1 Clifford A. Chanler, State Bar No. 135534 Gregory M. Sheffer, State Bar No. 173124 THE CHANLER GROUP ENDORSED 2 ELED Sun Francisco Courty Superior Court 81 Throckmorton Avenue, Suite #202 Mill Valley, CA 94941 3 Telephone: (415) 388-0911 Facsimile: (415) 388-9911 JUN 2 1 2013 4 CLERK OF THE COURT 5 Attorneys for Plaintiff ESLEY ESCELLA ANTHÓNY HELD, PH.D. Deput, Clark 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 9 FOR THE COUNTY OF SAN FRANCISCO UNLIMITED CIVIL JURISDICTION 10 11 ANTHONY HELD, PH.D., Case No. CGC-12-523956 12 [PROPOSED] JUDGMENT UPON Plaintiff, 13 PROPOSITION 65 SETTLEMENT 14 Action Filed: September 5, 2012 Trial Date: September 3, 2012 UNIVERSITY ART CENTER, INC. and DOES 15 1-150. 16 Defendants. 17 18 19 20 21 22 23 24 25 26 27 28 JUDGMENT PURSUANT TO TERMS OF PROPOSITION 65 SETTLEMENT AGREEMENT

In the above-entitled action, Plaintiff ANTHONY HELD, PH.D. and Defendant UNIVERSITY ART CENTER, INC., having agreed through their respective counsel that a judgment be entered pursuant to the terms of the Consent To Judgment entered into by the parties in resolution of this Proposition 65 action, and following the issuance of an order approving the Parties' Consent to Judgment on this day, 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 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 q Procedure § 664.6. MARLA J. MILLER IT IS SO ORDERED. MARLA J. MILLER Judge Of The Superior Court

JUDGMENT PURSUANT TO TERMS OF PROPOSITION 65 SETTLEMENT AGREEMENT

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10	UNLIMITED CIVIL JURISDICTION	
11	ANTHONY HELD, PH.D.,	Case No. CGC-12-523956
13	Plaintiff, v.	CONSENT TO JUDGMENT AS TO DEFENDANT UNIVERSITY ART CENTER, INC.
14 15	UNIVERSITY ART CENTER, INC. and DOES 1-150,	Action Filed: September 5, 2012
16	Defendants.	Trial Date: May 31, 2013
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28	CONTORNIT TO HIDOMENT TO	RE: UNIVERSITY ART CENTER, INC.
	I CONSENT TO HIDGMENT I	GEOMINERSITY ART CENTER INC

1.1 The Parties

This Consent To Judgment is entered into by and between Plaintiff Anthony Held, ("Held" or "Plaintiff") and Defendant University Art Center, Inc. (hereafter "University Art" or

"Defendant") with Held and University Art collectively referred to as the "Parties."

1.2 Plaintiff

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

1.3 Defendant

University Art employs 10 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

Held alleges that University Art manufactured, distributed and/or sold, in the State of California, certain types of vinyl pen and pencil cases made with materials containing DEHP, including, but not limited to, Manhattan KMM-31 Pen Case, that exposed users to DEHP without first providing any "clear and reasonable warning" under Proposition 65. DEHP is listed as a reproductive and developmental toxicant pursuant to Proposition 65 and are collectively referred to hereinafter as the "Listed Chemical."

1.5 Notice of Violation

On September 21, 2011, Held served Defendant and various public enforcement agencies with a document entitled "60-Day Notice of Violation" ("Notice") that provided public enforcers and these entities with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn consumers of the presence of DEHP, a toxic chemical found in and on their vinyl pen and pencil cases sold in California. Defendant received such 60-Day Notices of Violation. Held represents that, as of the date of the execution of this Consent To Judgment, he

is not aware of any public enforcer who is diligently prosecuting a Proposition 65 enforcement action related to the Proposition 65 listed phthalate chemicals in its products, as identified in the Notice.

1.6 Complaint

On September 5, 2012, Held, acting, in the interest of the general public in California, filed a Complaint in the Superior Court of the State of California for the County of San Francisco, Case Number CGC-12-523956, alleging violations by Defendant of Health & Safety Code § 25249.6 based, *inter alia*, on the alleged exposures to DEHP contained in the referenced pen and pencil cases (the "Action").

1.7 No Admission

This Consent To Judgment resolves claims that are denied and disputed by University Art. The Parties enter into this Consent To Judgment pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation.

