

1 Josh Voorhees, State Bar No. 241436 Harris A. Weinstein, State Bar No. 282166 2 THE CHANLER GROUP 2560 Ninth Street FILED 3 Parker Plaza, Suite 214 ALAMEDA COUNTY Berkeley, CA 94710 Telephone: (510) 848-8880 4 DEC - 4 2014 Facsimile: (510) 848-8118 5 CLERK OF THE SUPERIOR COURT Attorneys for Plaintiff 6 PETER ENGLANDER 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 COUNTY OF ALAMEDA 9 UNLIMITED CIVIL JURISDICTION 10 11 12 PETER ENGLANDER, Case No.: RG13675162 13 Plaintiff, PROPOSED JUDGMENT PURSUANT TO TERMS OF 14 v. PROPOSITION 65 SETTLEMENT AND CONSENT JUDGMENT 15 BLOUNT INTERNATIONAL, INC.; SPEECO INC.; et al., December 4, 2014 Date: 16 Time: 3:00 p.m. Defendants. Dept.: 22 17 Judge: Hon. Robert McGuiness 18 Reservation No.: R-1554157 19 20 21 22 23 24 25

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In the above-entitled action, plaintiff Peter Englander and defendants Blount International, Inc. and Speeco Inc., having agreed through their respective counsel that Judgment be entered pursuant to the terms of their settlement agreement in the form of a Consent Judgment, and following this Court's issuance of an Order approving this Proposition 65 settlement and Consent Judgment on December 4, 2014:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to California Health & Safety Code § 25249.7(f)(4) and California Code of Civil Procedure § 664.6, Judgment is entered in accordance with the terms of the Consent Judgment attached hereto as **Exhibit A**. By stipulation of the parties, the Court will retain jurisdiction to enforce the settlement under Code of Civil Procedure § 664.6.

12 IT IS SO ORDERED.

Dated: 17/4/14

JUDGE OF THE SUPERIOR COURT

Bown D. McGuiness

1 2 3 4 5 6 7 8	Josh Voorhees, State Bar No. 241436 Harris A. Weinstein, State Bar No. 282166 THE CHANLER GROUP 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565 Telephone: (510) 848-8880 Facsimile: (510) 848-8118 Attorneys for Plaintiff PETER ENGLANDER				
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA				
10	COUNTY OF ALAMEDA				
11	UNLIMITED CIVIL JURISDICTION				
12					
13					
14	PETER ENGLANDER,	Case No. RG13675162			
15	Plaintiff,	[PROPOSED] CONSENT JUDGMENT			
16	V,				
17	BLOUNT INTERNATIONAL, INC.; SPEECO INC.; et al.,	(Health & Safety Code § 25249.6 et seq.)			
18	Defendants.				
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1. INTRODUCTIO

1.1 Parties

This Consent Judgment is entered into by and between plaintiff, Peter Englander ("Englander"), and defendants, Blount International, Inc. and SpeeCo Inc. ("Blount"), with Englander and Blount each individually referred to as a "Party" and collectively as the "Parties."

1.2 Plaintiff

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

1.3 Defendant

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

1.4 General Allegations

Englander alleges that Blount sold hand tool grips and bells with vinyl/PVC handles containing di(2-ethylhexyl)phthalate ("DEHP") and lead without first providing the exposure warning required by Proposition 65. DEHP and lead are listed pursuant to Proposition 65 as chemicals known to the state of California to cause birth defects or other reproductive harm.

1.5 Product Description

The products that are covered by this Consent Judgment are hand tool grips including, but not limited to the *Speeco 7/8 x 6.5 GR5 Hitchpin*, *P700542 (#0 87196 70542 1)* and bells with vinyl/PVC handles including, but not limited to, the *Speeco Red Handle Cow Bell*, *S90072300*, *UPC #0 87196 90723 8* that are manufactured, imported, distributed, sold, and/or offered for sale by Blount in California including (collectively "Products").

1.6 Notices of Violation

On or about November 21, 2012, Englander served Blount and various public enforcement agencies with a "60-Day Notice of Violation" ("Notice") that provided the recipients with notice that

Blount was in violation of California Health and Safety Code § 25249.6 for failing to warn its customers and consumers that its hand tool grips exposed users to DEHP and lead in California.

