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4	Beverly Hills, California 90212 Telephone: (310) 623-1926 Facsimile: (310) 623-1930		
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6	Attorneys for Plaintiff CONSUMER ADVOCACY GROUP, INC.		
7	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
8	COUNTY OF LOS ANGELES		
9	CONSUMER ADVOCACY GROUP, INC., in	Case No. BC521623	
10	the public interest,		
11	Plaintiff,	CONSENT JUDGMENT	
12	V.		
13	DOLGENCORP, LLC, a Kentucky Limited Liability Company, DOLLAR GENERAL		
14	CORPOR ATION a Tennessee Cornoration		
15	Corporation; and DOES 1-20;		
16	Defendants.		
17	1 DIEDODIJCETON		
18	1. INTRODUCTION		
19	1.1 This Consent Judgment is entered into by and between plaintiff, Consumer		
20	Advocacy Group, Inc. (referred to as "CAG) acting on behalf of itself and in the interest of the		
21	public and defendants Dolgencorp, LLC, Dollar General Corporation, and Dolgen California		
22	LLC (collectively, "Dollar General") with each a Party to the action and collectively referred to		
23	as "Parties."		
24	1.2 CAG is a California corporation that serves as a private enforcer of Proposition 65		
25	as described in Proposition 65 and the regulations of the Attorney General of California at 11 Cal		
26	Code Regs. § 3000 et seq.		
27	1.3 Dollar General employs ten or more persons, is a person in the course of doing		
28	business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California		

Health & Safety Code §§ 25249.6 et seq. ("Proposition 65"), and distributes and sells Kitchen Utensils, Hand Tools, Sandals, Flip Flops, Rice, and Pet Accessories.

1.4 **Notices of Violation**.

1.4.1 On November 30, 2012, CAG served Dollar General, and various public enforcement agencies with a document entitled "60-Day Notice of Violation" that provided the recipients with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to di(2-ethylhexyl)phthalate ("DEHP") contained in Kitchen Tools, including but not limited to "trueliving® Swivel Peeler Stainless Steel Blade K0344 SKU #0002062263" ("Peeler") (the "November 30, 2012 Notice"). No public enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

1.4.2 On July 11, 2013, CAG served Dollar General, and various public enforcement agencies with a document entitled "60-Day Notice of Violation" that provided the recipients with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to di-n-butyl phthalate ("DBP") contained in Footwear, including but not limited to "Dollar General® Children's Sandals, Color: Blue, baseball themed SY13 DEPT 350, "Size S (5-6)" "4 30000 13135 8" Tracking No. "3210B13"", "Dollar General® Children's Sandals, Color: Blue, baseball themed SY13 DEPT 350, "Size L (9-10)" "4 30000 13137 2" Tracking No. "3210B13" "SKU# 11408110"", "Dollar General® Children's Sandals, Color: Purple, "SY13 DEPT 350," "Size M (7-8)" "4 30000 13173 0" Tracking No. "5432B13" "SKU#: 11408915"", "Dollar General® Children's Sandals, Color: Fuschia/Black, zebra print "SY13 DEPT 350," "Size M (13-1)" "4 30000 12911 9: "6543B13" "SKU #: 11404806"", "Dollar General® Children's Sandals, Color: Pink, /Yellow, "SY 13 DEPT 350" "Size L (9-10)" "4 30000 13162 4" Tracking No. "5432B13" "SKU 11408904"", Dollar General® Children's Sandals, Color: Turquoise "SIZE L (2/3)" "Tracking No. 7654B13"

"SKU #: 11405610" (the "July 11, 2013 Notice"). No public enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

1.4.3 On July 29, 2013, CAG served Dollar General and various public enforcement agencies with a document entitled "60-Day Notice of Violation" that provided the recipients with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP contained in Hand Tools, including but not limited to "DG™ hardware Long Nose Pliers, "Durable", Black "Matte Grip", "Drop Forged", "6 in.", "N0050", "Made in China", barcode: 4 00006 07970 1" (the "July 29, 2013 Notice"). No public enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

1.4.4 On December 10, 2013, CAG served Dollar General and various public enforcement agencies with a document entitled "60-Day Notice of Violation" that provided the recipients with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DBP contained in Footwear, including but not limited to "Solid Purple polymeric flip flops with diamond cross hatching on the top of the soles and linear cross hatching on the bottom of the sole and opaque plastic purple tongs (S), "SIZE (5-6) ALL MAN MADE MATERIAL MADE IN CHINA" "DOLLAR GENERAL S13 DEPT 350 SIZE S (5-6)" "bar code 4 3000 13340 6" "\$1" "Distributed by: DOLGENCORP, LLC 100 MISSON RIDGE GOODLETTSVILLE, TN 37072-2170 MADE IN CHINA" (the "December 10, 2013 Notice"). No public enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