Defendant denies the material factual and legal allegations contained in the Notice and Action, maintains that it provided a clear and reasonable warning, did not knowingly or intentionally expose California consumers to DEHP through the reasonably foreseeable use of the Covered Product, and otherwise contends that all of the Covered Products that it has distributed and/or sold in California have been and are in compliance with all applicable laws. Nothing in this Consent To Judgment shall be construed as an admission by Defendant 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 the Defendant of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Defendant. However, notwithstanding the foregoing, this section shall not diminish or otherwise affect University Art's obligations, responsibilities, and duties under this Consent To Judgment.

1.8 Consent to Jurisdiction

For the limited and express purposes of this Consent To Judgment only, the Parties stipulate that this Court has jurisdiction over University Art as to the allegations contained in

the Complaint, that venue is proper in County of San Francisco, and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment. As an express part of this Agreement, pursuant to C.C.P. §664.6 the Court in which this action was filed shall retain jurisdiction over the parties to enforce the settlement until performance in full of the terms of the settlement.

2. **DEFINITIONS**

- 2.1 The term "Complaint" shall mean the September 5, 2012, Complaint.
- 2.2 The term "Covered Product" shall mean the Manhattan KMM-31 Pen Case.
- 2.3 The term "Effective Date" shall mean April 1, 2013.
- 2.4 "Manufactured" and "Manufactures" have the meaning defined in Section 3(a)(10) of the Consumer Product Safety Act ("CPSA") [15 U.S.C. § 2052(a)(10)], as amended from time to time.

3. INJUNCTIVE RELIEF

3.1 No later than the Effective Date, University Art shall no longer sell the Covered Product.

4. MONETARY PAYMENTS

4.1 Civil Penalty Payment Pursuant to Health & Safety Code § 25249.7(b)

University Art shall make a payment of \$5,000.00 to be apportioned in accordance with Health & Safety Code section 25249.12, subdivisions (c)(1) and (d), with 75% of these funds earmarked for the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of these penalty monies earmarked for Held. Defendant and submit such payment to plaintiff in accordance with the method of payment of penalties and fees identified in Section 4.4.

4.2 Augmentation of Penalty Payments

For purposes of the penalty assessment under this Consent To Judgment, plaintiff is relying entirely upon defendant and its counsel for accurate, good faith reporting to plaintiff of the nature and amounts of relevant sales activity. If within nine (9) months of the Effective Date,

plaintiff discovers and presents to Defendant evidence that the Covered Product has been distributed by University Art in sales volumes materially different than those identified by Defendant prior to execution of this Agreement, then Defendant shall be liable for an additional penalty amount of \$150 per quantity of Covered Product sold prior to execution of this Agreement but not identified by Defendant to plaintiff. Defendant shall also be liable for any reasonable, additional attorney fees expended by plaintiff in discovering such additional retailers or sales. Plaintiff agrees to provide Defendant with a written demand for all such additional penalties and attorney fees under this Section. After service of such demand, defendant shall have thirty (30) days to agree to the amount of fees and penalties owing by Defendant and submit such payment to plaintiff in accordance with the method of payment of penalties and fees identified in Section 4.4. Should this thirty (30) day period pass without any such resolution between the parties and payment of such additional penalties and fees, plaintiff shall be entitled to file a formal legal claim for damages for breach of this contract and shall be entitled to all reasonable attorney fees and costs relating to such claim.

4.3 Reimbursement of Plaintiff's Fees and Costs

The parties acknowledge that Held 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. Held 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 Held and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure (CCP) § 1021.5, for all work performed through the mutual execution of this agreement and the entry of this Consent Judgment. University Art shall pay \$15,000.00 for fees and costs incurred as a result of investigating, bringing this matter to University Art 's attention, and negotiating a settlement in the public interest. Defendant shall submit such payment to plaintiff in accordance with the method of payment of penalties and fees identified in Section 4.4.

4.4 Payment Procedures

4.4.1 Funds Held In Trust: All payments required by Sections 4.1 and 4.3 shall delivered on or before April 30, 2013, to either The Chanler Group or the attorney of record for University Art , and shall be held in trust pending the Court's approval of this Consent Judgment.

Payments delivered to The Chanler Group shall be made payable, as follows:

- (a) One check made payable to "The Chanler Group in Trust for OEHHA" in the amount of \$3,750.00; and
- (b) One check made payable to "The Chanler Group in Trust for Anthony Held" in the amount of \$1,250.00.
- (c) One check made payable to "The Chanler Group" in the amount of \$15,000.00.