On or about November 15, 2013, Englander served Blount and various public enforcement agencies with a "Supplemental 60-Day Notice of Violation" ("Supplemental Notice") that provided the recipients with notice that Blount was in violation of California Health and Safety Code § 25249.6 for failing to warn its customers and consumers that its hand tool grips and bells with vinyl/PVC handles exposed users to DEHP and lead in California. The Notice and Supplemental Notice shall collectively be referred to hereinafter as the "Notices."

1.7 Complaint

On April 11, 2013, Englander filed a complaint in the Superior Court in and for the County of Alameda against Blount and Does 1 through 150, Englander v. Blount International, Inc., Speeco, Inc., et al., Case No. RG13675162 (the "Action" or "Complaint") alleging violations of Health and Safety Code § 25249.6, based on the alleged exposures to DEHP and lead contained in certain hand tool grips sold by Blount in the State of California. Provided that no public enforcer has commenced and is diligently prosecuting the allegations contained in the Supplemental Notice, and upon entry of this Consent Judgment by the Court, the Complaint shall be deemed amended nunc pro tunc to include the allegations contained in the Supplemental Notice.

1.8 No Admission

Blount denies the material, factual, and legal allegations contained in the Notices and Complaint, and it maintains that all of the products that it has sold and distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Consent Judgment constitute or be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect Blount's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Consent to Jurisdiction

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

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date that this Consent Judgment is approved by the Court.

2. <u>INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS</u>

2.1 <u>Reformulation Standards</u>

"Reformulated Products" are defined as:

- (a) those Products that contain a total lead content of less than or equal to 90 parts per million ("ppm") when analyzed pursuant to Environmental Protection Agency testing methodologies 3050B and/or 6010B in each accessible component; and
- (b) those Products containing DEHP in concentrations less than 0.1 percent (1,000 ppm) when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C.

Blount may utilize any other testing methodology utilized by state or federal government agencies for the purpose of determining phthalate chemical content or lead content in a solid substance to determine compliance with this Section.

2.2 Reformulation Commitment

As of the Effective Date all Products manufactured or distributed for sale in the State of California by Blount shall be Products that qualify as Reformulated Products as defined in Section 2.1 above or shall carry appropriate Proposition 65 Health Hazard warnings as provided for in Section 2.3 below.

2.3 Product Warnings

Commencing on the Effective Date, for all Products manufactured or distributed for sale in the State of California by Blount other than Reformulated Products, Blount shall provide clear and

reasonable warnings as set forth in subsections 2.3(a) and (b). Each warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Product the warning applies, so as to minimize the risk of consumer confusion.

(a) Retail Store Sales.

(i) Product Labeling. Blount shall affix a warning to the packaging, labeling, or directly on each Product sold in retail outlets in California by Blount or any person selling the Products, that states:

WARNING: This product contains DEHP and lead, chemicals known to the State of California to cause birth defects and other reproductive harm.

(ii) Point-of-Sale Warnings. Alternatively, Blount may provide warning signs in the form below to its customers in California with instructions to post the warnings in close proximity to the point of display of the Products. Such instruction sent to Blount's customers shall be sent by certified mail, return receipt requested.

WARNING: This product contains DEHP and lead, chemicals known to the State of California to cause birth defects and other reproductive harm.

Where more than one Product is sold in proximity to other like items or to those that do not require a warning (e.g., Reformulated Products as defined in Section 2.1), the following statement shall be used:¹

WARNING: The following products contain DEHP and lead, chemicals known to the State of California to cause birth defects and other reproductive harm:

[list products for which warning is required]

² For purposes of the Settlement Agreement, "sold in proximity" shall mean that the Product and another similar product are offered for sale close enough to each other that the consumer, under customary conditions of purchase, could not reasonably determine which of the two products is subject to the warning sign.

(b) Mail Order Catalog and Internet Sales. In the event that Blount sells Products via mail order catalog and/or the internet, to customers located in California, after the Effective Date, that are not Reformulated Products, Blount shall provide warnings for such Products sold via mail order catalog or the internet to California residents. Warnings given in the mail order catalog or on the internet shall identify the *specific* Product to which the warning applies as further specified in Sections 2.3(b)(i) and (ii).

(i) Mail Order Catalog Warning. Any warning provided in a mail order catalog shall be in the same type size or larger than the Product description text within the catalog. The following warning shall be provided on the same page and in the same location as the display and/or description of the Product:

WARNING: This product contains DEHP and lead, chemicals known to the State of California to cause birth defects and other reproductive harm.

