOCK COMPANY LLC 8 Clifford A. Chanler (State Bar No. 135534) Gregory M. Sheffer (State Bar No. 173124) 9 THE CHANLER GROUP 81 Throckmorton Ave., Suite 202 10 Mill Valley, CA 94941 Telephone: 415.388.0911 11 Facsimile: 415.388.9911 12 Attorneys for Plaintiff RUSSELL BRIMER 13 14 SUPERIOR COURT OF THE STATE OF CALIFORNIA 15 COUNTY OF SAN FRANCISCO 16 17 RUSSELL BRIMER. Case No. CGC-11-513375 18 Plaintiff, HK 19  $\mathbf{V}_{*}$ IPROPOSEDI JUDGMENT PURSUANT TO TERMS OF CONSENT 20 FORTUNE BRANDS HOME & SECURITY, TO JUDGMENT INC., MASTER LOCK COMPANY LLC, and 21 DOES 1-150, 22 Complaint Filed: August 16, 2011 Defendants. 23 24 25 26 27 28

In the above-entitled action, Plaintiff RUSSELL BRIMER and Defendants FORTUNE BRANDS HOME & SECURITY, INC. and MASTER LOCK COMPANY LLC have agreed through their respective counsel that judgment be entered pursuant to the terms of the Consent to Judgment entered into by the parties and approved on January 9, 2012.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that pursuant to Code of Civil Procedure section 664.6, judgment is entered in accordance with the terms of the Consent to Judgment, attached hereto as Exhibit A. By stipulation of the parties, the Court will retain jurisdiction to enforce the settlement under Code of Civil Procedure § 664.6.

IT IS SO ORDERED.

Dated: 1912

Judge of the San Francisco County Superior Court

HAROLD KAHN

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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	COUNTY OF SAN FRANCISCO	
11	RUSSELL BRIMER,	Case No. CGC-11-513375
12	Plaintiff,	UNLIMITED JURISDICTION
13	ν.	CONSENT TO JUDGMENT
14	FORTUNE BRANDS, INC., MASTER LOCK COMPANY LLC, and DOES 1-150,	Health & Safety Code § 25249.6
15	Defendants.	
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#### 1. INTRODUCTION

#### 1.1 Parties

This Consent To Judgment is entered into by and between Russell Brimer (hereinafter "Brimer") Fortune Brands, Inc. and Master Lock LLC (both Fortune Brands, Inc. and Master Lock LLC shall hereafter collectively be referred to as "Fortune Brands" or "Defendants"), with Brimer, Fortune Brands, Inc. and Master Lock LLC collectively referred to as the "Parties."

## 1.2 Russell Brimer

Brimer is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products.

#### 1.3 Fortune Brands and Master Lock LLC

Defendants each employs ten or more persons and are each a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6, *et seq.* ("Proposition 65").

## 1.4 General Allegations

Brimer alleges that Fortune Brands has manufactured, distributed and/or sold into the State of California, whether directly or indirectly, security storage bags made with materials containing lead. Lead is listed pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§25249.5 et seq. ("Proposition 65"), as a chemical known to the State of California to be a reproductive toxicant. Lead shall be referred to herein as the "Listed Chemical."

## 1.5 Product Description

The products covered by this Consent To Judgment are Master Lock Storage Bags, 3 Pack, Style #67878, manufactured or caused to be manufactured by Defendants for sale in California. Such products shall be referred to herein as the "Covered Products."

# 1.6 Notice of Violation

On or about November 23, 2010, Brimer served Fortune Brands and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (the "Notice")

alleging that Fortune Brands was in violation of California Health & Safety Code §25249.6 for failing to warn consumers and customers that the Covered Products exposed users in California to the Listed Chemical. As of the date of this Consent To Judgment, no public enforcer has diligently prosecuted the allegations set forth in the Notice.

# 1.7 Complaint

On August 16, 2011, Brimer filed a complaint in the Superior Court in and for the County of San Francisco against Defendants and Does 1 through 150, *Brimer v. Fortune Brands, Inc.*, *Master Lock LLC*, *et al.* Case No. CGC-11-513375 (the "Action"), alleging violations of California Health and Safety Code § 25249.6, based on the alleged exposures to the Listed Chemical contained in the Covered Products.

## 1.8 No Admission

Defendants each deny the material factual and legal allegations contained in Brimer's Notice and the Action, and maintain that all products that they have sold and distributed in California, including the Covered Products, have been and are in compliance with all laws. Nothing in this Consent To Judgment shall be construed as an admission by Defendants of any fact, finding, issue of law, or violation of law; nor shall compliance with this Consent To Judgment constitute or be construed as an admission by Defendants of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Defendants. However, this section shall not diminish or otherwise affect the obligations, responsibilities and duties of Defendants under this Consent To Judgment.

