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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ALAMEDA - UNLIMITED CIVIL JURISDICTION

PETER ENGLANDER  
Plaintiff,

v.

HOME MERIDIAN HOLDINGS, INC.; et  
al.  
Defendants.

) Case No. RG 13685328  
)  
)

) Assigned for All Purposes to  
) Judge George C. Hernandez, Jr.,  
) Department 17

) **[PROPOSED] CONSENT JUDGMENT AS**  
) **TO DEFENDANT STANLEY FURNITURE**  
) **COMPANY, INC.**

) **(Health & Safety Code § 25249.6 et seq.**  
) **Complaint Filed: June 26, 2013)**

1 **1. INTRODUCTION**

2 **1.1 Parties**

3 This Consent Judgment is entered into by and between plaintiff Peter Englander  
4 (“Englander”) and defendant Stanley Furniture Company, Inc. (“Stanley Furniture”), with  
5 Englander and Stanley Furniture collectively referred to as the “Parties.”

6 **1.2 Peter Englander**

7 Englander is an individual residing in the State of California who seeks to promote  
8 awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating  
9 hazardous substances contained in consumer and commercial products.

10 **1.3 Stanley Furniture**

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

14 **1.4 General Allegations**

15 1.4.1 Englander alleges that Stanley Furniture manufactured, imported, sold and/or  
16 distributed for sale in California, products with foam cushioned components containing tris(1,3-  
17 dichloro-2-propyl) phosphate (“TDCPP”) without the requisite Proposition 65 health hazard  
18 warnings.

19 1.4.2 Pursuant to Proposition 65, on October 28, 2011, California identified and  
20 listed TDCPP as a chemical known to cause cancer. TDCPP became subject to the “clear and  
21 reasonable warning” requirements of Proposition 65 one year later on October 28, 2012. Cal. Code  
22 Regs., tit. 27, § 27001(b); Health & Safety Code §§ 25249.8 and 25249.10(b). Englander alleges  
23 that TDCPP escapes from foam padding, leading to human exposures.

1           **1.5     Product Description**

2           The categories of products that are covered by this Consent Judgment as to Stanley  
3 Furniture are identified on Exhibit A (hereinafter “Products”). Polyurethane foam that is supplied,  
4 shaped or manufactured for use as a component of another product, such as upholstered furniture,  
5 but which is not itself a finished product, is specifically excluded from the definition of Products  
6 and shall not be identified by a Stanley Furniture on Exhibit A as a Product.

7           **1.6     Notices of Violation**

8           On February 5, 2013, Englander served Stanley Furniture, others and certain requisite public  
9 enforcement agencies with a “60-Day Notice of Violation” (“Notice”) that provided the recipients  
10 with notice of alleged violations of Proposition 65 based on the alleged failure to warn customers,  
11 consumers, and workers in California that the Products expose users to TDCPP.

12           To the best of the Parties’ knowledge, no public enforcer has commenced or is diligently  
13 prosecuting the allegations set forth in the Notice.

14           **1.7     Complaint**

15           On June 26, 2013, Englander filed a Complaint in the Superior Court in and for the County  
16 of Alameda against Stanley Furniture, other defendants and Does 1 through 150, *Peter Englander v.*  
17 *Home Meridian Holdings Inc., et al.*, Case No. RG 13-685328, alleging violations of Proposition  
18 65, based in part on the alleged unwarned exposures to TDCPP contained in the Products  
19 (“Complaint”).

20           **1.8     No Admission**

21           Stanley Furniture denies the material factual and legal allegations contained in Englander’s  
22 Notice and Complaint and maintains that all products that it has manufactured, imported,  
23 distributed, and/or sold in California, including the Products, have been and are in compliance with  
24 all laws. Nothing in this Consent Judgment shall be construed as an admission by Stanley Furniture  
25 of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this  
26 Consent Judgment constitute or be construed as an admission by Stanley Furniture of any fact,  
27 finding, conclusion, issue of law, or violation of law. However, this section shall not diminish or  
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1 otherwise affect Stanley Furniture’s obligations, responsibilities, and duties under this Consent  
2 Judgment.

3           1.9     **Consent to Jurisdiction**

4           For purposes of this Consent Judgment only, the Parties stipulate that this Court has  
5 jurisdiction over Stanley Furniture as to the allegations contained in the Complaint, that venue is  
6 proper in the County of Alameda, and that this Court has jurisdiction to enter and enforce the  
7 provisions of this Consent Judgment pursuant to Proposition 65 and California Code of Civil  
8 Procedure § 664.6.

9     **2.     DEFINITIONS**

10           2.1     **California Customers**

11           “California Customer” shall mean any customer that Stanley Furniture reasonably  
12 understands is located in California, has a California warehouse or distribution center, maintains a  
13 retail outlet in California, or has made internet sales into California on or after January 1, 2011.

