

RICHARD DRURY (CBN 163559) DOUGLAS J. CHERMAK (CBN 233382) 2 LOZEAU|DRURY LLP 410 12th Street, Suite 250 Oakland, CA 94607 Ph: 510-836-4200 Fax: 510-836-4205 Email: richard@lozeaudrury.com 5 Attorneys for Plaintiff 6 AS YOU SOW JOHN EPPERSON (CBN 183347) COOPER, WHITE & COOPER LLP 201 California St., 17th Floor San Francisco, CA 94111 Ph: 415-765-6268 Fax: 415-433-5530 Email: jepperson@cwclaw.com Attorneys for Defendants SPRAY PRODUCTS CORPORATION; 12 CHARTPAK, INC.; UTRECHT MANUFACTURING CORPORATION 13 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA 14 FOR THE COUNTY OF ALAMEDA 15 Case No. RG14715992 AS YOU SOW, a non-profit California 16 corporation [PROPOSED] CONSENT JUDGMENT 17 Plaintiff, 18 vs. Health and Safety Code § 25249.6, et seq. 19 **SPRAY PRODUCTS** Dept: 17 CORPORATION, a Pennsylvania 20 corporation; CHARTPAK, INC., a Massachusetts corporation; and 21 UTRECHT MANUFACTURING CORPORATION, a New Jersey 22 corporation, 23 Defendants. 24 25 This Consent Judgment is entered into by and between Plaintiff As You Sow ("AYS") and 26

("Chartpak"); and Defendant Utrecht Manufacturing Corporation ("Utrecht") (all defendants collectively referred to as "Defendants"), to resolve all claims raised in the Plaintiff's Complaint

Defendant Spray Products Corporation ("Spray Products"), Defendant Chartpak, Inc.

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filed in the above-captioned action, which was titled "Complaint for Injunctive Relief and civil Penalties" and was filed on March 4, 2014 (the "Complaint"). This Consent Judgment shall be effective upon entry. AYS and Defendants (each individually, a "Party", and collectively "the Parties") agree to the terms and conditions set forth below.

1. <u>INTRODUCTION</u>

- 1.1 AYS is a non-profit corporation dedicated to, among other causes, the protection of the environment, the promotion of human health, the improvement of worker and consumer rights, environmental education, and corporate accountability. AYS is based in Oakland, California and is incorporated under the laws of the State of California.
- 1.2 Chartpak manufactures, packages, distributes, markets, and/or sells products in California, including Grumbacher Workable Fixative (Matte), Grumbacher Final Fixative (Matte), and Grumbacher Final Fixative (Gloss Brilliant). These products, which are currently marketed, distributed and/or sold in California by Chartpak, are subject to this Consent Judgment ("Covered Chartpak Products").
- 1.3 Utrecht manufactures, packages, distributes, markets, and/or sells products in California, including Utrecht UV-Resistant Clear Acrylic Coating and Utrecht Workable Fixative. These products, which are currently marketed, distributed and/or sold in California by Utrecht, are subject to this Consent Judgment ("Covered Utrecht Products").
- 1.4 Spray Products manufactures, packages, distributes, markets, and/or sells products in California, ("Covered S.P. Products"), the Covered Chartpak Products and the Covered Utrecht Products that are the subject of this Consent Judgment. The Covered S.P. Products, the Covered Chartpak Products and the Covered Utrecht Products are referred to collectively as the "Covered Products."
- 1.5 AYS alleges in the Complaint that the Covered Products contain ethylbenzene, a chemical listed by the State of California as known to cause cancer pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), California Health and Safety Code §25249.5 et seq.
 - 1.6 On March 21, 2013, and May 16, 2013, AYS sent 60-day Notices of Violations to

Chartpak and public enforcers ("Chartpak NOV") as required by Health & Safety Code Section 25249.7, regarding alleged exposures to ethylbenzene contained in the Covered Chartpak Products.