1.4.5 On December 30, 2013, CAG served Dollar General and various public enforcement agencies with a document entitled "60-Day Notice of Violation" that provided the recipients with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DBP contained in Footwear, including but not limited to "Children's solid light blue polymeric flip flops

with diamond cross hatching on the top of the soles and linear cross hatching on the bottom of the sole and translucent blue tinted plastic tongs, "DOLLAR GENERAL® SY13 DEPT 350 SIZE S(11-12) Bar Code: 4 30000 12973 7, SKU#11405614, TRACKING NO: 7654B13, "ALL MAN MADE MATERIALS" "MADE IN CHINA" Yellow Dot \$1", "Children's green polymeric flip flops with shark and light green circle painted print on sole and opaque green plastic tongs, "DOLLAR GENERAL® ""SY13-B-1FF TB SHARK 1 430000131297-350" SIZE: S(5-6) SKU#11408102, TRACKING NO: 3210B13, "ALL MAN MADE MATERIALS" "MADE IN CHINA"", and "Children's solid green polymeric flip flops with diamond cross hatching on the top of the soles and linear cross hatching on the bottom of the sole and opaque green plastic tongs, "DOLLAR GENERAL® SY13 DEPT 350 SIZE S(5-6) Bar Code: 4 30000 13129 7, SKU#11408111, TRACKING NO: 3210B13, "ALL MAN MADE MATERIALS" "MADE IN CHINA" Yellow Dot \$1" (the "December 30, 2013 Notice"). No public enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

1.5 Complaints.

- 1.5.1 On September 17, 2013, CAG filed a Complaint for civil penalties and injunctive relief in Los Angeles, Superior Court, Case No. BC521623, alleging that Dollar General violated Proposition 65 by failing to warn individuals in California of exposures to DEHP contained in Kitchen Tools, as alleged in the November 30, 2012 Notice.
- 1.5.2 On June 18, 2014, CAG filed a Complaint in Case No. BC548895, alleging that Dollar General violated Proposition 65 by failing to warn individuals in California of exposures to DEHP or DBP contained in Flip Flops, Hand Tools, and Footwear, as alleged in the July 11, 2013 Notice, July 29, 2013 Notice, December 10, 2013 Notice, and December 30, 2013 Notice.
- 1.5.3 Upon entry of this Consent Judgment, the Complaint in Case No. BC521623 and shall be deemed amended to include the allegations in Case No.

BC548895, and within five days of entry of this Consent Judgment, CAG shall file a dismissal without prejudice of Case No. BC548895.

1.6 Consent to Jurisdiction

For purposes of this Consent Judgment, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Operative Complaint and personal jurisdiction over Dollar General as to the acts alleged in the Complaint, that venue is proper in the County of Los Angeles and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Operative Complaint and of all claims which were or could have been raised by any person or entity based in whole or in part, directly or indirectly, on the facts alleged therein or arising therefrom or related to the Notices.

1.7 **No Admission**

This Consent Judgment resolves claims that are denied and disputed. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the parties for the purpose of avoiding prolonged litigation. This Consent Judgment shall not constitute an admission with respect to any material allegation of the Operative Complaint, each and every allegation of which Dollar General denies, nor may this Consent Judgment or compliance with it be used as evidence of any wrongdoing, misconduct, culpability or liability on the part of Dollar General.

2. **DEFINITIONS**

- 2.1 "Covered Products" means Private Label Kitchen Tools with plastic grips, Private Label Hand Tools with plastic grips, and Private Label Children's Footwear.
- 2.2 "Exemplar Footwear" means the styles of Flip Flops, Sandals, and Footwear listed in Sections 1.4.2, 1.4.4, and 1.4.5.
- 2.3 "Effective Date" means the date that this Consent Judgment is approved by the Court.
- 2.4 "Notices" means the November 30, 2012 Notice, the July 11, 2013 Notice, the July 29, 2013 Notice, the December 10, 2013 Notice, and the December 30, 2013 Notice.

- 2.5 "Operative Complaint" means the First Amended Complaint in Case No. BC521623, as amended by this Consent Judgment.
 - 2.6 "Private Label" means a brand or trademark owned or licensed by Dollar General.

3. INJUNCTIVE RELIEF/REFORMULATION

- 3.1 To the extent that it has not already done so, on or before the Effective Date, Dollar General shall destroy or remove from California any inventory of the exemplar Covered Products identified in the Notices remaining in its California stores.
- 3.2 As of the Effective Date, Dollar General shall not manufacture, purchase, or import for sale in the State of California any Exemplar Footwear that contains DBP or DEHP in concentrations of more than 1000 parts per million by weight in any component.
- 3.3 As of June 1, 2015, or the Effective Date, whichever is later, Dollar General shall not manufacture, purchase, or import for sale in the State of California any Private Label Kitchen Utensil with a plastic grip or Private Label Hand Tool with a plastic grip and that contains DEHP in concentrations of more than 1000 parts per million by weight in any component.
- 3.4 As of December 31, 2015, Dollar General shall not manufacture, purchase, or import for sale in the State of California any Private Label Children's Footwear that contains DBP or DEHP in concentrations of more than 1000 parts per million by weight in any component.