14           2.2     **Detectable**

15           “Detectable” shall mean containing more than 25 parts per million (“ppm”) (the equivalent  
16 of .0025%) of any one chemical in any material, component, or constituent of a  
17 subject product, when analyzed by a NVLAP accredited laboratory pursuant to EPA testing  
18 methodologies 3545 and 8270C, or equivalent methodologies utilized by federal or state agencies to  
19 determine the presence, and measure the quantity, of TDCPP and/or tris(2-chloroethyl) phosphate  
20 (“TCEP”) in a solid substance.

21           2.3     **Effective Date**

22           “Effective Date” shall mean March 17, 2015.

23           2.4     **Private Label Covered Products**

24           “Private Label Covered Products” means Products that bear a brand or trademark owned or  
25 licensed by a Retailer or affiliated entity that are sold or offered for sale by a Retailer in the State of  
26 California.

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1           **2.5 Reformulated Products**

2           “Reformulated Products” shall mean Products that contain no Detectable amount of TDCPP  
3 and TCEP.

4           **2.6 Reformulation Standard**

5           The “Reformulation Standard” shall mean containing no more than 25 ppm for each of  
6 TDCPP and TCEP.

7           **2.7 Retailer**

8           “Retailer” means an individual or entity that offers a Product for retail sale to consumers in  
9 the State of California.

10 **3. INJUNCTIVE RELIEF: REFORMULATION**

11           **3.1 Reformulation Commitment**

12           Commencing on July 1, 2014, Stanley Furniture shall not manufacture or import for  
13 distribution or sale to California Customers, or cause to be manufactured or imported for  
14 distribution or sale to California Customers, any Products that are not Reformulated Products.

15           **3.2 Vendor Notification/Certification**

16           On or before the Effective Date, Stanley Furniture shall provide written notice to all of its  
17 then-current vendors of the Products that will be sold or offered for sale in California, or to  
18 California Customers, instructing each such vendor to use reasonable efforts to provide only  
19 Reformulated Products for potential sale in California. In addressing the obligation set forth in the  
20 preceding sentence, Stanley Furniture shall not employ statements that will encourage a vendor to  
21 delay compliance with the Reformulation Standard. Stanley Furniture shall subsequently obtain  
22 written certifications, no later than June 1, 2014, from such vendors, and any newly engaged  
23 vendors, that the Products manufactured by such vendors are in compliance with the Reformulation  
24 Standard. Certifications shall be held by Stanley Furniture for at least two years after their receipt  
25 and shall be made available to Englander upon request.

26           **3.3 Products No Longer in a Stanley Furniture’s Control**

27           No later than 30 days after the Effective Date, Stanley Furniture shall send a letter,  
28 electronic or otherwise (“Notification Letter”) to: (1) each California Customer and/or Retailer

1 which it, after October 28, 2011, supplied the item for resale in California described as an exemplar  
2 in the Stanley Furniture received from Englander (“Exemplar Product”); and (2) any California  
3 Customer and/or Retailer that Stanley Furniture reasonably understands or believes had any  
4 inventory for resale in California of Exemplar Products as of the relevant Notice’s dates. The  
5 Notification Letter shall advise the recipient that the Exemplar Product “contains TDCPP and/or  
6 TCEP, chemicals known to the State of California to cause cancer,” and request that the recipient  
7 either: (a) label the Exemplar Products remaining in inventory for sale in California, or to  
8 California Customers, pursuant to Section 3.5; or (b) return, at Stanley Furniture’s sole expense, all  
9 units of the Exemplar Product held for sale in California, or to California Customers, to Stanley  
10 Furniture or a party Stanley Furniture has otherwise designated. The Notification Letter shall  
11 require a response from the recipient within 20 days confirming whether the Exemplar Product will  
12 be labeled or returned. Stanley Furniture shall maintain records of all correspondence or other  
13 communications generated pursuant to this Section for two years after the Effective Date and shall  
14 promptly produce copies of such records upon Englander’s written request.

### 15 3.4 Current Inventory

16 Any Products in, or manufactured and en route to, Stanley Furniture’s inventory as of or  
17 after April 30, 2014, that do not qualify as Reformulated Products and that Stanley Furniture has  
18 reason to believe may be sold or distributed for sale in California, shall contain a clear and  
19 reasonable warning as set forth in Section 3.5 below unless Section 3.6 applies.

### 20 3.5 Product Warnings

#### 21 3.5.1 Product Labeling

22 Any warning provided under Section 3.3 or 3.4 above shall be affixed to the packaging,  
23 labeling, or directly on each Product. Each warning shall be prominently placed with such  
24 conspicuousness as compared with other words, statements, designs, or devices as to render it likely  
25 to be read and understood by an ordinary individual under customary conditions before purchase.  
26 Each warning shall be provided in a manner such that the consumer or user understands to which  
27 specific Product the warning applies, so as to minimize the risk of consumer confusion.

