ENDORSED FILED Brian C. Johnson, State Bar No. 235965 1 San Francisco County Superior Court Josh Voorhees, State Bar No. 241436 2 THE CHANLER GROUP MAY 1 5 2012 2560 Ninth Street 3 Parker Plaza, Suite 214 CLERK OF THE COURT Berkeley, CA 94710-2565 Telephone:(510) 848-8880 BY: MELINKA JONES 4 Facsimile: (510) 848-8118 5 Attorneys for Plaintiff 6 JOHN MOORE 7 8 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA 10 **COUNTY OF SAN FRANCISCO** 11 UNLIMITED CIVIL JURISDICTION 12 13 JOHN MOORE Case No. CGC-11-511836 14 15 Plaintiff, [PROPOSED] JUDGMENT PURSUANT TO **TERMS OF PROPOSITION 65** 16 SETTLEMENT AND CONSENT \mathbf{v} . **JUDGMENT** 17 BROWNLOW PUBLISHING COMPANY; et Date: May 15, 2012 18 al., Time: 9:30 a.m. Dept.: 302 19 Defendants. Judge: Hon. Harold E. Kahn 20 21 22 23 24 25 26 27 28

JUDGMENT PURSUANT TO TERMS OF PROPOSITION 65 SETTLEMENT AND CONSENT JUDGMENT

Plaintiff, John Moore, and defendant, Brownlow Publishing Company, having agreed through their respective counsel that Judgment be entered pursuant to the terms of their settlement agreement in the form of a Consent Judgment, and following this Court's issuance of an Order approving the parties' Proposition 65 settlement and Consent Judgment,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to Health & Safety Code § 25249.7(f)(4) and Code of Civil Procedure § 664.6, judgment is hereby entered in accordance with the terms of the Consent Judgment attached hereto as Exhibit 1. 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.

	MAY	15	2012	
Dated:				

JUDGE OF THE SUPERIOR COURT

1	Brian C. Johnson, State Bar No. 235965 Josh Voorhees, State Bar No. 241436				
2	THE CHANLER GROUP 2560 Ninth Street Parker Plaza, Suite 214				
4	Berkeley, CA 94710 Telephone: (510) 848-8880				
5	Facsimile: (510) 848-8118				
6	Attorneys for Plaintiff JOHN MOORE				
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8					
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA				
10	COUNTY OF SAN FRANCISCO				
11	UNLIMITED CIVIL JURISDICTION				
12					
13	IOUN MOORE	Case No. CGC-11-511836			
14	JOHN MOORE,	Case No. CGC-11-311630			
15	Plaintiff,	[PROPOSED] CONSENT JUDGMENT			
16	V.	JUDGMENT			
17	BROWNLOW PUBLISHING COMPANY; et al.,	(Health & Safety Code § 25249.6 et seq.)			
18	Defendants.				
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1. INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between John Moore ("Moore" or "Plaintiff") and Brownlow Publishing Company ("Brownlow" or "Defendant), with Moore and Brownlow collectively referred to as the "Parties."

1.2 Plaintiff

Moore 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 Defendant

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

1.4 General Allegations

Moore alleges that Brownlow sold in the State of California coverings for notepads containing di(2-ethylhexyl)phthalate ("DEHP"), purses containing DEHP and di-n-butyl phthalate ("DBP"), and ceramicware with exterior designs containing lead. Lead, DEHP, and DBP are each listed pursuant to Proposition 65 as a chemical that is known to the State of California to cause birth defects or other reproductive harm. DEHP and DBP are referred to collectively herein as the "Phthalate Chemicals", and lead, DEHP, and DBP are referred to collectively herein as the "Listed Chemicals."

1.5 Product Description

The products that are covered by this Consent Judgment are defined as follows:

- (a) purses containing DEHP and/or DBP, including, without limitation, *Brownlow Gifts Olivia Purse Note (#7 03800 03413 7)*;
- (b) notepads with vinyl coverings containing DEHP, including, without limitation, *Brownlow Gifts Fashion Notes (#7 03800 03398 7)*; and
- (c) ceramicware with exterior designs containing lead, including, without limitation, *Dear Teacher Mug (#7 03800 03290 4)*.

All of the above items are referred to collectively herein as "Products" and are limited to those items manufactured, sold, or distributed by Brownlow in California.

1.6 Notices of Violation

On or about March 17, 2011, Moore served Brownlow and various public enforcement agencies with a document entitled "60-Day Notice of Violation" ("Notice") that provided Brownlow and such public enforcers with notice that Brownlow was allegedly in violation of Health & Safety Code § 25249.6 for failing to warn its customers and consumers in California that its purses exposed users to DEHP and DBP and its notepads exposed users to DEHP.

On or about September 1, 2011, Moore served Brownlow and the required public enforcers with a document titled "Supplemental 60-Day Notice of Violation" ("Supplemental Notice") that, in addition to the allegations of unwarned exposures to the Phthalate Chemicals contained in the Notice, alleged further violations for unwarned exposures to lead on the exterior designs of the ceramicware Brownlow sold in California.

The Notice and Supplemental Notice are referred to collectively herein as the "Notices."