4. SETTLEMENT PAYMENTS

- 4.1 Within 14 business days of the Effective Date or receipt of Forms W-9 from CAG, whichever is later, Dollar General shall pay a total of \$180,000 as complete settlement of all monetary claims by CAG related to the Notices, as follows.
- 4.2 **Payment In Lieu of Civil Penalties:** Dollar General shall pay \$10,000 in lieu of civil penalties to "Consumer Advocacy Group, Inc." CAG will use this payment for investigation of the public's exposure to Proposition 65 listed chemicals through various means, laboratory fees for testing for Proposition 65 listed chemicals, expert fees for evaluating exposures through various mediums, including but not limited to consumer product, occupational, and

environmental exposures to Proposition 65 listed chemicals, and the cost of hiring consulting and retained experts who assist with the extensive scientific analysis necessary for those files in litigation, in order to reduce the public's exposure to Proposition 65 listed chemicals by notifying those persons and/or entities believed to be responsible for such exposures and attempting to persuade those persons and/or entities to reformulate their products or the source of exposure to completely eliminate or lower the level of Proposition 65 listed chemicals, thereby addressing the same public harm as alleged in the instant Action. Further, should the court require it, CAG will submit under seal, an accounting of these funds as described above as to how the funds were used.

- 4.3 **Reimbursement of Attorney's Fees and Costs:** Dollar General shall pay \$150,000 to "Yeroushalmi & Associates" as reimbursement for the investigation fees and costs, testing costs, expert fees, attorney fees, and other litigation costs and expenses for all work performed through the approval of this Consent Judgment.
- 4.4 **Civil Penalty**: Dollar General shall issue two separate checks for a total amount of \$20,000 as penalties pursuant to Health & Safety Code § 25249.12: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of \$15,000, representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of \$5,000 representing 25% of the total penalty. Two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of \$15,000. The second 1099 shall be issued in the amount of \$5,000 to CAG and delivered to: Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.
- 4.5 All payments to CAG and Yeroushalmi & Associates under this Consent Judgment shall be delivered to: Yeroushalmi & Associates, 9100 Wilshire Blvd., Suite 240W, Beverly Hills, CA 90212.

5. MATTERS COVERED BY THIS CONSENT JUDGMENT

- 5.1 This Consent Judgment is a full, final, and binding resolution between CAG on behalf of itself and in the public interest and Dollar General and its officers, directors, insurers, employees, parents, shareholders, divisions, subdivisions, subsidiaries, partners, affiliates, sister companies and their successors and assigns ("Defendant Releasees") and all other persons and entities who sell or distribute the Covered Products ("Downstream Defendant Releasees"), for all claims for violations of Proposition 65 up through the Effective Date based on exposure to DEHP and DBP in the Covered Products as set forth in the Notices, through the Effective Date. Dollar General's and Defendant Releasees' compliance with this Consent Judgment shall constitute compliance with Proposition 65 with respect to DBP and DEHP, as set forth in the Notices.
- 5.2 CAG on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, 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, whether known or unknown, fixed or contingent (collectively "Claims"), against Dollar General, Defendant Releasees, and Downstream Defendant Releasees arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to DEHP and DBP in Covered Products, as set forth in the Notices, through the Effective Date. In furtherance of the foregoing, as to alleged exposures to Covered Products, CAG hereby waives any and all rights and benefits which it now has, or in the future may have, conferred upon it with respect to the Claims by virtue of the provisions of 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 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM, MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

CAG understands and acknowledges that the significance and consequence of this waiver of California Civil Code section 1542 is that even if CAG suffers future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, the Covered Products, including but not limited to any exposure to, or failure to warn with respect to exposure to, lead or lead compounds from Covered Products, CAG will not be able to make any claim for those damages against Dollar General the Defendant Releasees, or Downstream Defendant Releasees. Furthermore, CAG acknowledges that it intends these consequences for any such Claims as may exist as of the date of this release but which CAG does not know exist, and which, if known, would materially affect their decision to enter into this Consent Judgment, regardless of whether their lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