Payments delivered to Burke, William & Sorensen, LLP shall be made payable, as follows:

- (a) One check made payable to "Burke, William & Sorensen, LLP in Trust for OEHHA" in the amount of \$3,750.00;
- (b) One check made payable to "Burke, William & Sorensen, LLP in Trust for Anthony Held" in the amount of \$1,250.00; and
- (c) One check made payable to "Burke, William & Sorensen, LLP in Trust for The Chanler Group" in the amount of \$15,000.00.

If University Art elects to deliver payments to its attorney of record, such attorney of record shall: (a) confirm in writing within five days of receipt that the funds have been deposited in a trust account; and (b) within two days of the date of the hearing on which the Court approves the Consent Judgment, deliver the payment to The Chanler Group in three separate checks, as follows:

(a) One check made payable to "The Chanler Group in Trust for OEHHA" in the amount of \$3,750.00;

CONSENT TO JUDGMENT RE: UNIVERSITY ART CENTER, INC.

and/or assignees, and in the interest of the general public, and University Art and its attorneys, successors, licensors and assigns ("Defendant Releasees") of any violation of Proposition 65 that has been or could have been asserted against Defendant Releasees regarding the failure to warn about exposure to the Listed Chemical arising in connection with Covered Products manufactured, sourced, distributed, or sold by Defendant Releasees prior to the Effective Date. University Art 's compliance with this Consent To Judgment shall constitute compliance with Proposition 65 with respect to the Listed Chemical in the Covered Products after the Effective Date.

- 5.1.2 Held 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 with respect to Covered Products 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, whether known or unknown, fixed or contingent (collectively "claims"), against Defendant Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in the public interest, as such claims relate to Defendant Releasees' alleged failure to warn about exposures to the Listed Chemical contained in the Covered Products.
- 5.1.3 Held also, in his individual capacity only and *not* in his representative capacity, provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of Held of any nature, character or kind, known or unknown, suspected or unsuspected, arising out of the subject matter of the Complaint as to Covered Products manufactured, distributed or sold by Defendant Releasees. Held acknowledges that he is familiar with Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Held, in his individual capacity only and *not* in his representative capacity, expressly waives and relinquishes any and all rights and benefits which he may have under, or which may be conferred on him by the provisions of Section 1542 of the California Civil Code as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that he may lawfully waive such rights or benefits pertaining to the released matters. In furtherance of such intention, the release hereby given shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different claims or facts arising out of the released matters.

This Section 5.1 release is expressly limited to those claims that arise under Proposition 65, as such claims relate to Defendant's 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 Defendant.

The Parties further understand and agree that this Section 5.1 release shall not extend upstream to any entities, other than Defendant, 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 Defendant.

Upon court approval of the consent to judgment, the parties waive their respective rights to a hearing or trial on the allegations of the complaint.

5.2 University Art's Release of Held

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

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5.2.2 University Art also provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of University Art of any nature, character or kind, known or unknown, suspected or unsuspected, arising out of the subject matter of the Action. University Art acknowledges that it is familiar with Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

University Art expressly waives and relinquishes any and all rights and benefits that it may have under, or which may be conferred on it by the provisions of Section 1542 of the California Civil Code as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters. In furtherance of such intention, the release hereby given shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different claims or facts arising out of the released matters.

6. **SEVERABILITY**

If, subsequent to court approval of this Consent To Judgment, any of the provisions of this Consent To Judgment are deemed by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected, unless the Court finds that any unenforceable provision is not severable from the remainder of the Consent To Judgment.

COURT APPROVAL 7.

This Consent To Judgment is effective upon execution but must also be approved by the Court to be enforceable. If this Consent Judgment is not approved by the Court in its entirety, the Parties shall meet and confer to determine whether to modify the terms of the Consent Judgment and to resubmit it for approval. In meeting and conferring, the Parties agree to

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undertake any actions reasonably necessary to amend and/or modify this Consent Judgment in order to further the mutual intention of the Parties in entering into this Consent Judgment.

The Consent to Judgment shall become 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. If the Consent to Judgment becomes null and void after any payment of monies under this agreement to The Chanler Group in trust, such monies shall be returned to defendant by payment of such monies to its counsel, in trust for University Art.

