

# SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN FRANCISCO

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**TEXT JUDGMENT** 

ECOLOGICAL RIGHTS FOUNDATION VS. ALFRESCO HOME, LLC

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## Instructions:

Please place this sheet on top of the document to be scanned.

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Counsel for Plaintiffs ECOLOGICAL RIGHTS FOUNDATION

## SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SAN FRANCISCO

ECOLOGICAL RIGHTS FOUNDATION,

Plaintiff.

ALFRESCO HOME, LLC,

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Defendant.

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#### 1. INTRODUCTION

On October 27, 2016, the Ecological Rights Foundation ("ERF") acting on behalf 1.1 of itself and the general public, filed a Complaint for civil penalties and injunctive relief ("Complaint") in San Francisco Superior Court, Case No. CGC-16-555068, against defendant Alfresco Home, LLC, (also referred to herein as "Alfresco" or "Defendant"). The Complaint alleges, among other things, that Defendant violated provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code Sections 25249.5, et seq. (Proposition 65) by failing to give clear and reasonable warnings to those residents of California who use wood smoking chips, and wood-fired ovens and smokers ("Covered Products"), and that use of those products causes exposures to carbon monoxide. For purposes of this Consent Judgment, the term

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CONSENT JUDGMENT

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APR 2 1 2017

CLERK OF THE COURT ATTIFICA Sheen

neputy Clerk

Facsimile: (415) 358-5695

Case No. CGC-16-555068

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[PROPOSED] CONSENT JUDGMENT

Covered Products includes the following items: Fornetto Quebracho Hardwood Lump Charcoal; Fornetto Smoking Wood Chips (various scents); Fornetto Wood Fired Oven and Smoker; Fornetto Alto Wood Fired Oven & Smoker w/ Warming Drawer; Fornetto Pizza Oven Built-in Tray w/ Side Shelf Cover; IC300-R-Fervor 300R-Red 3 Burner Grill w/ Grill Smart, Window, Drawer, Timer; IC350-R-Fervor 350S-Stainless 3 Burner Grill w/ Grill Smart, Window, SideBurner; IC450-S-Fervor 455S-Stainless 4 Burner Grill w/ Grill Smart, Window, Side+RearBrn; IC655-S-Fervor 655S-Stainless 6 Burner Grill w/ Grill Smart, Window, Side+RearBrn. Carbon monoxide is a chemical known to the State of California to cause reproductive toxicity. The Complaint was based upon a 60-Day Notice letter, sent by ERF on June 27, 2016 to Alfresco, the California Attorney General, all District Attorneys, and all City Attorneys with populations exceeding 750,000.

- 1.2 Defendant is a business that employs more than ten persons, and manufactures, distributes, or sells Covered Products. ERF alleges that the combustion of wood and wood smoking chips creates significant amounts of carbon monoxide to be released into the air, causing inhalation exposures to those using or standing near the Covered Products when they are in use. Pursuant to Health and Safety Code Section 25249.8, carbon monoxide is a chemical known to the State of California to cause reproductive toxicity. ERF alleges that Covered Products that are manufactured, distributed or sold by Defendant for use in California require a warning under Proposition 65, pursuant to Health and Safety Code Section 25249.6. For purposes of this Consent Judgment, the parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Alfresco Home, LLC, that venue is proper in the County of San Francisco, and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Complaint.
- 1.3 This Consent Judgment resolves claims that are denied and disputed. The parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the parties for the purpose of avoiding prolonged litigation. This Consent Judgment shall not constitute an admission with respect to any material allegation of the Complaint, each and

every allegation of which Alfresco denies, nor may this Consent Judgment, or compliance with it, be used as evidence of any wrongdoing, misconduct, culpability or liability on the part of Alfresco.

1.4 The term "Effective Date" means the date this Consent Judgment is entered by the Court.

#### 2. <u>INJUNCTIVE RELIEF</u>

#### 2.1 Warnings on Covered Products

No later than 90 days after the Effective Date, Covered Products offered for sale in California shall include one of the following warning statements:

WARNING: Combustion byproducts produced when using this product include carbon monoxide, a chemical known to the State of California to cause birth defects or other reproductive harm.

Or,

**WARNING:** This product can expose you to carbon monoxide which is known to the State of California to cause birth defects or other reproductive harm. For more information go to <a href="https://www.P65Warnings.ca.gov">www.P65Warnings.ca.gov</a>.

The warning statements shall be affixed to or printed on all Covered Products themselves, and in the Covered Product's instruction booklets (if any). The warnings shall be prominently affixed to or printed on the Covered Products and in their instruction booklets, and displayed with such conspicuousness, as compared with other words, statements, designs, or devices on the Covered Products and their instruction booklets, as to render them likely to be read and understood by an ordinary individual under customary conditions of purchase or use. Warnings may be contained in the same section of the instruction booklets that contains other safety warnings concerning the use of the Covered Products. The type size of the warning must be legible, and no smaller than any other warning provided with the Covered Products. The word "WARNING:" shall be in upper case letters and bold text. Defendant may utilize a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. Commencing on August 30, 2018, notwithstanding anything to the contrary provided in this section, any warning provided with

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respect to Covered Products which complies with Title 27, section 25602(b) of the California Code of Regulations shall be deemed compliant with this Consent Judgment.