#### 1.9 Consent to Jurisdiction

For purposes of this Consent To Judgment only, the Parties stipulate that this Court has jurisdiction over Fortune Brands as to the allegations contained in the Complaint, that venue is proper in the County of San Francisco and that this Court has jurisdiction to enter and enforce the provisions of this Consent To Judgment.

# 1.10 Effective Date

For purposes of this Consent To Judgment, the term "Effective Date" shall mean June 15, 2011.

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## 2. INJUNCTIVE RELIEF: WARNINGS AND REFORMULATION

## 2.1 Reformulation Commitment

As of the Effective Date, Defendants shall only manufacture, purchase or distribute, or cause to be manufactured, purchased or distributed, Covered Products that are Lead Free, as set forth below.

For purposes of this Consent To Judgment, "Lead Free" products shall mean Covered Products containing materials on any outer surface of the exterior or interior of the Covered Product that may be handled, touched or mouthed by a consumer, and which surface materials each yield less than 1.0 microgram of lead when using a wipe test pursuant to NIOSH Test Method 9100 and each yield less than 300 parts per million ("ppm") lead when such surface material is analyzed pursuant to EPA testing methodologies 3050B and 6010B, or equivalent methodologies utilized by Federal or State agencies for the purpose of determining lead content in a solid substance.

# 2.2 Existing Product Warnings

As to all Covered Products in the possession, custody or control of Defendants that are not Lead Free, Defendants shall not sell, ship or otherwise distribute any Covered Products unless each such Covered Product, or each such shipment or distribution of Covered Products, includes a number of hang tags or self-adhesive stickers, equal to 120% the number of Covered Products being shipped or distributed, each of a dimension no less than 2 in. x 4 in., that contain the following printed language:

WARNING: This product is made with materials containing lead, a chemical known to the state of California to cause birth defects or other reproductive harm.

Each such shipment or distribution of Covered Products under this Section must also include a letter, attached to the shipping label or invoice for such shipment that includes the wording and format as that contained in Exhibit A to this Consent To Judgment.

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# 2.3 Warnings For Catalog or Internet Product Description.

As of the Effective Date, and until all Covered Products sold by Defendants are Lead Free, any description of any Covered Product in any catalog, Internet or other written medium created, controlled or authorized by either Defendant, Defendants shall provide a warning statement along with the description or representation of the Covered Product. Warnings given in any catalog or on any Internet website shall identify the specific Product to which the warning applies as further specified in sub sections (a) and (b) below.

(a) <u>Catalog Warning</u>. Any warning provided in a catalog must be in the same type size or larger than the Covered Product description text within the catalog. The following warning shall be provided on the same page and in the same location as each display of the Covered Products:

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

Where it is impracticable to provide the warning on the same page and in the same location as the display of the Covered Product, Defendants may utilize a designated symbol ( $\nabla$ ) to cross reference the applicable warning and shall define the term "designated symbol" with the following language on the inside of the front cover of the catalog and on the same page as any order form for the Covered Product(s):

WARNING: Certain products identified with this symbol ▼ and offered for sale in this catalog contain LEAD a chemical known to the State of California to cause birth defects and other reproductive harm.

The designated symbol must appear on the same page and in close proximity to the display or description of the Covered Product on such page. On each page where the designated symbol appears, Defendants must provide a reference directing the consumer to the warning language and definition of the designated symbol.

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In order for plaintiff to assert any claim against Fortune Brands under this Section, Brimer agrees to provide Fortune Brands and their counsel with a written notice of materially different sales, including identification of all evidence supporting a determination of materially different relevant sales, and a demand for such claimed additional penalties and attorney fees under this Section. After service of such demand, Fortune Brands shall have thirty (30) days to either (1) demonstrate that any alleged material differences discovered by plaintiff were the result of a good

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faith mistake by Fortune Brands or (2) agree to the amount fees and penalties owing by Fortune Brands and submit such payment to Brimer in accordance with the method of payment of penalties and fees identified in Sections 3.1 and 4.

Should this thirty (30) day period pass without any good faith determination or other resolution between the parties, or payment of claimed or negotiated additional penalties and fees, Brimer shall be entitled to pursue any and all available remedies at law. Should Brimer prevail in any dispute or other proceeding arising under this Section 3.2, Brimer shall be entitled to be awarded all reasonable attorney fees and costs arising out of identification and collection of penalties pursuant to this Section

# 3.3 Optional Civil Penalty Reductions

Defendants may reduce their penalty obligation in Section 3.1 by agreeing to perform and performing any or all of the following commitments:

(a) Defendants may realize a \$2,000.00 reduction in the total penalty amount due under Section 3.1 above if each Defendant agrees, by express, written confirmation, from a director officer or manager who is duly authorized to make such representations on Defendant's behalf, served upon Brimer by November 15, 2011, Consent To Judgment, that such Defendant has issued a written letter (electronic or otherwise) notice to (1) each California retail store or establishment to which it supplied any Covered Products within one year prior to the Effective Date (for any chain stores, such notice shall be sent to each individual store), (2) any business entity for which Defendant shipped Covered Products inside the State of California, (3) any other business entity to which Defendants sold or distributed Covered Products and which entity Defendants is reasonably aware of having sold any Covered Product in California within one year prior to the Effective Date and (4) any other business entity to which Defendants sold or distributed Covered Products, within one year prior to the Effective Date, and which entity Defendant is reasonably aware of having made any Covered Product available for sale through a web-based store, portal or other internet connected electronic method, that identifies the Covered Product, advises the recipient that each such Covered Product "is made with materials that contain lead, a chemical known to the State of California to cause birth defects and other

reproductive harm", and requests such recipient to either label the Covered Product with the product label identified in Section 2.2 or to return the Covered Product to Defendant at Defendant's sole expense. Defendants shall maintain records of all compliance correspondence or other communication generated pursuant to this Section for two (2) years from the Effective Date and shall produce copies of such records upon written request by Brimer.

(b) Defendants may realize a \$2,000.00 reduction in the total penalty amount due under Section 3.1 above if each Defendant agrees, by express, written confirmation from a director, officer or manager who is duly authorized to make such representations on Defendant's behalf, served upon Brimer by November 15, 2011, that the term "Lead Free" Products in Section 2.1 shall mean Covered Products containing materials on the exterior surface of the Covered Product that may be handled, touched or mouthed by a consumer, and which surface materials each yield less than 1.0 microgram of lead when using a wipe test pursuant to NIOSH Test Method 9100 and each yield less than 100 parts per million ("ppm") lead when analyzed pursuant to EPA testing methodologies 3050B and 6010B, or equivalent methodologies utilized by federal or state agencies for the purpose of determining lead content in a solid substance.

# 3.4 Reimbursement of Plaintiff's Fees And Costs

The Parties acknowledge that Brimer and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee issue to be resolved after the material terms of the agreement had been settled. Defendants then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The Parties then attempted to (and did) reach an accord on the compensation due to Brimer and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5, for all work performed in this matter, except fees that may be incurred on appeal. Under these legal principles, Defendants shall pay the amount of \$31,750.00 for fees and costs incurred investigating, litigating and enforcing this matter, including the fees and costs incurred (and yet to be incurred) negotiating, drafting, and obtaining the Court's approval of this Consent Judgment in the public interest.

## 4. RELEASE OF ALL CLAIMS

# 4.1 Release of Defendants and Downstream Customers

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4 above, and excepting any claim, agreement, penalty, fee or cost to be agreed or assessed under Section 3.2, Brimer, on behalf of himself, his past and current agents, representatives, attorneys, successors and/or assignees, and in the interest of the general public, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses (including, but not limited to, investigation fees, expert fees and attorneys' fees), of any nature whatsoever, arising out of Brimer's November 23, 2010, 60-Day Notice of Violation (collectively "Claims"), against Defendants and each of their downstream distributors, wholesalers, licensors, licensees, auctioneers, retailers, franchisees, dealers, customers, owners, purchasers, users, parent companies, corporate affiliates, subsidiaries, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities (collectively "Releasees").

This release is expressly limited to those claims that arise under Proposition 65, as such claims relate to Defendants' alleged failure to warn about exposures to or identification of the Listed Chemical contained in the Covered Products and as such claims are identified in the Proposition 65 60-Day Notice to Defendants and to the extent that any alleged violations occur no later than thirty (30) days after the Effective Date. This Release does not release any person, party or entity from any liability for any violation of Proposition 65 regarding the Covered Products that occurs more than thirty (30) days after the Effective Date.

The Parties further understand and agree that this release shall not extend upstream to any entities, other than Defendants, that manufactured the Covered Products or any component parts thereof, or any distributors or suppliers who sold the Covered Products or any component parts thereof to Defendants.

#### 4.2 Defendants' Release of Brimer

Defendants waive any and all claims against Brimer, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Brimer and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against Defendant in this matter, and/or with respect to the Covered Products.

# 4.3 Compliance with Proposition 65

Compliance with the terms of this Consent To Judgment constitutes compliance with Proposition 65 with respect to the Listed Chemical in the Covered Products based on the facts and circumstances of this case.

# 5. COURT APPROVAL

This Consent To Judgment must be approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered by the Court within one year after it has been fully executed by all Parties.