1.7 Complaint

On or about June 20, 2011, Moore, acting in the interest of the general public in California, filed the instant action ("Complaint"), against Brownlow for the violations of Proposition 65 alleged in the Notice. To the best of the Parties' knowledge no public enforcer has commenced enforcement and is diligently prosecuting the allegations set forth in the Notices. Upon entry of this Consent Judgment, the Complaint shall be deemed amended *nunc pro tunc* to include the violations of Health & Safety Code § 25249.6 alleged in the Supplemental Notice for unwarned exposures to lead in the ceramicware sold by Brownlow.

1.8 No Admission

Brownlow denies the material, factual, and legal allegations contained in the Notice and Complaint and maintains that all of the products that it has sold in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law; nor shall compliance with this Consent Judgment constitute or be construed as an admission of any

fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically denied by Brownlow. This section shall not, however, diminish or otherwise affect Brownlow's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Consent to Jurisdiction

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

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean May 1, 2012.

2. <u>INJUNCTIVE RELIEF: VENDOR NOTIFICATION, REFORMULATION</u>

2.1 Reformulation Standards

For the purposes of this Consent Judgment, the Reformulation Standard, applicable to each of Brownlow's Products, is defined as follows:

- (a) purses containing each of the Phthalate Chemicals in a concentration less than or equal to 1,000 parts per million ("ppm") (0.1%);
- (b) notepads with vinyl coverings containing DEHP in a concentration less than or equal to 1,000 ppm (0.1%); and
 - (c) ceramicware containing a total lead content of less than or equal to 90 ppm and residual surface lead in an amount that does not exceed 1.0 microgram (μg).

2.2 Verification of Reformulated Products

The method of analysis used to determine whether Brownlow's purses and notepads are Reformulated Products in compliance with this Section 2 shall be made pursuant to U.S. Environmental Protection Agency ("EPA") testing methodologies 3580A and 8270C. The determination regarding the lead content of Brownlow's ceramicware shall be made pursuant to EPA testing methodologies 3050B and 6010B. The residual lead content on the surface of Brownlow's ceramicware shall be determined according to the NIOSH 9100 testing protocol.

2.3 Vendor Notification

Within thirty days of the date that this Consent Judgment is fully executed by the Parties, to the extent it has not already provided such notice, Brownlow shall provide the Reformulation Standards to each of its then-current vendors of Products and shall instruct each vendor to provide only Products that comply with the Reformulation Standards and shall not employ statements that will encourage a vendor to delay compliance with the Reformulation Standard.

2.4 Compliance

Commencing on December 31, 2012, and continuing thereafter, Brown shall only purchase, import, sell, or distribute for sale in California, Products that comply with the Reformulation Standards established by Section 2.1. If a vendor or supplier of Brownlow's indicates that it cannot produce Products in compliance with the applicable Reformulation Standard by the compliance deadline, Brownlow shall find an alternate supplier or cease the sale of the Product in California. Brownlow shall maintain for a period of not less than twenty-four months copies of any vendor notification, vendor certification, or test results establishing compliance with this Section. Brownlow further agrees to provide Moore with copies of such documents upon request; Moore shall regard such copies as confidential business information.

2.5 Products Sold Prior to Compliance Deadline

Provided that Brownlow complies with the Reformulation Standard and vendor notification requirements established by this Section, sales of Products purchased, imported, sold or distributed for sale in California prior to the compliance deadline established by section 2.4, shall not be separately actionable in another case brought pursuant to section 25249.7(d) of the Health and Safety Code, alleging unwarned exposures to the Listed Chemicals in the respective Products sold by Brownlow.

3. MONETARY PAYMENTS

3.1 Payments Pursuant to Health & Safety Code § 25249.7(b)

Pursuant to Health & Safety Code § 25249.7(b), Brownlow shall pay \$2,000 in civil penalties. The penalty amount reflects a credit of \$8,000 agreed to by Moore in response to Brownlow's commitment to Proposition 65 compliance, including its agreement to offer only

Products in compliance with the Reformulation Standards established by Section 2 after the Effective Date. Brownlow's civil penalty payment shall be apportioned in accordance with Health & Safety Code § 25249.12 (c)(1) & (d), with seventy-five percent (75%) of the penalty earmarked for the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining twenty-five percent (25%) of the penalty earmarked for Moore.

3.2 Reimbursement of Plaintiff's Fees and Costs

The Parties acknowledge that Moore 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 the issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been finalized, Brownlow expressed a desire to resolve the fee and cost issue. The Parties then attempted to (and did) reach an accord on the compensation due to Moore and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5 for all work performed in this matter, except fees that may be incurred on appeal. Under these legal principles, Brownlow shall pay \$15,000 for the fees and costs incurred by Moore and Moore's counsel investigating, litigating and enforcing this matter, and negotiating a settlement, 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.

3.3 Payment Procedures

3.3.1 Funds Held in Trust

All payments made under this Consent Judgment shall be held in trust until such time as the Court approves this settlement. The Parties acknowledge that Moore's counsel gave Brownlow the option of depositing the funds into its attorney's trust account, but that Brownlow elected to have The Chanler Group hold the settlement funds in its own trust account.