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1 A warning provided pursuant to this Consent Judgment shall state:

2 **WARNING:** This product contains TDCPP, a flame  
3 retardant chemical known to the State  
of California to cause cancer.<sup>1</sup>

4 Attached as Exhibit B are template warnings developed by Englander that are deemed to be  
5 clear and reasonable for purposes of this Consent Judgment.<sup>2</sup> Provided that the other requirements  
6 set forth in this Section are addressed, including as to the required warning statement and method of  
7 transmission as set forth above, Stanley Furniture remains free not to utilize the template warnings.

8 **3.5.2 Internet Website Warning**

9 A warning shall be given in conjunction with the sale of the Products to California, or  
10 California Customers, via the internet, which warning shall appear on one or more web pages  
11 displayed to a purchaser during the checkout process. The following warning statement shall be  
12 used and shall: (a) appear adjacent to or immediately following the display, description, or price of  
13 the Product; (b) appear as a pop-up box; or (c) otherwise appear automatically to the consumer.

14 The warning text shall be the same type size or larger than the Product description text:

15 **WARNING:** This product contains TDCPP, flame  
16 retardant chemicals known to the State  
of California to cause cancer.<sup>3</sup>

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19 <sup>1</sup> The regulatory safe harbor warning language specified in 27 CCR § 25603.2 may also be  
20 used if Stanley Furniture had begun to use it, prior to the Effective Date. If Stanley Furniture seeks  
21 to use alternative warning language, other than the language specified above or the safe harbor  
22 warning specified in 27 CCR § 25603.2, or seeks to use an alternate method of transmission of the  
23 warning, must obtain the Court's approval of its proposed alternative and provide all Parties and the  
Office of the Attorney General with timely notice and the opportunity to comment or object before  
the Court acts on the request. The Parties agree that the following warning language shall not be  
deemed to meet the requirements of 27 CCR § 25601 *et seq.* and shall not be used pursuant to this  
Consent Judgment: (a) "cancer or birth defects or other reproductive harm" and (b) "cancer, birth  
defects or other reproductive harm."

24 <sup>2</sup> The characteristics of the template warnings are as follows: (a) a yellow hang tag  
25 measuring 3" x 5", with no less than 12 point font, with the warning language printed on each side  
of the hang tag, which shall be affixed directly to the Product; (b) a yellow warning sign measuring  
26 8.5" x. 11", with no less that 32 point font, with the warning language printed on each side, which  
shall be affixed directly to the Product; and (c) for Products sold at retail in a box or packaging, a  
27 yellow warning sticker measuring 3" x 3", with no less than 12 point font, which shall be affixed  
directly to the Product packaging.

28 <sup>3</sup> Footnote 1, *supra*, applies in this context as well.

1           **3.6 Alternatives to Interim Warnings**

2           The obligations of Stanley Furniture under Section 3.3 shall be relieved provided Stanley  
3 Furniture certifies on or before April 14, 2014 that only Exemplar Products meeting the  
4 Reformulation Standard will be offered for sale in California, or to California Customers for sale in  
5 California, after April 30, 2014. The obligations of Stanley Furniture under Section 3.4 shall be  
6 relieved provided Stanley Furniture certifies on or before April 14, 2014 that, after August 31,  
7 2014, it will only distribute or cause to be distributed for sale in, or sell in, California, or to  
8 California Customers for sale in California, Products (i.e., Products beyond the Exemplar Product)  
9 meeting the Reformulation Standard. The certifications provided by this Section are material terms  
10 and time is of the essence.

11 **4. MONETARY PAYMENTS**

12           **4.1 Civil Penalties Pursuant to Health & Safety Code § 25249.7(b)**

13           In settlement of all the claims referred to in this Consent Judgment, Stanley Furniture shall  
14 pay the civil penalties shown for it on Exhibit A in accordance with this Section.

15           Each penalty payment will be allocated in accordance with California Health & Safety Code  
16 § 25249.12(c)(1) and (d), with 75% of the funds remitted to the California Office of Environmental  
17 Health Hazard Assessment (“OEHHA”), 25% of the penalty remitted to “The Chanler Group in  
18 Trust for Englander.” Each penalty payment shall be made within two business days of the date it  
19 is due and be delivered to the addresses listed in Section 4.5 below. Stanley Furniture shall be  
20 liable for payment of interest, at a rate of 10% simple interest, for all amounts due and owing under  
21 this Section that are not received within two business days of the due date.

22           4.1.1 Initial Civil Penalty. On or before the Effective Date, Stanley Furniture shall  
23 make an initial civil penalty payment. Stanley Furniture shall issue a check payable to  
24 “McGuireWoods” in the amount identified on Exhibit A to be held in trust by the law office of  
25 McGuireWoods for The Chanler Group. McGuireWoods shall provide The Chanler Group with  
26 written confirmation within five days of receipt that the funds have been deposited in a trust  
27 account. Within two business days of the date this Consent Judgment is approved by the Court,  
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1 McGuireWoods shall issue a check payable to “The Chanler Group” to the address found in Section  
2 8 below.