- 1.7 On March 21, 2013, AYS sent 60-day Notices of Violations to Utrecht and public enforcers ("Utrecht NOV") as required by Health & Safety Code Section 25249.7, regarding alleged exposures to ethylbenzene contained in the Covered Utrecht Products.
- 1.8 On June 19, 2013, AYS sent 60-day Notices of Violations to Spray Products and public enforcers ("Spray Products NOV") as required by Health & Safety Code Section 25249.7, regarding alleged exposures to ethylbenzene contained in Covered Products manufactured by Spray Products.
- 1.9 The Parties have agreed to enter into this Consent Judgment to settle claims as set forth herein, and to avoid prolonged and costly litigation.
- 1.10 By executing and complying with this Consent Judgment, none of the Parties admits any facts or conclusions of law alleged in the Complaint, or the existence of any other statutory, common law, or equitable claim or requirement relating to or arising from the manufacture, packaging, marketing, distribution and/or sale of the Covered Products by Defendants in California.
- 1.11 This Consent Judgment shall not be construed as an admission that any warning regarding the alleged exposure to chemicals listed under Proposition 65 from Covered Products are required under Proposition 65 or any other statute, regulation, or by the common law. Defendants deny that any of the Covered Products were in violation of Proposition 65 at any time. Nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, argument or defense that AYS or Defendants may have in any other or in future legal proceeding unrelated to this action. However, this paragraph shall not diminish or otherwise affect the obligation, responsibilities, and duties of the Parties under this Consent Judgment.
 - 1.12 The term "Effective Date" means the date of entry of this Consent Judgment.

2. <u>JURISDICTION</u>

2.1 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendants as to the allegations contained in the Complaint, venue is proper in

Alameda County, the Court has jurisdiction to enter this Consent Judgment as a resolution of all claims alleged in the Complaint, and the Court shall retain jurisdiction to enforce the Consent Judgment.

3. CLEAR AND REASONABLE WARNINGS AND REFORMULATION

3.1 Within thirty (30) days of the Effective Date, all Covered Chartpak Products being manufactured, produced, distributed or sold in California by Chartpak or Spray Products shall have a label that provide the following warning statement:

WARNING: This product contains a chemical known to the State of California to cause cancer.

3.2 Within thirty (30) days of the Effective Date, all Covered Utrecht Products being manufactured, produced, distributed or sold in California by Utrecht or Spray Products shall have a label that provide the following warning statement:

WARNING: This product contains a chemical known to the State of California to cause cancer.

- 3.3 The warning statement required in Paragraphs 3.1 and 3.2 shall be prominently affixed to or printed on the product or its packaging by the respective Defendants and shall be displayed with such conspicuousness, as compared with other words, statements, designs, or devices on those products, as to render the warning statement likely to be read and understood by an ordinary individual under customary conditions of purchase and use.
- 3.4 The Parties agree that the content and the placement of the warning statements as shown in Attachment A hereto meet the requirements of Paragraphs 3.1 through 3.3 of this Consent Judgment.
- 3.5 The Parties further agree that a Covered Product may be manufactured, produced, marketed, sold and/or distributed in California or shipped to California without the warnings required under paragraphs Section 3.1 or 3.2 if the Covered Product has been reformulated to remove ethylbenzene, and the requirements set forth in paragraphs 3.6 and 3.9 below have been met.

- 3.6 At least sixty (60) days before the discontinuance of any warning statement required pursuant to Paragraphs 3.1 and 3.2, the Defendant seeking to sell a reformulated version of a Covered Product without the Proposition 65 warning shall provide testing results to As You Sow demonstrating that each of the Covered Product(s) subject to such reformulation do not contain detectable levels of ethylbenzene (Reformulated Product). Such testing shall consist of at least two (2) randomly-selected samples of each of the Reformulated Product(s) for ethylbenzene content to confirm that ethylbenzene is not present in each Reformulated Product at detectable levels.
- reformulating party shall provide As You Sow with test results of at least two (2) randomly-selected samples of each of the Reformulated Product for ethylbenzene content to confirm that ethylbenzene is not present in the tested samples at detectable levels. Full test result packets, including all accompanying quality assurance/quality control ("QA/QC") documentation shall be provided to AYS within thirty (30) working days of completion of the testing; thereafter such testing shall be performed upon written request from AYS, which request shall not be made more frequently than once per calendar year, unless a reformulation request has been made after AYS received test results in a given year, and which request shall not be made after five (5) years following the year of initial reformulation. The reformulating party shall retain all final test results and documentation relating thereto from the date testing commences for at least five (5) years after the testing was performed and, within that five (5) year time period, shall make such final test results available to AYS as reasonably requested.
- 3.8 All testing pursuant to this Consent Judgment shall be performed by a laboratory certified by the California Environmental Laboratory Accreditation Program.