Where it is impracticable to provide the warning on the same page and in the same location as the display and/or description of the Product, Blount may utilize a designated symbol to cross reference the applicable warning and shall define the term "designated symbol" with the following language on the inside of the front cover of the catalog or on the same page as any order form for the Product(s):

WARNING: Certain products identified with this symbol ▼ and offered for sale in this catalog contain DEHP and lead, chemicals known to the State of California to cause birth defects and other reproductive harm.

The designated symbol must appear on the same page and in close proximity to the display and/or description of the Product. On each page where the designated symbol appears, Blount must provide a header or footer directing the consumer to the warning language and definition of the designated symbol.

(ii) Internet Website Warning. A warning shall be given in conjunction with the sale of the Products via the internet, which warning shall appear either: (a) on the same web page on which a Product is displayed; (b) on the same web page as the order form for a Product; (c) on the same page as the price for any Product; or (d) on one or more web pages displayed to a

purchaser during the checkout process. The following warning statement shall be used and shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the Product for which it is given in the same type size or larger than the Product description text:

WARNING: This product contains DEHP and lead, chemicals known to the State of California to cause birth defects and other reproductive harm.

Alternatively, the designated symbol may appear adjacent to or immediately following the display, description, or price of the Product for which a warning is being given, provided that the following warning statement also appears elsewhere on the same web page, as follows:

WARNING: Products identified on this page with the following symbol ▼ contain DEHP and lead, chemicals known to the State of California to cause birth defects and other reproductive harm.

3. MONETARY SETTLEMENT TERMS

3.1 Payments pursuant to Health and Safety Code § 25249.7(b)

In settlement of all me claims referred to in this Consent Judgment, Blount shall pay \$9,500 in civil penalties. Each civil penalty payment shall be allocated according to Health and Safety Code section 25249.7(c)(1) and (d) with seventy-five percent (75%) of the funds paid to the California Office of Environmental Health Hazard Assessment and twenty-five percent (25%) of the funds remitted to Englander. All civil penalty payments shall be made within five business days of the date it is due and be delivered to the payment addresses provided in section 3.3.1. Blount shall be liable for payment of interest, at a rate of 10% simple interest, for all amounts due and owing under Section 3 that are not received within five business days of the due date.

3.1.1 Initial Civil Penalty

Within five business days of the mutual execution of this Consent Judgment, Blount shall issue a check for its initial civil penalty payment in the amount of \$4,000 to "Schiff Hardin LLP". Schiff Hardin LLP shall provide The Chanler Group with written confirmation within five days of receipt that the funds have been deposited in a trust account. Within five business days of the date that this Consent Judgment is approved by the Court, Schiff Hardin LLP shall issue two separate

checks for the initial civil penalty payment to: (a) "OEHHA" in the amount of \$3,000; and (b) "Peter Englander, Client Trust Account" in the amount of \$1,000.

3.1.2 Final Civil Penalty

On or before October 30, 2014, Blount shall make a final civil penalty payment of \$5,500. Pursuant to title 11 California Code of Regulations, section 3203(c), the final civil penalty payment shall be waived in its entirety if, no later than October 15, 2014, an officer of Blount provides Englander with written certification that as of the date of certification and continuing into the future, all of the Products manufactured, imported, distributed, sold and offered for sale in California by Blount are Reformulated Products. The written certification of reformulation in lieu of the final civil penalty payment required by this section is a material term, and time is of the essence. Unless waived, Blount shall issue two checks for the following amounts payable to: (a) "OEHHA" in the amount of \$4,125; and (b) "Peter Englander, Client Trust Account" in the amount of \$1,375.

3.2 Reimbursement of Fees and Costs

The parties acknow-ledge that Englander and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of this Consent Judgment had been settled. Shortly after the other settlement terms had been finalized, Blount expressed a desire to resolve the fee and cost issue. The Parties then attempted to (and did) reach an accord on the compensation due to Englander and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5 for all work performed through the mutual execution of this Consent Judgment. Blount shall, within five business days of the mutual execution of this Consent Judgment by the Parties, issue a check payable to "Schiff Hardin LLP" in the amount of \$30,500 to be held in trust by Schiff Hardin LLP for The Chanler Group. Schiff Hardin LLP shall provide The Chanler Group with written confirmation within five business days of receipt that the funds have been deposited in a trust account. Within five business days of the date this Consent Judgment is approved by the Court, Schiff Hardin LLP shall issue a check payable to "The Chanler Group" in the amount of \$30,500 to the address provided in section 3.3.1(a).