3 4.1.2 Second Civil Penalty. On or before June 15, 2014, Stanley Furniture shall  
4 make a second civil penalty payment in the amount identified on Exhibit A. The amount of the  
5 second penalty may be reduced according to any penalty waiver Stanley Furniture is eligible for  
6 under Sections 4.1.4(i) and 4.1.4(iii), below.

7 4.1.3 Third Civil Penalty. On or before November 30, 2014, Stanley Furniture  
8 shall make a third civil penalty payment in the amount identified on Exhibit A. The amount of the  
9 third penalty may be reduced according to any penalty waiver Stanley Furniture is eligible for under  
10 Sections 4.1.4(ii) and 4.1.4(iv), below.

11 4.1.4 Reductions to Civil Penalty Payment Amounts. Stanley Furniture may  
12 reduce the amount of the second and/or third civil penalty payments identified on Exhibit A by  
13 providing Englander with certification of certain efforts undertaken to reformulate their Products or  
14 limit the ongoing sale of non-reformulated Products in California. The options to provide a written  
15 certification in lieu of making a portion of Stanley Furniture’s civil penalty payment constitute  
16 material terms of this Consent Judgment, and with regard to such terms, time is of the essence.

17 4.1.4(i) **Partial Penalty Waiver for Accelerated Reformulation of Products Sold**  
18 **or Offered for Sale in California.**

19 If Stanley Furniture so elects on Exhibit A, a portion of the second civil penalty shall be  
20 waived, to the extent that Stanley Furniture has agreed that, as of April 30, 2014, and continuing  
21 into the future, it shall only manufacture or import for distribution or sale to California Customers  
22 or cause to be manufactured or imported for distribution or sale to California Customers,  
23 Reformulated Products. If so elected, an officer or other authorized representative of Stanley  
24 Furniture shall provide Englander with a written certification confirming compliance with such  
25 conditions, which certification must be received by Englander’s counsel on or before January 15,  
26 2014.

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**4.1.4(ii) Partial Penalty Waiver for Extended Reformulation.**

If Stanley Furniture so elects on Exhibit A, a portion of the third civil penalty shall be waived, to the extent that Stanley Furniture has agreed that, as of May 15, 2014, and continuing into the future, it shall only manufacture or import for distribution or sale in California or cause to be manufactured or imported for distribution or sale in California, Reformulated Products which also do not contain tris(2,3-dibromopropyl)phosphate (“TDBPP”) in a detectable amount of more than 25 parts per million (“ppm”) (the equivalent of .0025%) in any material, component, or constituent of a subject product, when analyzed by a NVLAP- or California-accredited laboratory pursuant to EPA testing methodologies 3545 and 8270C, or equivalent methodologies utilized by federal or state agencies to determine the presence, and measure the quantity, of TDBPP in a solid substance. If so elected , an officer or other authorized representative of Stanley Furniture shall provide Englander with a written certification confirming compliance with such conditions, which certification must be received by Englander’s counsel on or before November 15, 2014.

**4.1.4(iii) Partial Penalty Waiver for Withdrawal of Unreformulated Exemplar Products from the California Market.**

As shown Exhibit A, a portion of the second civil penalty shall be waived, if an officer or other authorized representative of Stanley Furniture provides Englander with written certification, by March 17, 2014, confirming that each individual or establishment in California to which it supplied the Exemplar Product after October 28, 2011, has elected to return all remaining Exemplar Products held for sale in California.

**4.1.4(iv) Partial Penalty Waiver for Termination of Distribution to California of Unreformulated Inventory.**

As shown on Exhibit A, a portion of the third civil penalty shall be waived, if an officer or other authorized representative of Stanley Furniture provides Englander with written certification, on or before November 15, 2014, confirming that, as of July 1, 2014, it has and will continue to distribute, offer for sale, or sell in California, or to California Customers, only Reformulated Products.

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**4.2 Representations**

Stanley Furniture represents that the sales data and other information concerning its size, knowledge of TDCPP, and prior reformulation and/or warning efforts, it provided to Englander was truthful to its knowledge and a material factor upon which Englander has relied to determine the amount of civil penalties assessed pursuant to Health & Safety Code § 25249.7 in this Consent Judgment. If, within nine months of the Effective Date, Englander discovers and presents to Stanley Furniture, evidence demonstrating that the preceding representation and warranty was materially inaccurate, then Stanley Furniture shall have 30 days to meet and confer regarding the Englander’s contention. Should this 30 day period pass without any such resolution between Englander and Stanley Furniture, Englander shall be entitled to file a formal legal claim including, but not limited to, a claim for damages for breach of contract.

Stanley Furniture further represents that in implementing the requirements set forth in Sections 3.1 and 3.2 of this Consent Judgment, it will voluntarily employ commercial best efforts to achieve reformulation of its Products and Additional Products on a nationwide basis and not employ statements that will encourage a vendor to limit its compliance with the Reformulation Standard to goods intended for sale to California Consumers.