4. <u>SETTLEMENT PAYMENTS</u>

4.1 In full and final satisfaction of all potential civil penalties, payment in lieu of civil penalties, attorneys' fees and costs, and any other potential fines, penalties, costs, liabilities and claims or causes of action to be imposed upon or asserted against the Defendants, individually and collectively, for the violations set alleged in the Complaint, Spray Products shall make a total payment of \$80,000.00 ("Total Settlement Amount") to AYS according to the following schedule:

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a. \$15,000 within 5 days of the Effective Date.

- b. \$15,000 within 60 days of the Effective Date.
- c. \$15,000 within 120 days of the Effective Date.
- d. \$15,000 by January 15, 2016...
- e. \$15,000 by March 15, 2016.
- f. \$5,0000 by June 15, 2016

Spray Products shall make these payments by check made payable to As You Sow. The Total Settlement Amount shall be apportioned as follows:

- 4.2 \$8,160.00 shall be considered as a civil penalty pursuant to Health and Safety Code Section 25249.7(b). AYS shall remit seventy-five percent (75%) of this amount to the State of California pursuant to Health and Safety Code Section 25249.12(b), equal to \$6,120.00 with AYS retaining the remaining \$2,040.00.
- 4.3 \$8,160.00 shall be distributed to AYS in lieu of further civil penalties, with this amount to be used by AYS for grants to California non-profit organizations and by the AYS Environmental Enforcement Fund. These funds shall not be construed as forfeitures, fines, or penalties, and shall be used to reduce or remediate exposures to toxic chemicals and to increase consumer, worker, and community awareness of the health hazards posed by toxic chemicals in California. In deciding among the grant proposals, the As You Sow Board of Directors ("Board") takes into consideration a number of important factors, including: (1) the nexus between the harm done in the underlying case(s), and the grant program work; (2) the potential for toxics reduction, prevention, remediation or education benefits to California citizens from the proposal; (3) the budget requirements of the proposed grantee and the alternate funding sources available to it for its project; and (4) the Board's assessment of the proposed grantee's chances for success in its program work. AYS shall ensure that all funds will be disbursed and used in accordance with AYS's mission statement, articles of incorporation, and bylaws and applicable state and federal laws and regulations to promote awareness of and responses to the health hazards posed by toxic chemicals in California.
 - 4.4 \$63,680.00 shall be distributed to AYS as reimbursement for Plaintiff's attorneys'

fees, investigation costs, and other reasonable litigation costs and expenses incurred by Plaintiff in litigating and negotiating a settlement in this matter in the public interest.

5. ENFORCEMENT OF CONSENT JUDGMENT

- 5.1 The Parties may, by motion filed in this Court, enforce the terms and conditions of this Consent Judgment. Prior to the filing of any such motion, in the event a dispute arises with respect to any of the provisions of this Consent Judgment, the Parties shall meet and confer within 10 days after either Party receives written notice of an alleged violation of this Consent Judgment.
- 5.2 AYS is entitled to seek recovery of its reasonable attorneys' fees and costs incurred in any such motion or proceeding in any dispute regarding compliance with the terms of this Consent Judgment pursuant to the provisions of Code of Civil Procedure section 1021.5.

6. <u>CLAIMS COVERED, RELEASE AND COVENANT NOT TO SUE</u>

- 6.1 This Consent Judgment is the product of negotiation and compromise, and is accepted by the Parties for purposes of settling, compromising, and resolving issues disputed in this action, and shall not be used for any other purpose, or in any other matter.
- 6.2 Compliance with the terms of this Consent Judgment shall constitute compliance with Proposition 65 with respect to exposures to ethylbenzene in the Covered Products as alleged in the Chartpak NOV, the Utrecht NOV, the Spray Products NOV and in the Complaint.
- 6.3 This Consent Judgment is a full, final, and binding resolution between AYS, acting in the public interest, and
 - Chartpak, its parents, subsidiaries, affiliates, divisions, and their shareholders,
 officers, directors, employees, agents, attorneys, insurers and representatives, and
 their successors and assigns, and each entity to whom Chartpak directly or indirectly
 markets, distributes or sells the Covered Chartpak Products, including, but not
 limited, to downstream distributors, wholesalers, customers, retailers, and
 franchisees ("Chartpak Releasees");
 - Utrecht, its parents, subsidiaries, affiliates, divisions, and their shareholders,
 officers, directors, employees, agents, insurers and representatives, and their successors and assigns, and each entity to whom Utrecht directly or indirectly

markets, distributes or sells the Covered Utrecht Products, including, but not limited, to downstream distributors, wholesalers, customers, retailers, and franchisees ("Utrecht Releasees");

