Christopher C. Moscone, SBN 170250 1 Steven L. Iriki, SBN 142533 Jordan M. Otis, SBN 276274 2 MOSCONE EMBLIDGE & OTIS LLP 220 Montgomery Street, Suite 2100 3 San Francisco, CA 94104 Tel. (415) 362-3599 4 Fax: (415) 362-2006 5 Clifford A. Chanler, SBN 135534 THE CHANLER GROUP 6 2560 Ninth Street Parker Plaza, Suite 214 7 Berkeley, CA 94710 Tel. (510) 848-8880 8 Fax: (510) 848-8118 9 Attorneys for Plaintiff MARK MOORBERG 10 11 SUPERIOR COURT OF THE STATE OF CALIFORNIA 12 COUNTY OF SAN FRANCISCO 13 14 MARK MOORBERG. Case No. CGC 14-541137 15 Plaintiff. PROPOSED JUDGMENT PURSUANT TO TERMS OF PROPOSITION 65 16 v. SETTLEMENT AND CONSENT JUDGMENT AS TO ROCKING P., INC., 17 ROCKING P., INC.; RIVER'S EDGE dba RIVER'S EDGE PRODUCTS, INC. PRODUCTS; BIG 5 SPORTING GOODS 18 CORPORATION; and DOES 1 - 100. (Health & Safety Code § 25249.5 et seq.) inclusive, 19 Date: April 1, 2015 Defendants. Time: 9:30 a.m. 20 Dept: 302 Judge: Hon. Ernest H. Goldsmith 21

APR 0 1 2015

CLERK OF THE COURT BY: Stleea. Deputy Clerk

Reservation No.: 012715-17

PROPOSED JUDGMENT

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Case No CGC 14-541137

ì	In the above-entitled action, plaintiff Mark Moorberg and defendant Rocking P., Inc., dba		
2	River's Edge Products, Inc. (erroneously sued as both "Rocking P, Inc." and "Rivers Edge		
3	Products") having agreed through their respective counsel that Judgment be entered pursuant to		
4	the terms of their settlement agreement in the form of a [Proposed] Consent Judgment ("Consent		
5	Judgment"), and following this Court's issuance of an Order approving this Proposition 65		
6	settlement and Consent Judgment on, 2015,		
7	IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to California		
8	Health & Safety Code § 25249.7(f)(4) and California Code of Civil Procedure § 664.6, Judgment		
9	is entered in accordance with the terms of the Consent Judgment attached hereto as Exhibit A.		
10	By stipulation of the parties, the Court will retain jurisdiction to enforce the settlement under		
11	Code of Civil Procedure § 664.6.		
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13	IT IS SO ORDERED.		
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15	$G_{\mu\nu}$		
16	Dated: APR 0 1 2015 (NW) 5 NICOMM		
17	JODGE OF THE SUPERIOR COURT ERNEST H. GOLDSMITH		
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1	Christopher C. Moscone, SBN 170250 Rachel J. Sater, SBN 147976		
2	MOSCONE EMBLIDGE SATER & OTIS LLP 220 Montgomery Street, Suite 2100		
4	San Francisco, CA 94104 Tel. (415) 362-3599 Fax: (415) 362-2006		
5	Clifford A. Chanler, SBN 135534		
6	THE CHANLER GROUP 2560 Ninth Street		
7	Parker Plaza, Suite 214 Berkeley, CA 94710		
8	Tel. (510) 848-8880 Fax: (510) 848-8118		
9	Attorneys for Plaintiff MARK MOORBERG		
10		NVIC CITA TIPLOTO CALL TRACTOR	
11	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
12	COUNTY OF	SAN FRANCISCO	
13	MARK MOORBERG,	Case No. CGC-14-541137	
14	Plaintiff,	[PROPOSED] CONSENT JUDGMENT AS	
15	v.	TO DEFENDANT ROCKING P, INC., dba RIVER'S EDGE PRODUCTS, INC.	
16	ROCKING P, INC.; RIVER'S EDGE	(Health & Safety Code § 25249.5 et seq.)	
17	PRODUCTS; BIG 5 SPORTING GOODS CORPORATION; and DOES 1 – 100,		
18	inclusive,		
19	Defendants.		
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20	[PROPOSED] CONSENT JUDGMENT		

1. <u>INTRODUCTION</u>

1.1 Parties

This Consent Judgment is entered into by and between plaintiff Mark Moorberg ("Plaintiff") and defendant Rocking P., Inc., dba River's Edge Products, Inc. ("Defendant"), with Plaintiff and Defendant each referred to individually as a "Party" and collectively as the "Parties."

1.2 Plaintiff

Plaintiff is a resident of the State of California who seeks to promote awareness of exposures to toxic chemicals, and to improve human health by reducing or eliminating harmful substances contained in consumer and commercial products.