**4.3 Stipulated Penalties for Certain Violations of the Reformulation Standard.**

If Englander provides notice and appropriate supporting information to Stanley Furniture that levels of TDCPP, TCEP and/or TDBPP in excess of the Reformulation Standard have been detected in one or more Products labeled or otherwise marked in an identifiable manner as manufactured or imported after a deadline for meeting the Reformulation Standard has arisen for Stanley Furniture under Sections 3.1 or 3.6 above, Stanley Furniture may elect to pay a stipulated penalty to relieve any further potential liability under Proposition 65 or sanction under this Consent

1 Judgment as to Products sourced from the vendor in question.<sup>4</sup> The stipulated penalty shall be  
2 \$1,500 if the violation level is below 100 ppm and \$3,000 if the violation level is between 100 ppm  
3 and 249 ppm, this being applicable for any amount in excess of the Reformulation Standards but  
4 under 250 ppm.<sup>5</sup> Englander shall further be entitled to reimbursement of his associated expense in  
5 an amount not to exceed \$5,000 regardless of the stipulated penalty level. Stanley Furniture under  
6 this Section must provide notice and appropriate supporting information relating to the purchase  
7 (e.g. vendor name and contact information including representative, purchase order, certification (if  
8 any) received from vendor for the exemplar or subcategory of products), test results, and a letter  
9 from a company representative or counsel attesting to the information provided, to Englander  
10 within 30 calendar days of receiving test results from Englander's counsel. Any violation levels at  
11 or above 250 ppm shall be subject to the full remedies provided pursuant to this Consent Judgment  
12 and at law.

#### 13 4.4 Reimbursement of Fees and Costs

14 The Parties acknowledge that Englander and his counsel offered to resolve this dispute  
15 without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving  
16 this fee reimbursement issue to be resolved after the material terms of the agreement had been  
17 settled. Shortly after the other settlement terms had been finalized, Stanley Furniture expressed a  
18 desire to resolve the fee and cost issue Stanley Furniture agrees to pay, Englander and his counsel  
19 under general contract principles and the private attorney general doctrine codified at California  
20 Code of Civil Procedure section 1021.5 for all work performed through the mutual execution of this  
21 agreement, including the fees and costs incurred as a result of investigating, bringing this matter to  
22 Stanley Furniture's attention, negotiating a settlement in the public interest, and seeking court  
23 approval of the same. In addition, the negotiated fee and cost figure expressly includes the  
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25 <sup>4</sup> This Section shall not be applicable where the vendor in question had previously been  
26 found by Stanley Furniture to have provided unreliable certifications as to meeting the  
27 Reformulation Standard in its Products on more than one occasion. Notwithstanding the foregoing,  
a stipulated penalty for a second exceedance by Stanley Furniture's vendor at a level between 100  
and 249 ppm shall not be available after July 1, 2015.

28 <sup>5</sup> Any stipulated penalty payments made pursuant to this Section should be allocated and  
remitted in the same manner as set forth in Sections 4.1 and 4.5, respectively.

1 anticipated significant amount of time Englander’s counsel will incur to monitor various provisions  
2 in this agreement over the next two years, with the exception of additional fees that may be incurred  
3 pursuant to Stanley Furniture’s election in Section 11. Stanley Furniture more specifically agreed,  
4 upon the Court’s approval and entry of this Consent Judgment, to pay Englander’s counsel the  
5 amount of fees and costs indicated on Exhibit A. As of the Effective Date, Stanley Furniture shall  
6 issue a check payable to “McGuireWoods” in the amount of fees and costs indicated on Exhibit A  
7 to be held in trust by the law office of McGuireWoods for The Chanler Group. McGuireWoods  
8 shall provide The Chanler Group with written confirmation within five days of receipt that the  
9 funds have been deposited in a trust account. Within two business days of the date this Consent  
10 Judgment is approved by the Court, McGuireWoods shall issue a check payable to “The Chanler  
11 Group” to the address found in Section 8 below.

12           4.5    **Payment Procedures**

13                   4.5.1    Issuance of Payments.

14                           (a)    All payments owed to Englander and his counsel, pursuant to  
15                           Sections 4.1, 4.3 and 4.4 shall be delivered to the following payment address:

16   The Chanler Group  
17   Attn: Proposition 65 Controller  
18   2560 Ninth Street  
19   Parker Plaza, Suite 214  
20   Berkeley, CA 94710

21                           (b)    All payments owed to OEHHA (EIN: 68-0284486), pursuant to  
22                           Section 4.1, shall be delivered directly to OEHHA (Memo line “Prop 65 Penalties”) at one  
23                           of the following addresses, as appropriate:

24   For United States Postal Service Delivery:

25   Mike Gyurics  
26   Fiscal Operations Branch Chief  
27   Office of Environmental Health Hazard Assessment  
28   P.O. Box 4010  
  Sacramento, CA 95812-4010

  For Non-United States Postal Service Delivery:

1 Mike Gyurics  
2 Fiscal Operations Branch Chief  
3 Office of Environmental Health Hazard Assessment  
4 1001 I Street  
5 Sacramento, CA 95814

6 4.5.2 Proof of Payment to OEHHA. A copy of each check payable to OEHHA  
7 shall be mailed, simultaneous with payment, to The Chanler Group at the address set forth  
8 in Section 4.5.1(a) above, as proof of payment to OEHHA.