• and Spray Products, its parents, subsidiaries, affiliates, divisions, and their shareholders, officers, directors, employees, agents, insurers and representatives, and their successors and assigns, and each entity to whom Spray Products directly or indirectly markets, distributes or sells the Covered Products, including, but not limited, to downstream distributors, wholesalers, customers, retailers, and franchisees ("Spray Products Releasees"),

of any alleged violation of Proposition 65, based on the failure to provide clear and reasonable warnings of exposure to ethylbenzene in the Covered Products distributed or sold for consumer use before the Effective Date.

- 6.4 Chartpak, by this Consent Judgment, waives all rights to institute any form of legal action against AYS for all actions or statements made or undertaken by AYS prior to the Effective Date in the course of seeking enforcement of Proposition 65 against Chartpak in connection with the alleged presence of ethylbenzene in the Covered Chartpak Products.
- 6.5 Utrecht, by this Consent Judgment, waives all rights to institute any form of legal action against AYS for all actions or statements made or undertaken by AYS prior to the Effective Date in the course of seeking enforcement of Proposition 65 against Utrecht in connection with the alleged presence of ethylbenzene in the Covered Utrecht Products.
- 6.6 Spray Products, by this Consent Judgment, waives all rights to institute any form of legal action against AYS for all actions or statements made or undertaken by AYS prior to the Effective Date in the course of seeking enforcement of Proposition 65 against Spray Products in connection with the alleged presence of ethylbenzene in the Covered Products.
- 6.7 AYS, its directors, officers, employees, attorneys, agents, insurers and representatives, and their successors and assigns hereby release the Chartpak Releasees, the Utrecht Releasees, and the Spray Products Releasees for any claims that were in the Chartpak NOV, the Utrecht NOV, the Spray Products NOV or the Complaint against Defendants, individually and

collectively, based on the alleged presence of ethylbenzene in the Covered Products distributed or sold for consumer use before the Effective Date.

6.8 Upon entry of the Consent Judgment, the Parties waive their respective rights to a hearing or trial on the allegations in the Complaint.

7. GOVERNING LAW AND CONSTRUCTION

7.1 This Consent Judgment shall be governed by, and construed in accordance with, the laws of the State of California.

8. MODIFICATION OF CONSENT JUDGMENT

8.1 This Consent Judgment may be modified only upon written agreement of the Parties with approval of the Court, or pursuant to court order issued upon noticed motion of a Party for good cause shown and upon entry of a modified Consent Judgment by the Court. Any Party seeking to modify this Consent Judgment shall make reasonable efforts to meet and confer in good faith with the other Parties prior to filing a motion to modify the Consent Judgment and shall reasonably attempt to resolve any differences.

9. **COURT APPROVAL**

- 9.1 The Court shall either approve or disapprove of this Consent Judgment in its entirety, without alteration, deletion or amendment, unless otherwise so stipulated by the Parties and their counsel. Defendant agrees not to oppose this Consent Judgment.
- 9.2 In the event the Court fails to approve and order entry of the Consent Judgment without any change (unless otherwise so stipulated by the Parties), this Consent Judgment shall become null and void upon the election of any Party and upon written notice to all of the Parties to the Action pursuant to the notice provisions herein, and shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

10. APPLICATION OF CONSENT JUDGMENT

- 10.1 This Consent Judgment shall apply to and be binding upon the Parties hereto, their divisions, subdivisions and subsidiaries, and the successors or assigns of any of them.
- 10.2 The terms of this Consent Judgment shall not apply to Covered Chartpak Products manufactured, distributed, or sold by Chartpak for use outside of California.

To Defendants:

Bart Bastian, President Spray Products Corporation 1323 Conshohocken Road Plymouth Meeting, PA 19462

With a copy to:

John Epperson Cooper, White & Cooper LLP 201 California Street, 17th Floor San Francisco, CA 94111

14. EXECUTION AND COUNTERPARTS

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

15. <u>AUTHORIZATION</u>

by the Party he or she represents to stipulate to this Consent Judgment and to enter into and execute the Consent Judgment on behalf of the Party represented and legally bind that Party. The undersigned have read, understand, and agree to all of the terms and conditions of this Consent Judgment.