1.3 Defendant

Defendant employs ten or more persons and each is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code section 25249.5 et seq. ("Proposition 65").

1.4 General Allegations

- 1.4.1 Plaintiff alleges that Defendant manufactured, imported, sold and/or distributed for sale in California, back scratchers containing Di(2-ethylhexyl)phthalate ("DEHP") without providing the clear and reasonable health hazard warnings required by Proposition 65.
- 1.4.2 Plaintiff alleges that exposure to DEHP occurs via ingestion from hand to mouth transfer and via dermal contact.

1.5 **Product Description**

The products covered by this Consent Judgment are back scratchers with vinyl/PVC grips that contain DEHP including, but not limited to, Bear Back Scratcher, Stock No. 916, UPC #6 43323 91600 1 (hereinafter "Products").

1.6 Notices of Violation

On May 21, 2014, Plaintiff served Defendant, one of its retailers and certain requisite public enforcement agencies with 60-Day Notices of Violation ("Notice") alleging that Defendant violated Proposition 65 when it failed to warn customers, consumers, and workers in California that the

Products expose users to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.7 Complaint

On August 14, 2014, Plaintiff commenced the instant action ("Complaint"), the operative pleading in this action, naming Defendant and others as defendants, and asserting a cause of action for the alleged violations of Proposition 65 that are the subject of the Notice. The Consent Judgment is intended to achieve a full and final resolution of all claims that were made or could have been made in the Complaint or that arise from the Notice.

1.8 No Admission

Defendant denies the material, factual, and legal allegations contained in the Notice and Complaint and maintains that all of the products it has sold or 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 by Defendant 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 by Defendant of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall the existence of this Consent Judgment or anything in it be relevant to or admissible in any legal proceeding or dispute other than one to enforce or modify this Consent Judgment. This Section shall not, however, diminish or otherwise affect Defendant'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 Defendant as to the allegations contained in the Complaint, that venue is proper in the County of San Francisco, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and California Code of Civil Procedure section 664.6.

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2. <u>DEFINITIONS</u>

2.1 California Customer

"California Customer" shall mean any customer of Defendant that Defendant reasonably understands are located in California, have a California warehouse or distribution center, maintain a retail outlet in California, or have distributed Products for sale in California, online via the internet or by any other means.

2.2 Reformulated Products

"Reformulated Products" shall mean Products that contain no more than 1000 parts per million ("ppm") (0.1%) of DEHP in any material, component, or constituent of a Product, when analyzed by a laboratory accredited by NVLAP (National Volunteer Laboratory Accreditation Program), American Association for Lab Accreditation (A2LA), ANSI-ASQ National Accreditation Board (ANAB) – ACLASS brand (an ANAB company), International Accreditation Service, Inc. (IAS), Laboratory Accreditation Bureau (L-A-B), Perry Johnson Laboratory Accreditation, Inc. (PJLA), or International Laboratory Accreditation Cooperation(ILAC) (such laboratory referred to as an "Accredited Lab") pursuant to EPA testing methodologies 3580 and 8270C, or equivalent methodologies utilized by such Accredited Laboratory or federal or state agencies to determine the presence, or measure the amount, of DEHP in a solid substance (such methodologies referred to as "Approved Methodologies").

2.3 Effective Date

"Effective Date" shall mean the date on which the Court enters an order approving this Consent Judgment pursuant to Health and Safety Code section 25249.7(f) as contemplated by Section 6 herein.

3. <u>INJUNCTIVE RELIEF: REFORMULATION</u>

3.1 Reformulation Commitment

Commencing on the Effective Date, and continuing thereafter, Defendant will only manufacture or import for distribution or sale to California Customers for sale in California, or cause to be manufactured or imported for distribution or sale to California Customers for sale in

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California, Products that are Reformulated Products or Products sold with a clear and reasonable warning pursuant to Section 3.2.

3.2 Clear and Reasonable Warning

For all Products that are not Reformulated Products, Defendant agrees to provide a clear and reasonable consumer warning in accordance with this Section. Defendant agrees that any warning utilized will 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, consistent with 27 Cal. Code Regs. § 25603.1(c). For purposes of this Consent Judgment, a clear and reasonable warning for DEHP in Products shall consist of a warning affixed to the packaging, label, display or tag of a Product or to the Product itself sold in California containing the following language:

WARNING: This product contains a chemical known to the State of California to cause cancer, birth defects or other reproductive harm.

4. <u>MONETARY PAYMENTS</u>

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

In settlement of all the claims referred to in this Consent Judgment, Defendant shall pay the sum of \$13,500 as civil penalties (comprised of the "Initial Civil Penalty" and "Second Civil Penalty" below). The civil penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) and (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA"), 25% of the penalty remitted to "Mark Moorberg, Client Trust Account." The civil penalty payment shall be delivered on the date due as set forth below at the addresses provided below. Defendant shall be liable for payment of simple interest at a rate of 10% for all amounts due and owing that are not received within two business days of the date they are due, if any.