9 4.5.3 Tax Documentation. Stanley Furniture shall issue a separate 1099 form for  
10 each payment required by this Section to: (a) Peter Englander, whose address and tax  
11 identification number shall be furnished upon request after this Consent Judgment has been  
12 fully executed by the Parties; (b) OEHHA, who shall be identified as "California Office of  
13 Environmental Health Hazard Assessment" (EIN: 68-0284486) in the 1099 form, to be  
14 delivered directly to OEHHA, P.O. Box 4010, Sacramento, CA 95814; and (c) "The  
15 Chanler Group" (EIN: 94-3171522) to the address set forth in Section 4.5.1(a) above.

16 **5. CLAIMS COVERED AND RELEASED**

17 **5.1 Englander's Release of Proposition 65 Claims**

18 Englander, acting on his own behalf and in the public interest, release Stanley Furniture, its  
19 parents, subsidiaries, affiliated entities under common ownership, directors, officers, agents  
20 employees, attorneys, and each entity to whom Stanley Furniture directly or indirectly distribute or  
21 sell Products, including, but not limited, to downstream distributors, wholesalers, customers,  
22 retailers, franchisees, cooperative members, and licensees (collectively, "Releasees"), from all  
23 claims for violations of Proposition 65 through the Effective Date based on unwarned exposures to  
24 TDCPP in the Products, as set forth in the Notices. Compliance with the terms of this Consent  
25 Judgment constitutes compliance with Proposition 65 with respect to exposures to TDCPP from the  
26 Products, as set forth in the Notices. The Parties further understand and agree that this Section 5.1  
27 release shall not extend upstream to any entities, other Stanley Furniture, that manufactured the  
28 Products or any component parts thereof, or any distributors or suppliers who sold the Products or  
any component parts thereof to Stanley Furniture, except that entities upstream of Stanley Furniture  
that is a Retailer of a Private Labeled Covered Product shall be released as to the Private Labeled

1 Covered Products offered for sale in California, or to California Customers, by the Retailer in  
2 question.

3 **5.2 Englander's Individual Releases of Claims**

4 Englander, in his individual capacity only and *not* in his representative capacity, provides a  
5 release herein which shall be effective as a full and final accord and satisfaction, as a bar to all  
6 actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims,  
7 liabilities, and demands of Englander of any nature, character, or kind, whether known or unknown,  
8 suspected or unsuspected, limited to and arising out of alleged or actual exposures to TDCPP,  
9 TCEP, and/or TDBPP in the Products (as delineated on a Exhibit A) manufactured, imported,  
10 distributed, or sold by Stanley Furniture prior to the Effective Date.<sup>6</sup> The Parties further  
11 understand and agree that this Section 5.2 release shall not extend upstream to any entities that  
12 manufactured the Products, or any component parts thereof, or any distributors or suppliers who  
13 sold the Products, or any component parts thereof to Stanley Furniture, except that entities upstream  
14 of Stanley Furniture that is a Retailer of a Private Labeled Covered (or Additional) Product shall be  
15 released as to the Private Labeled Covered (or Additional) Products offered for sale in California by  
16 the Retailer in question. Nothing in this Section affects Englander's right to commence or  
17 prosecute an action under Proposition 65 against a Releasee that does not involve Stanley  
18 Furniture's Products.

19 **5.3 Stanley Furniture's Release of Englander**

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

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28 <sup>6</sup> The injunctive relief requirements of Section 3 shall apply to Additional Products as  
otherwise specified.

1 **6. COURT APPROVAL**

2 This Consent Judgment is not effective until it is approved and entered by the Court and  
3 shall be null and void if, for any reason, it is not approved in its entirety and entered by the Court  
4 within one year after it has been fully executed by all Parties. If the Court does not approve the  
5 Consent Judgment, the Parties shall meet and confer as to whether to modify the language or appeal  
6 the ruling. If the Parties do not jointly agree on a course of action to take, then the case shall  
7 proceed in its normal course on the Court's trial calendar. If the Court's approval is ultimately  
8 overturned by an appellate court, the Parties shall meet and confer as to whether to modify the  
9 terms of this Consent Judgment. If the Parties do not jointly agree on a course of action to take,  
10 then the case shall proceed in its normal course on the Court's trial calendar. In the event that this  
11 Consent Judgment is entered by the Court and subsequently overturned by any appellate court, any  
12 monies that have been provided to OEHHA, Englander or his counsel pursuant to Section 3, above,  
13 shall be refunded within 15 days of the appellate decision becoming final. If the Court does not  
14 approve and enter the Consent Judgment within one year of the Effective Date, any monies that  
15 have been provided to OEHHA or held in trust for Englander or his counsel pursuant to Section 4,  
16 above, shall be refunded to the Stanley Furniture within 15 days.