APPROVED AS TO FORM:

Dated: 7 May, 2015.

LOZEAU DRURY LLP

Douglas Chermak

Attorneys for Plaintiff AS YOU SOW

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2	Dated:, 2015.	COOPER, WHITE & COOPER LLP			
3		D.			
4		By: John Epperson			
5		Attorneys for Defendants SPRAY PRODUCTS CORPORATION, CHARTPAK,			
6		INC., and UTRECHT MANUFACTURING CORPORATION			
7	SO AGREED:				
8	Dated: May 7 . 2015.	AS YOU SOW			
9		1918 11 m			
j		By: Andrew Behar			
11		Chief Executive Officer			
12	Dated:, 2015.	ODDAY BROBLOTO CORRODATION			
13	Dated: 2015.	SPRAY PRODUCTS CORPORATION			
14		By:Bart Bastian			
15	,	Bart Bastian President			
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1.7	Dated:, 2015.	CHARTPAK, INC.			
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19		By:Steven W. Roth			
20	·	President			
21	Dated:, 2015.	UTRECHT MANUFACTURING			
22		COPORATION			
23		By:Nancy P. Hensel			
24		Vice President of Merchandising			
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	CONSENT JUDGMENT (PROPOSED)				

Case No RG14715992

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· 2	Dated: 428, 2015.	COOPER, WHITE & COOPER LLP
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4		By: John Epperson
5		Attorneys for Defendants SPRAY PRODUCTS CORPORATION, CHARTPAK,
6	·	INC., and UTRECHT MANUFACTURING CORPORATION
7	SO AGREED:	
8	Dated:, 2015.	AS YOU SOW
9	Dated, 2015.	AB 100 50 W
10		By:
11		Andrew Behar Chief Executive Officer
12		
13	Dated: 5/6, 2015.	SPRAY PRODUCTS CORPORATION
14		By: Int Jan
15		Bart Bastian President
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17	Dated:, 2015.	CHARTPAK, INC.
18		Ву:
19		Steven W. Roth President
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21	Dated:, 2015.	UTRECHT MANUFACTURING COPORATION
22		Ву:
23		Nancy P. Hensel Vice President of Merchandising
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	C	ONSENT JUDGMENT (PROPOSED) Case No RG14715992

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4		By: John Epperson
5		Attorneys for Defendants SPRAY
6		PRODUCTS CORPORATION, CHARTPAK, INC., and UTRECHT MANUFACTURING
7	SO AGREED:	CORPORATION
8	·	
9	Dated:, 2015.	AS YOU SOW
10		Ву:
11		Andrew Behar
12		Chief Executive Officer
13	Dated:, 2015.	SPRAY PRODUCTS CORPORATION
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15		By: Bart Bastian
16		President
17	Dated: 4/29, 2015	CHARTPAK, INC.
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19	·	By: Jew WKOH
20		President
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22	Dated:, 2015.	UTRECHT MANUFACTURING COPORATION
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24		Nancy P. Hensel Vice President of Merchandising
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		CONSENT JUDGMENT [PROPOSED] Case No RG14715992

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2	Dated: 428 2015.	COOPER, WHITE & COOPER LLP
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4		By: John Epperson
5		Attorneys for Defendants SPRAY PRODUCTS CORPORATION, CHARTPAK
6		INC., and UTRECHT MANUFACTURING
7	SO AGREED:	CORPORATION
8		
9	Dated:, 2015.	AS YOU SOW
10		Ву:
11		Andrew Behar
12		Chief Executive Officer
13	Dated:, 2015.	SPRAY PRODUCTS CORPORATION
14		Ву:
15		Bart Bastian
16	,	President
17.	Dated:, 2015.	CHARTPAK, INC.
18		Ву:
19		Steven W. Roth
20		President
21	Dated: 2015.	UTRECHT MANUFACTURING
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23		By: Time V. Nancy I Alensel
24	·	Vice President of Merchandising
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	CONSEN'	T JUDGMENT [PROPOSED]

IT IS SO ORDERED AND ADJUDGED:

The Court hereby incorporates the terms of this Consent Judgment into this Order. The Court retains jurisdiction to enforce this Consent Judgment.

HON. GEORGE C. HERNANDEZ, JR. JUDGE OF THE SUPERIOR COURT