## 6. SEVERABILITY

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

# 7. GOVERNING LAW

This Consent To Judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, then Defendants shall provide written notice to Brimer of any asserted change in the law, and shall have no further obligations pursuant to this Consent To Judgment with respect to, and to the extent that, the Covered Products are so affected.

#### 8. NOTICES

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

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	For Fortune Brands:	
4	Bruce Carbonari, President	
5	Fortune Brands, Inc. 520 Lake Cook Road	
6	Deerfield, IL 60015	
7	For Master Lock LLC:	
8	John Heppner, President Master Lock Company LLC 137 West Forest Hill Avenue	
10	Oak Creek, WI 53154	
11	With a copy to:	
12	Michael Jacob Steel, Esq. Morrison Foerster LLP	
13	425 Market Street San Francisco, CA 94105-2482	
14	For Brimer:	
15	Proposition 65 Coordinator The Chanler Group	
16 17	2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565	
18	Any party, from time to time, may specify in writing to the other party a change of address	
19 20	to which all notices and other communications shall be sent.	
21	9. COUNTERPARTS; FACSIMILE SIGNATURES	
22	This Consent To Judgment may be executed in counterparts and by facsimile or PDF,	
23	each of which shall be deemed an original, and all of which, when taken together, shall constitute	
24	one and the same document.	
25	10. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(F)	
26	Brimer agrees to comply with the reporting form requirements referenced in Health &	
27	Safety Code § 25249.7(f).	
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# 11. ADDITIONAL POST-EXECUTION ACTIVITIES

Brimer and Defendants agree to mutually employ their, and their counsel's, reasonable best efforts to support the entry of this agreement as a Consent To Judgment and obtain approval of the Consent To Judgment by the Court in a timely manner. The Parties acknowledge that, pursuant to California Health and Safety Code section 25249.7, a noticed motion is required to obtain judicial approval of this Consent To Judgment, which Defendants shall draft and file, and which neither Plaintiff nor Defendants shall oppose. Plaintiff shall provide Defendants with a declaration from plaintiff's counsel setting forth the basic factual information supporting approval of this Consent To Judgment and Defendants shall provide complete versions of all draft documents including, but not limited to, the notice, memorandum of points and authorities, proposed order approving Consent To Judgment, proposed Judgment upon Consent to Judgment and any related papers to Brimer no later than October 28, 2011. Should Defendants fail to timely or satisfactorily provide such fully drafted pleadings to plaintiff by October 28, 2011, Defendants agree to reimburse plaintiff's counsel for any reasonable fees and costs caused by such delay or lack of satisfactory pleading preparation. If any third party objection to the noticed motion is filed, Brimer and Defendants shall work together to file a joint reply and appear at any hearing before the Court. If the Superior Court does not approve the motion to approve this Consent To Judgment, and the Parties choose not to pursue a modified Consent To Judgment within 30 days of said denial, all payments made by Defendants shall be immediately returned to Defendants. Should the Superior Court approve this Consent To Judgment and any person successfully appeals that approval, upon remittitur, all payments made pursuant to this Consent To Judgment will be returned to Defendants.

#### 12. MODIFICATION

This Consent To Judgment may be modified only by a written agreement of the Parties.

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# 1 13. AUTHORIZATION 2 The undersigned are authorized to execute this Consent To Judgment on behalf of their 3 respective Parties and have read, understood and agree to all of the terms and conditions of this 4 Consent to Judgment. 5 AGREED TO: AGREED TO: 6 7 Date: 8 By: By: 9 Lauren Tashma Lauren Tashma Senior Vice President, 10 Secretary General Counsel, and Secretary Master Lock Company LLC Fortune Brands Home & Security, Inc. 11 12 AGREED TO: 13 14 15 By: 16 17 18 19 20 21 22 23 24 25 26 27 28

# Re: California Proposition 65 Warning For Master Lock Storage Bags Dear Customer: Certain products contained in this shipment are made with materials containing lead. These products are described as follows: Master Lock Storage Bags, 3 Pack, Style #67878

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To comply with California's Proposition 65 (H&S Code §§25249.6, et seq.), these products may not be sold in California without inclusion of a clear and reasonable warning regarding lead. As part of a legal settlement we have reached regarding the duty to include such warnings with the sale of the Products, we are enclosing with this Order a sufficient number of approved Proposition 65 warnings.

**EXHIBIT A** 

If you are selling these products to a consumer in California, these warnings must be attached to, or otherwise accompany your sale of this product in such a manner as to make it reasonably likely to be seen and read by a consumer before purchase or use. If you are selling to a California distributor, California retailer or other entity that you reasonably believe will sell or distribute these products in California, you must accompany shipment of the products with a sufficient number of the enclosed warnings and a copy of this letter.

Your failure to provide warnings with the products as outlined above may subject you to liability for penalties, injunctive relief and attorneys fees and costs under Proposition 65.

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