If this Consent Judgment is not entered by the Court, and the Parties have exhausted their meet and confer efforts pursuant to this Section, upon 15 days written notice, the law firm holding Defendant's funds in trust shall refund any and all payments made into its trust account by Defendant as requested.

8. GOVERNING LAW

The terms of this Consent To Judgment shall be governed by the laws of the State of California.

9. NOTICES

When any Party is entitled to receive any notice under this Consent To Judgment, the notice shall be sent by: (i) first class registered or certified mail, return receipt requested; or (ii) overnight courier, signature required, on any party by the other party to the following address: For University Art Center, Inc. to:

Albert Tong, Esq. Burke, Williams & Sorensen, LLP 1901 Harrison Street, Suite 900 Oakland, CA 94612

For Held to:

Proposition 65 Coordinator The Chanler Group 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

13. ENTIRE AGREEMENT

Any Party may modify the person and address to whom the notice is to be sent by sending each other Party notice by certified mail and/or other verifiable form of written communication.

10. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(F)

Held agrees to comply with the reporting form requirements referenced, in California Health & Safety Code §25249.7(f) and to file a motion for approval of this Consent Judgment.

11. MODIFICATION

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

12. ADDITIONAL POST-EXECUTION ACTIVITIES

The parties acknowledge that, pursuant to Health & Safety Code §25249.7, a noticed motion is required to obtain judicial approval of this Consent To Judgment. In furtherance of obtaining such approval, Held and his counsel agree to employ their best efforts to support the entry of this agreement as a Consent To Judgment and obtain approval of the Consent To Judgment - sufficient to render a formal judgment approving this agreement - by the Court in a timely manner. Any effort by Plaintiff or University Art to impede judicial approval of this Consent To Judgment shall subject such impeding party to liability for attorney fees and costs incurred by such party in their efforts to meet or oppose the impeding party's impeding conduct. The parties further acknowledge that Held and his attorneys will apply for recovery of their fees and costs incurred in connection with enforcement of this action after entry of any Judgment pursuant to this Agreement.

This Consent To Judgment contains the sole and entire agreement and understanding of

the Parties with respect to the entire subject matter hereof, and any and all prior discussions,

negotiations, commitments, and understandings related hereto. No representations, oral or

otherwise, express or implied, other than those contained herein have been made by any Party

14. ATTORNEY'S FEES

Should Held prevail on any other motion, application for order to show cause or other proceeding to enforce a violation of this Agreement, Held shall be entitled to his reasonable attorney fees and costs incurred as a result of such motion, order or application, consistent with C.C.P. §1021.5. Should Defendant prevail on any motion, application for order to show cause or other proceeding to enforce a violation of this Consent Judgment, Defendant shall be entitled to its reasonable attorney fees and costs incurred as a result of such motion, order or application upon a finding that Held's prosecution of the motion or application lacked substantial justification. For purposes of this Agreement, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure §§ 2016, et seq.

Nothing in this Section shall preclude a Party from seeking an award of sanctions pursuant to law.

15. NEUTRAL CONSTRUCTION

Both Parties and their counsel have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of

1	this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code	
2	Section 1654.	
3	16. COUNTERPARTS, FACSIMILE SIGNATURES	
4	This Consent To Judgment may be executed in counterparts and by facsimile or portable	
5	document format (PDF), each of which shall be deemed an original, and all of which, when taken	
6	together, shall constitute one and the same document.	
7	17. AUTHORIZATION	
8	The undersigned parties and their counsel are authorized to execute this Consent To	
9	Judgment on behalf of their respective Parties and have read, understood, and agree to all of the	
10	terms and conditions of this Consent To Judgment.	
11	IT IS SO AGREED	
12	Dated: April 1.0, 2013 Dated: April 2013	
13	anthony & Hell	
14	Anthony Hejd, Ph.D. Todd Ayers,	
15	University Art Center, Inc.	
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CONSENT TO JUDGMENT RE: UNIVERSITY ART CENTER, INC.

This Consent To Judgment may be executed in counterparts and by facsimile or portable

this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code Section 1654.

16. COUNTERPARTS, FACSIMILE SIGNATURES

document format (PDF), each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

17. AUTHORIZATION

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

Dated: April 9, 2013

University Art Center, Inc.

Fodd Ayers,

IT IS SO AGREED

Dated: April____, 2013

Anthony Held, Ph.D.

CONSENT TO JUDGMENT RE: UNIVERSITY ART CENTER, INC.