No later than 120 days after the Effective Date, Defendant shall provide a certification

signed by an officer or director of Defendant to ERF confirming its compliance with the warning

requirements of paragraph 2.1, and the payment to OEHHA pursuant to paragraph 3.1. In

addition, ERF and its attorneys shall comply with the reporting requirements referenced in

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#### 2.2 Reporting

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#### 3. SETTLEMENT PAYMENTS

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California Health & Safety Code section 25249.7(f).

#### 3.1 Civil Penalties and Payments In Lieu of Penalties

Pursuant to Health and Safety Code section 25249.7(b)(2), Alfresco shall pay \$6,000 in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty amount remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty amount paid to Ecological Rights Foundation. Defendant will provide these payments in two checks for the following amounts made payable to: 1) "OEHHA" in the amount of \$4,500, and 2) "Ecological Rights Foundation" in the amount of \$1,500.

#### 3.2 Attorneys' Fees and Litigation Costs

In settlement of all of the claims that are alleged, or could have been alleged, in the Complaint concerning Covered Products, Alfresco shall pay \$17,500 to the Ecology Law Center to cover Plaintiff's attorneys' fees and costs.

#### 3.3 **Payments**

All Payments shall be sent no later than 10 days after the Effective Date via USPS certified mail, return receipt requested, to the following addresses: All payments to Ecological Rights Foundation and Ecology Law Center shall be delivered to:

> Fredric Evenson **Ecology Law Center** P.O. Box 1000 Santa Cruz, CA 95061

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## 4. MATTERS COVERED BY THIS CONSENT JUDGMENT

Fiscal Operations Branch Chief

Sacramento, CA 95812-4010

Office of Environmental Health Hazard Assessment

The payment to OEHHA shall be delivered to:

Mike Gyurics

P.O. Box 4010

- 4.1 As to Covered Products, this Consent Judgment is a final and binding resolution and release of claims by ERF, acting on behalf of itself and (as to those matters raised in the 60-Day Notice Letter) acting in the public interest, against Alfresco and the Released Entities (defined below) of: (i) any violation of Proposition 65 (including but not limited to the claims made in the Complaint); and (ii) any other statutory or common law claim to the fullest extent that any of the foregoing conduct described above were or could have been asserted by any person or entity against Alfresco or its parents, subsidiaries or affiliates, and all of their suppliers, customers, distributors, wholesalers, retailers, or any other person in the course of doing business, and the successors and assigns of any of them, who may use, maintain, distribute or sell Covered Products ("Released Entities"), based on its or their failure to provide clear and reasonable warnings of exposures to carbon monoxide from Covered Products. As to alleged exposures to carbon monoxide from Covered Products, compliance with the terms of this Consent Judgment resolves any issue, now and in the future, concerning compliance by Alfresco and the Released Entities, with the requirements of Proposition 65 with respect to Covered Products, and any alleged resulting exposure.
- 4.2 It is possible that other claims not known to the Parties, arising out of the facts alleged in the Notice or the Complaint and relating to the Covered Products, will develop or be discovered. ERF on behalf of itself only, acknowledges that this Consent Judgment is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefor. ERF acknowledges that the claims released above may include unknown claims, and nevertheless waive California Civil Code Section 1542 as to any such unknown claims. California Civil Code Section 1542 reads as follows:

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A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

ERF on behalf of itself only, acknowledges and understands the significance and consequences of this specific waiver of California Civil Code Section 1542.

#### 5. ENTRY OF CONSENT JUDGMENT

5.1 The parties hereby request that the Court promptly enter this Consent Judgment. Upon entry of the Consent Judgment, Alfresco and ERF waive their respective rights to a hearing or trial on the allegations of the Complaint.

#### 6. <u>ENFORCEMENT OF JUDGMENT</u>

- 6.1 The terms of this Consent Judgment shall be enforced exclusively by the parties hereto. The parties may, by noticed motion or order to show cause before the Superior Court of San Francisco County, giving the notice required by law, enforce the terms and conditions contained herein.
- 6.2 In any proceeding brought by either party to enforce this Consent Judgment, such party may seek whatever fines, costs, penalties or remedies as may be provided by law for any violation of Proposition 65 or this Consent Judgment.

#### 7. MODIFICATION OF JUDGMENT

7.1 This Consent Judgment may be modified only upon written agreement of the parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any party as provided by law and upon entry of a modified Consent Judgment by the Court.

#### 8. <u>TERMINATION AND RETENTION OF JURISDICTION</u>

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

## 9. <u>AUTHORITY TO STIPULATE</u>

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9.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of the party represented and legally to bind that party.

## 10. SERVICE ON THE ATTORNEY GENERAL

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

#### 11. ENTIRE AGREEMENT

11.1 This Consent Judgment contains the sole and entire agreement and understanding of the parties with respect to the entire subject matter hereof and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the parties.

## 12. GOVERNING LAW

12.1 The validity, construction and performance of this Consent Judgment shall be governed by the laws of the State of California, without reference to any conflicts of law provisions of California law.

#### 13. EXECUTION AND COUNTERPARTS

13.1 This Consent Judgment may be executed in counterparts which taken together shall be deemed to constitute one document.

CONSENT JUDGMENT

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1	DATED:	ALFRESCO HOME, LLC
2		Ву:
3		JOSEPH CILIO, PRESIDENT
4		VOULTI CIEIO, I REGIDEIVI
5	IT IS SO ORDERED, ADJUDGED AND I	DECREED.
6	AD - I	DECKEED:
7	DATED: YQUIN	
8		JUDGE OF THE SUPERIOR COURT
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CONSENT JUDGMENT