4.1.1 Initial Civil Penalty

Within ten (10) business days of the Effective Date, Defendant shall make an initial civil penalty payment of \$3,500.

4.1.2 Second Civil Penalty

Within six months of the Effective Date, Defendant shall make a second civil penalty payment of \$10,000.

The second civil penalty payment will be waived in its entirety if, no later than thirty (30) days after the Effective Date, Defendant provides Plaintiff with certification that, as of the date of the certification and continuing thereafter, all of the Products Defendant is selling to California Customers are either Reformulated Products or are labeled with a clear and reasonable warning as defined by Section 3.2. An officer or other authorized representative shall provide Plaintiff with a written certification confirming compliance with this condition. The option to provide a written certification in lieu of making the second civil penalty payment constitutes a material term of this Consent Judgment, and with regard to such term, time is of the essence.

4.3 Reimbursement of Fees and Costs

The Parties acknowledge that Plaintiff and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed, thereby leaving the fee issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been finalized, Defendant expressed a desire to resolve Plaintiff's outstanding fees and costs. The Parties then attempted to (and did) reach an accord on the compensation due Plaintiff and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5. Defendant agrees to pay Plaintiff \$29,000 for the fees and costs incurred by Plaintiff investigating, bringing this matter to Defendant's attention, litigating, negotiating a settlement, obtaining the Court's approval of this Consent Judgment and otherwise incurred (and yet to be incurred) relative to the Notice, the Complaint and this Consent Judgment. One half of the fees & costs (i.e., \$14,500) will be payable within ten (10) business days of the Effective Date. The other half of the fees & costs will be payable within thirty (30) days of the Effective Date.

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1	4.4 Payment Procedures		
2	4.4.1 Payment Addresses.		
3	(a) All payments owed to Plaintiff and his counsel, pursuant to Sections		
4	4.1 and 4.3 shall be delivered to the following address:		
5	Moscone Emblidge Sater & Otis LLP Attn: Proposition 65 Coordinator		
6	220 Montgomery Street, Suite 2100 San Francisco, CA 94104		
7	(b) All payments owed to OEHHA, pursuant to Section 4.1, shall be		
8	delivered directly to OEHHA (Memo line "Prop 65 Penalties") at one of the following addresses, as		
9	appropriate:		
10	For United States Postal Service Delivery:		
11	Mike Gyurics Fiscal Operations Branch Chief		
12	Office of Environmental Health Hazard Assessment P.O. Box 4010		
13	Sacramento, CA 95812-4010		
14	For Non-United States Postal Service Delivery or Courier:		
15	Mike Gyurics Fiscal Operations Branch Chief		
16	Office of Environmental Health Hazard Assessment 1001 I Street		
17	Sacramento, CA 95814		
18	4.4.2 Proof of Payment to OEHHA. A copy of each check payable to OEHHA		
19	shall be mailed, simultaneous with payment, to Moscone Emblidge Sater & Otis at the address set		
20	forth in Section 4.3.1(a) above.		
21	4.4.3 Tax Documentation. Defendant shall provide a separate 1099 form for each		
22	payment required by this Consent Judgment to: (a) Plaintiff, whose address and tax identification		
23	number shall be furnished upon request after this Consent Judgment has been fully executed by the		
24	Parties; (b) "California Office of Environmental Health Hazard Assessment"; and (c) Moscone		
25	Emblidge Sater & Otis LLP, and deliver such form to the payee at the payment addresses provided		
26	in Section 4.4.1, above.		
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5. CLAIMS COVERED AND RELEASED

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5.1 Plaintiff's Release of Proposition 65 Claims

Plaintiff, acting on his own behalf and in the public interest, and on behalf of himself, his heirs, spouses, offspring, executors, insurance companies, assigns, agents, servants, corporations, companies, partnerships, partners, associates, attorneys, representatives, joint ventures, parents, trustees, or anyone else claiming by and through him, hereby releases Defendant, its parents, subsidiaries, predecessors, successors, assigns, insurance companies, affiliated entities under common ownership, directors, officers, agents employees, members, corporations, partnerships, partners, associates, representatives, principles, joint ventures, attorneys, trustees, shareholders past and present and each entity to whom Defendant directly or indirectly distributes or sells the Products, including, but not limited, to downstream distributors, wholesalers, customers, retailers (including but not limited to Big 5 Corp. dba Big 5 Sporting Goods, erroneously identified in the Complaint as "Big 5 Sporting Goods Corporation," as well as its parents, subsidiaries, predecessors, successors, assigns, insurance companies, affiliated entities under common ownership, directors, officers, employees, agents, members, corporations, partnerships, partners, associates, representatives, principles, joint ventures, attorneys, trustees, and shareholders past and present), franchisees, cooperative members, licensors and licensees (collectively, "Releasees"), from any and all claims, demands or causes of action arising from alleged violations of Proposition 65 through the Effective Date based on unwarned exposures to DEHP in the Products, as set forth in the Notice. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to and/or failures to warn about DEHP from the Products, as set forth in the Notice.