3.3.2 Payment Schedule

- (a) On or before March 15, 2012, Brownlow shall deliver three checks made payable as follows:
 - (1) one check to "The Chanler Group in Trust for OEHHA" in the amount

1	of \$1,500;
2	(2) a second check to "The Chanler Group in Trust for John Moore" in
3	the amount of \$500; and
4	(3) a third check to "The Chanler Group in Trust" in the amount of
5	\$5,000;
6	(b) on or before April 15, 2012, Brownlow shall deliver a fourth check to "The
7	Chanler Group in Trust" in the amount of \$5,000; and
8	(c) on or before May 15, 2012, Brownlow shall deliver a fifth check to "The
9	Chanler Group in Trust" in the amount of \$5,000.
10	3.3.3 Issuance of 1099 Forms
11	After the Consent Judgment has been approved, Brownlow shall provide Moore's
12	counsel with three 1099 forms for its settlement payments, as follows:
13	(a) one 1099 for the "Office of Environmental Health Hazard Assessment", P.O.
14	Box 4010, Sacramento, CA 95814 (EIN: 68-0284486) for the civil penalty payment to OEHHA;
15	(b) a second 1099 for the civil penalty payment to "John Moore", whose address
16	and tax identification number shall be furnished upon request after this Consent Judgment has been
17	fully executed by the Parties; and
18	(c) a third 1099 form to "The Chanler Group" (EIN: 94-3171522) for the total fe
19	and cost reimbursement required by this Consent Judgment.
20	3.3.4 Payment Address
21	All payments and tax documentation required by this Section shall be delivered to
22	Moore's counsel at the following address:
23	The Chanler Group
24	Attn: Proposition 65 Controller 2560 Ninth Street
25	Parker Plaza, Suite 214 Berkeley, CA 94710
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4. CLAIMS COVERED AND RELEASED

4.1 Moore's Public Release of Proposition 65 Claims

Moore acting on his own behalf and in the public interest releases Brownlow from all claims for violations of Proposition 65 up through the Effective Date based on exposures to the Listed Chemicals from the respective Products, as set forth in the Notice. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to the Listed Chemicals resulting from the respective Products as set forth in the Notices.

4.2 Moore's Individual Release of Claims

Moore, in his individual capacity only and not in his representative capacity, also provides a release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions and causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of Moore of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to the Listed Chemicals in the respective Products manufactured, distributed or sold in California by Brownlow.

4.3 Brownlow's Release of Moore

Brownlow on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Moore and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Moore and his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

5. COURT APPROVAL

This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered within one year after it has been fully executed by the Parties. In the event the Consent Judgment is not entered in this period, any monies that have been provided to Moore or his counsel pursuant to Section 3 of this Consent Judgment shall be refunded within fifteen (15) days of receiving written notice from Brownlow that

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the one-year period has expired and the Consent Judgment has not been approved and entered by the Court.

6. <u>SEVERABILITY</u>

If, subsequent to the execution of this Consent Judgment, any of its provisions are held to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. GOVERNING LAW

The terms of this Consent 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, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Brownlow may provide written notice to Moore of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Brownlow from any obligation to comply with any pertinent state or federal toxics control laws.

8. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be shall be sent by: (i) personal delivery; (ii) first-class, registered or certified mail, return receipt requested; or (iii) overnight courier at the following addresses:

For Brownlow:

Paul Brownlow, President Brownlow Publishing Company 6309 Airport Freeway Fort Worth, TX 76117

and

John A. Clifford, Esq. Merchant & Gould, LLP 3200 IDS Center 80 South Eighth St. Minneapolis, MN 55402

For Moore:

Proposition 65 Coordinator The Chanler Group 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710

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

9. COUNTERPARTS; FACSIMILE SIGNATURES

This Consent Judgment may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. ADDITIONAL POST EXECUTION ACTIVITIES

Moore agrees to comply with the reporting form requirements referenced in California Health & Safety Code § 25249.7(f). The Parties also acknowledge that, pursuant to California Health & Safety Code § 25249.7(f)(4), a noticed motion is required to obtain judicial approval of their settlement. In furtherance of obtaining such approval, Moore and Brownlow and their respective counsel agree to mutually employ their "best efforts" to support the entry of this agreement as a Consent Judgment and obtain approval of the Consent Judgment by the Court in a timely manner. For purposes of this section, "best efforts" shall include, at a minimum, cooperating on the drafting and filing of any papers in support of the required motion for judicial approval.

11. MODIFICATION

This Consent Judgment may be modified only by: (i) a written agreement of the Parties and upon entry of a modified consent judgment by the Court thereon; or (ii) upon a successful motion or application of any party and the entry of a modified consent judgment by the Court.

12. AUTHORIZATION

The undersigned are authorized to execute this Consent Judgment and have read, understood, and agree to all of the terms and conditions hereof.

AGREED TO:	AGREED	TO
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Date: FEBRUARY 27, 2012 Date: 2/29

By: And By: And By: And Brownlow, President

Paul Brownlow, President Brownlow Publishing Company