17 **7. GOVERNING LAW**

18 The terms of this Consent Judgment shall be governed by the laws of the State of California.  
19 In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by  
20 reason of law generally, or if any of the provisions of this Consent Judgment are rendered  
21 inapplicable or are no longer required as a result of any such repeal or preemption, or rendered  
22 inapplicable by reason of law generally as to the Products, then Stanley Furniture may provide  
23 written notice to Englander of any asserted change in the law, and shall have no further obligations  
24 pursuant to this Consent Judgment with respect to, and to the extent that, the Products are so  
25 affected. Nothing in this Consent Judgment shall be interpreted to relieve Stanley Furniture from  
26 any obligation to comply with any pertinent state or federal law or regulation.

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1 **8. NOTICES**

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

6 To Stanley Furniture:	To Englander:
7 At the address shown on Exhibit A	Proposition 65 Coordinator
8	The Chanler Group
9	2560 Ninth Street
10	Parker Plaza, Suite 214
	Berkeley, CA 94710-2565

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

13 **9. COUNTERPARTS, FACSIMILE AND PDF SIGNATURES**

14 This Consent Judgment may be executed in counterparts and by facsimile or pdf signature,  
15 each of which shall be deemed an original, and all of which, when taken together, shall constitute  
16 one and the same document. A facsimile or pdf signature shall be as valid as the original.

17 **10. COMPLIANCE WITH HEALTH & SAFETY CODE SECTION 25249.7(f)**

18 Englander and his attorneys agree to comply with the reporting form requirements  
19 referenced in California Health & Safety Code section 25249.7(f).

20 **11. MODIFICATION**

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

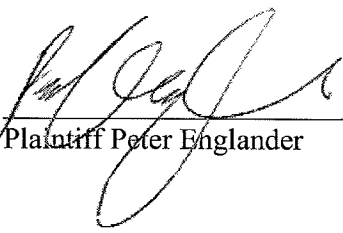
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1 **12. AUTHORIZATION**

2 The undersigned are authorized to execute this Consent 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 Judgment.

5  
6 AGREED TO:

AGREED TO:  
Settling Defendant:  
Stanley Furniture Company, Inc.

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9 \_\_\_\_\_  
10 Plaintiff Peter Englander

By: \_\_\_\_\_  
Name:  
It's:

11 Date: March 21, 2014

Date: March \_\_, 2014

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1 **12. AUTHORIZATION**

2 The undersigned are authorized to execute this Consent 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 Judgment.

5  
6 **AGREED TO:**

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9 \_\_\_\_\_  
10 Plaintiff Peter Englander

11 Date: March \_\_, 2014

6 **AGREED TO:**

7 Settling Defendant:  
8 Stanley Furniture Company, Inc.

9 By: Ante D. Wimmer  
10 Name: Ante W. Wimmer  
11 It's: VP - Corporate Controller

12 Date: March 25, 2014

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EXHIBIT A

I. Name of Settling Defendant (Mandatory)

STANLEY FURNITURE COMPANY, INC.

II. Names of Releasees (Optional; May be Partial)

III. Types of Covered Products Applicable to Settling Defendant (Check All That Match 60-Day Notice or Supplemental Notice Received)

Padded Upholstered Furniture Including Chairs containing TDCPP

IV. Types of Additional Products the Settling Defendant Elects to Address (if any):

V. Stanley Furniture's Required Settlement Payments

A. Penalties as follows:

\$6,500 initial payment due on or before the Effective Date;

\$24,000 second payment due on or before June 15, 2014, of which \$15,000 may be waived pursuant to Section 4.1.4(i) and \$9,000 may be waived pursuant to Section 4.1.4(ii); and

\$14,000 third payment due on or before November 30, 2014, of which \$9,000 may be waived pursuant to Section 4.1.4(ii) and \$5,000 may be waived pursuant to Section 4.1.4(iv).

B. Payment to The Chanler Group for reimbursement of attorneys' fees and costs attributable to Stanley Furniture: \$33,000.