6. ENFORCEMENT OF JUDGMENT

- 6.1 The terms of this Consent Judgment shall be enforced exclusively by the parties hereto. The parties may, by noticed motion or order to show cause before the Superior Court of California, County of Los Angeles, giving the notice required by law, enforce the terms and conditions contained herein. A Party may enforce any of the terms and conditions of this Consent Judgment only after that Party first provides 30 days' notice to the Party allegedly failing to comply with the terms and conditions of this Consent Judgment and attempts to resolve such Party's failure to comply in an open and good faith manner.
- 6.2 **Notice of Violation.** Prior to bringing any motion, order to show cause, or other proceeding to enforce Section 3 of this Consent Judgment, CAG shall provide a Notice of Violation ("NOV") to Dollar General. The NOV shall include for each Covered Product: the date(s) the alleged violation(s) was observed and the location at which the Covered Product was offered for sale, and shall be accompanied by all test data obtained by CAG regarding the Covered Product.
 - 6.2.1 **Non-Contested NOV.** CAG shall take no further action regarding the alleged violation if, within 30 days of receiving such NOV, Dollar General serves a Notice of Election ("NOE") that meets one of the following conditions:

- (a) The Covered Product was manufactured, purchased, or imported by Dollar General for sale in California before the Effective Date or June 1, 2015, whichever is later, or
- (b) Since receiving the NOV Dollar General has taken corrective action by removing the Covered Product identified in the NOV from sale in California, or (ii) providing a clear and reasonable warning for the Covered Product identified in the NOV pursuant to 27 Cal. Code Regs. § 25603.
- 6.2.2 **Contested NOV.** Dollar General may serve an NOE informing CAG of its election to contest the NOV within 30 **days** of receiving the NOV.
- (a) In its election, Dollar General may request that the same sample(s) of Covered Product(s) tested by CAG be subject to confirmatory testing at an accredited laboratory.
- (b) If the confirmatory testing establishes that the Covered Product does not contain DBP or DEHP in excess of the level allowed in Section 3 CAG shall take no further action regarding the alleged violation. If the testing does not establish compliance with Section 3, Dollar General may withdraw its NOE to contest the violation and may serve a new NOE pursuant to Section 6.2.1.
- (c) If Dollar General does not withdraw an NOE to contest the NOV, the Parties shall meet and confer for a period of no less than 30 days before CAG may seek an order enforcing the terms of this Consent Judgment.
- 6.3 In any proceeding brought by either Party to enforce this Consent Judgment, the prevailing party shall be entitled to recover its attorney's fees and costs.

7. ENTRY OF CONSENT JUDGMENT

7.1 CAG shall file a motion seeking approval of this Consent Judgment pursuant to California Health & Safety Code § 25249.7(f). Upon entry of the Consent Judgment, CAG and Dollar General waive their respective rights to a hearing or trial on the allegations of the Complaints.

7.2 If this Consent Judgment is not approved by the Court in its entirety, (a) this Consent Judgment and any and all prior agreements between the parties merged herein shall terminate and become null and void, and the actions shall revert to the status that existed prior to the execution date of this Consent Judgment; (b) no term of this Consent Judgment or any draft thereof, or of the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall have any effect, nor shall any such matter be admissible in evidence for any purpose in this Action, or in any other proceeding; and (c) the Parties agree to meet and confer to determine whether to modify the terms of the Consent Judgment and to resubmit it for approval.

8. SUBSEQUENT MODIFICATION OF APPROVED CONSENT JUDGMENT

- 8.1 Subsequent to entry of this Consent Judgment, should a Party seek modification of this Consent Judgment, such modification shall be in writing and approved by the Court.
- 8.2 Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with the other Party prior to filing a motion to modify the approved Consent Judgment.

9. RETENTION OF JURISDICTION

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

10. DUTIES LIMITED TO CALIFORNIA

10.1 This Consent Judgment shall have no effect on Covered Products sold by Dollar General outside the State of California.

11. SERVICE ON THE ATTORNEY GENERAL

11.1 CAG shall serve a copy of this Consent Judgment, signed by both parties, on the California Attorney General so that the Attorney General may review this Consent Judgment prior to its submittal to the Court for approval. No sooner than forty five (45) days after the Attorney General has received the aforementioned copy of this Consent Judgment, and in the absence of any written objection by the Attorney General to the terms of this Consent Judgment, the parties may then submit it to the Court for approval.

12. ATTORNEY'S FEES

12.1 Except as specifically provided in this Consent Judgment, each Party shall bear its own costs and attorney fees in connection with this action.

13. ENTIRE AGREEMENT

13.1 This Consent 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 hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties.

14. GOVERNING LAW

- 14.1 The validity, construction and performance of this Consent Judgment shall be governed by the laws of the State of California, without reference to any conflicts of law provisions of California law.
- 14.2 The Parties, including 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 this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code § 1654.

15. EXECUTION IN COUNTERPARTS

15.1 This Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document.

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4	- William William	Name: Dave D'Avezza	
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7	Title: EVP- CMO DOLGENCORP, LLC		
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9	IT IS SO ORDERED.		
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11	Date:		
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