5.2 Plaintiff's Individual Releases of Claims

Plaintiff, in his individual capacity only and *not* in any representative capacity, provides a release to Defendant and 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 any nature, character, or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of alleged or actual exposures to

DEHP in Products manufactured, imported, distributed, or sold by Defendant prior to the Effective Date.

5.3 Defendant's Release of Plaintiff

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

5.4 No Other Known Claims or Violations

Plaintiff and his attorneys represent and warrant that they are not presently aware of any actual, threatened or alleged violations of Proposition 65 by Defendant other than those alleged violations that are fully resolved by this Consent Judgment.

6. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved in its entirety 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 all Parties. Plaintiff and Defendant agree to support the entry of this agreement as a Consent Judgment and to obtain approval of the Consent Judgment by the Court in a timely manner. The Parties acknowledge that, pursuant to California Health and Safety Code section 25249.7(f), a noticed motion is required for judicial approval of this Consent Judgment, which motion Plaintiff shall draft and file and Defendant shall support, appearing at the hearing if so requested. If any third-party objection to the motion is filed, Plaintiff and Defendant agree to work together to file a reply and appear at any hearing. This provision is a material component of the Consent Judgment and shall be treated as such in the event of a breach.

If the Court does not approve the Consent Judgment, the Parties shall meet and confer as to whether to modify the language or appeal the ruling. If the Parties do not jointly agree on a course of action to take, then the case shall proceed in its normal course on the Court's trial calendar. If the Court's approval is ultimately overturned by an appellate court, the Parties shall meet and

confer as to whether to modify the terms of this Consent Judgment. If the Parties do not jointly agree on a course of action to take, then the case shall proceed in its normal course on the Court's trial calendar. In the event that this Consent Judgment is entered by the Court and subsequently overturned by any appellate court, any monies that have been provided to OEHHA, Plaintiff or his counsel pursuant to Section 4, above, shall be refunded within 15 days of the appellate decision becoming final.

7. DISMISSAL OF BIG 5 CORP.

Within ten (10) days of the Court's entry of an order approving this Consent Judgment, Plaintiff shall file a Request for Dismissal, with prejudice, as to the Complaint and all causes of action against Big 5 Corp., dba Big 5 Sporting Goods, who was erroneously sued herein as Big 5 Sporting Goods Corporation.

8. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of 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 Defendant may provide Plaintiff with notice 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 Defendant from its obligation to comply with any pertinent state or federal law or regulation.

9. NOTICE

Unless specified herein, all correspondence and notices required to be provided pursuant to 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 any Party by the other at the following addresses:

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1 To Defendant: To Plaintiff: 2 James C. Bastian, Jr. Attn: Proposition 65 Coordinator Shulman Hodges & Bastian LLP 3 Moscone Emblidge Sater & Otis LLP 8105 Irvine Center Drive, Suite 600 220 Montgomery Street, Suite 2100 4 Irvine, California 92618 San Francisco, CA 94104 5 6 Any Party, from time to time, may specify in writing to the other Party a change of address to 7 which all notices and other communications shall be sent. 8 10. **COUNTERPARTS, FACSIMILE AND PDF SIGNATURES** 9 This Consent Judgment may be executed in counterparts and by facsimile or portable 10 document format (pdf) signature, each of which shall be deemed, and as valid as, an original, and 11 all of which, when taken together, shall constitute one and the same document. 12 11. **COMPLIANCE WITH REPORTING REQUIREMENTS** 13 Plaintiff and his counsel agree to comply with the reporting form requirements referenced in 14 California Health and Safety Code section 25249.7(f). 15 12. **MODIFICATION** 16 This Consent Judgment may be modified only: (i) by written agreement of the Parties and 17 upon entry of a modified Consent Judgment by the Court thereon; or (ii) upon a successful motion 18 of any party and entry of a modified Consent Judgment by the Court. 19 /// 20 /// 21 /// 22 /// 23 /// 24 /// 25 /// 26 /// 27 /// 28 ///

13. <u>AUTHORIZATION</u>

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

AGREED TO:

AGREED TO:

7 Plaintiff Mork Many

Plaintiff Mark Moorberg

Defendants Rocking P. Inc. Aba River's Edge Products, Inc.

Dated: 11/24/14

Dated: _

11.21.14

PROPOSED] CONSENT JUDGMENT