VII. Person(s) to receive Notices pursuant to Section 8.

Avita W. Dimmer  
Name

\_\_\_\_\_  
Name

VP - Corporate Controller  
Title

\_\_\_\_\_  
Title

200 N. Hamilton St  
Address

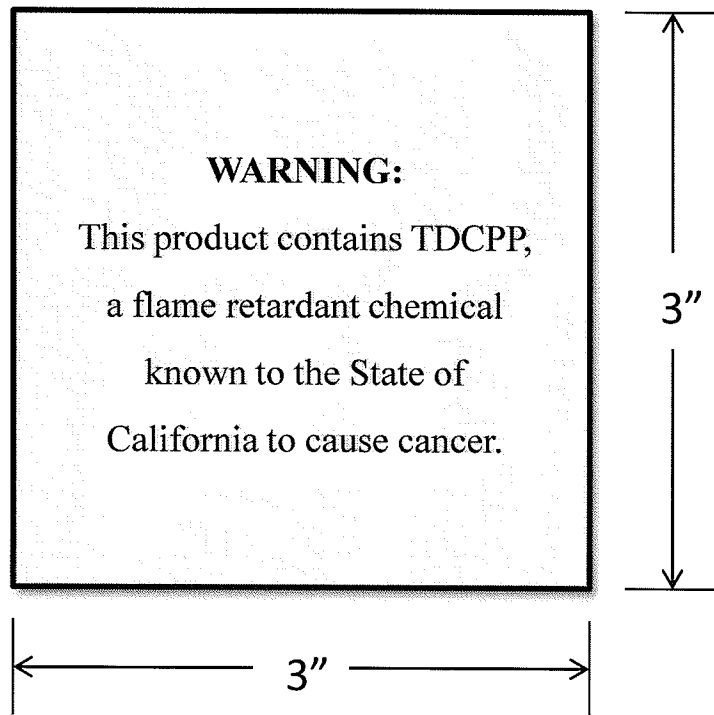
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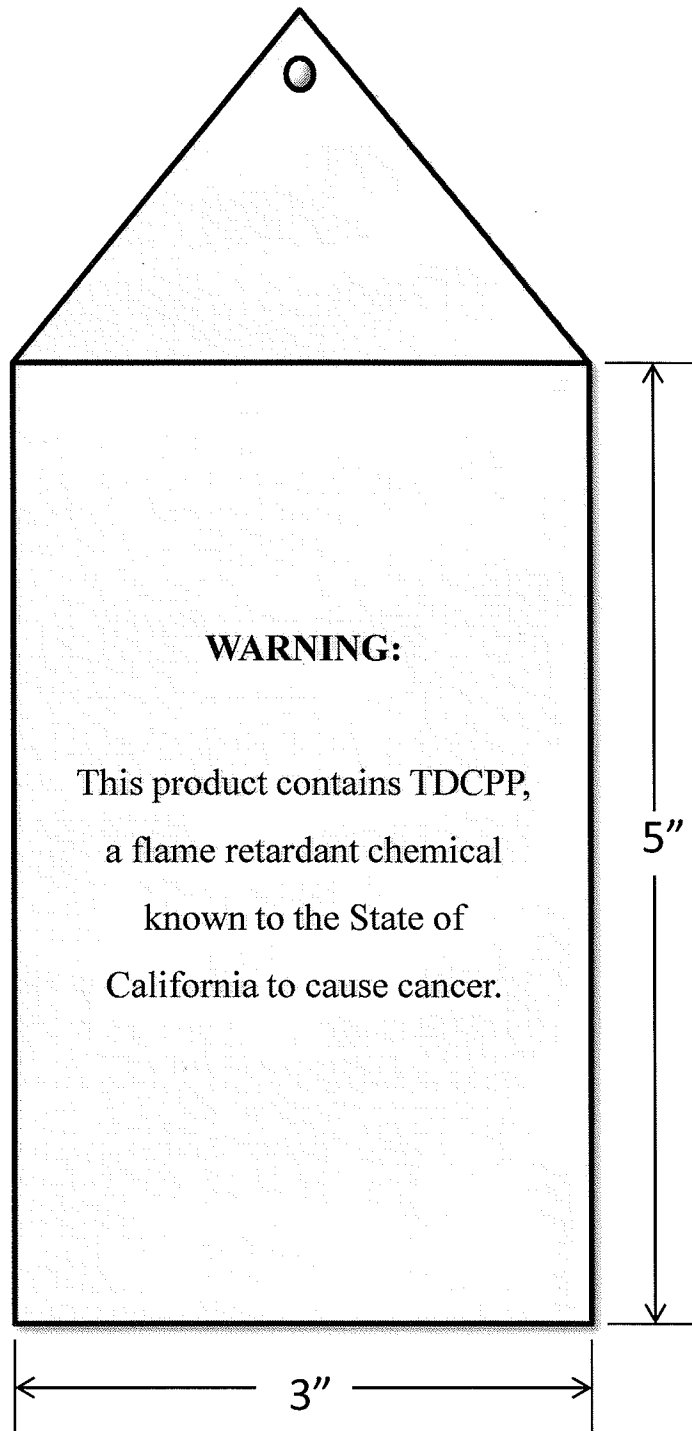
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EXHIBIT B  
(ILLUSTRATIVE WARNINGS)



**INSTRUCTIONS:** Minimum 12 pt. font. "WARNING:" text must be bold.



**INSTRUCTIONS:** Print warning on each side of hang tag.  
Minimum 12 pt. font. "WARNING:" text must be bold.

**WARNING:**

This product contains TDCPP, a flame retardant 8.5"

chemical known to the State of California to  
cause cancer.

11"

**INSTRUCTIONS:**

Minimum 32 pt. Font. "WARNING:" text must be bold and underlined.