1.	3.3 Payment Procedures			
2	3.3.1. Issuance of Payments. Payments shall be delivered as follows:			
3	(a) All payments owed to Englander, pursuant to Sections 3.1.1 through 3.1.2,			
4	shall be delivered to the following payment address:			
5	The Chanler Group			
6	Attn: Proposition 65 Controller 2560 Ninth Street			
7	Parker Plaza, Suite 214 Berkeley, CA 94710			
8	(b) All payments owed to OEHHA, pursuant to Sections 3.1.1 through 3.1.2,			
9	shall be delivered directly to OEHHA (Memo line "Prop 65 Penalties") at			
10 11	the following addresses:			
12	For United States Postal Service Delivery:			
13	Mike Gyurics			
14	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment P.O. Box 4010			
15	Sacramento, CA 95812-4010			
16	For Non-United States Postal Service Delivery:			
17	Mike Gyurics Fiscal Operations Branch Chief			
18	Office of Environmental Health Hazard Assessment 1001 I Street			
19	Sacramento, CA 95814			
20	With a copy of the checks payable to OEHHA mailed to The Chanler			
21	Group at the address set forth above in 3.3.1(a), as proof of payment to			
22	ОЕННА,			
23	4. <u>CLAIMS COVERED AND RELEASED</u>			
24	4.1 Englander's Public Release of Proposition 65 Claims			
25	Englander, acting on his own behalf and in the public interest, releases Blount and its			
26	parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees,			
27	shareholders, divisions, assigns, and attorneys ("Releasees") and each entity to whom they directly			
28	or indirectly distribute or sell the Products, including but not limited to its downstream distributors,			

wholesalers, customers, retailers, franchisers, cooperative members, licensors and licensees ("Downstream Releasees") for any violations arising under Proposition 65 for unwarned exposures to DEHP and lead from hand tool grips sold by Blount prior to the Effective Date, as set forth in the Notice.

Upon entry of this Consent Judgment, Englander, acting on his own behalf and in the public interest, further releases Releasees and Downstream Releasees for any violations arising under Proposition 65 for unwarned exposures to DEHP and lead from the Products sold by Blount prior to the Effective Date, as set forth in the Notices.

4.2 Englander's Individual Release of Claims

Englander, in his individual capacity only and *not* in his representative capacity, also provides a release to Blount, Releasees, and Downstream Releasees 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 Englander of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to DEHP and lead in the Products sold or distributed for sale by Blount before the Effective Date.

4.3 Blount's Release of Englander

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

5. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered by the Court within one year after it has been fully executed by the Parties.

6. SEVERABILITY

If, subsequent to the Court's approval and entry of this Consent Judgment as a judgment, any provision is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the state of California and apply within the state of California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Blount may provide written notice to Englander of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Blount from any obligation to comply with any pertinent state or federal toxics control laws.

8. NOTICES

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

For Blount:

Chad Paulson, Vice President, General Counsel & Secretary Blount International, Inc. 4909 SE International Way Portland, OR 97222

with a copy to:

Mark Mahoney Schiff Hardin LLP One Market Spear Street Tower, Suite 3200 San Francisco, CA 94105

For Englander:

3.

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

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

9. COUNTERPARTS; FACSIMILE SIGNATURES

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

10. POST EXECUTION ACTIVITIES

Englander agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement. In furtherance of obtaining such approval, Englander and Blount agree to mutually employ their best efforts, and that of their counsel, to support the entry of this agreement as judgment, and to obtain judicial approval of their settlement in a timely manner. For purposes of this Section, "best efforts" shall include, at a minimum, cooperating on the drafting and filing of the necessary moving papers, and supporting the motion for judicial approval.

11. MODIFICATION

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

12. AUTHORIZATION

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

AGREED	TO:	

AGREED TO:

By: Peter Erglander

By: Chad E. Paulson, Vice President, General Counsel & Secretary
Blount International, Inc.

AGREED TO:

Date: 8/7/2014

Chad E. Paulson, Vice President, General Counsel & Secretary SpeeCo, Incorporated.