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Attorneys for Plaintiff
Michael DiPirro

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ALAMEDA

UNLIMITED CIVIL JURISDICTION

MICHAEL DIPIRRO,

Plaintiff,

v.

HARLAND CLARKE CORP.; CHECKS IN THE MAIL, INC.; and DOES 1-150, inclusive,

Defendants.

Case No. RG16841465

~~[PROPOSED]~~ **JUDGMENT PURSUANT TO TERMS OF PROPOSITION 65 SETTLEMENT AND CONSENT JUDGMENT**

Date: April 20, 2017
Time: 2:00 p.m.
Dept. 20
Judge: Hon. Paul Herbert

Reservation No. R – 1831810

BY FAX

Plaintiff, Michael DiPirro, and Defendants HARLAND CLARKE CORP. and CHECKS IN THE MAIL, 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,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to Health and Safety Code section 25249.7(f)(4) and Code of Civil Procedure section 664.6, judgment is hereby entered in accordance with the terms of the Consent Judgment attached hereto as Exhibit 1. By stipulation of the parties, the Court will retain jurisdiction to enforce the settlement under Code of Civil Procedure section 664.6.

IT IS SO ORDERED.

Dated: 04/20/2017

Paul D. Herbert

JUDGE OF THE SUPERIOR COURT
PAUL D. HERBERT

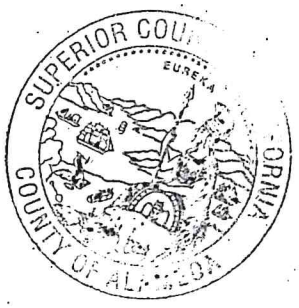

EXHIBIT 1

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Attorneys for Plaintiff
Michael DiPirro

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ALAMEDA

UNLIMITED CIVIL JURISDICTION

MICHAEL DIPIRRO,

Plaintiff,

v.

HARLAND CLARKE CORP., et al,

Defendants.

Case No. RG 16841465

[PROPOSED] CONSENT JUDGMENT

(Health & Safety Code § 25249.6 *et seq.*)

Judge: Robert B. Freedman
Action Filed: December 17, 2016

1. INTRODUCTION

1.1 Parties

This consent judgment (Consent Judgment) is entered into by and between plaintiff, Michael DiPirro ("DiPirro"), and defendants, Harland Clarke Corp., and Checks in the Mail, Inc., (collectively, "Defendants"), with DiPirro and Defendants individually referred to as a "Party" and collectively as the "Parties."

1.2 Plaintiff

DiPirro 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 in consumer products.

1.3 Defendants

Defendants employ ten or more persons and are each alleged by DiPirro to be a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code Section 25249.6 *et seq.* ("Proposition 65"). Defendants manufacture and or distribute and/or sell the products defined in Section 1.4 below.

1.4 Covered Products Description

The products covered by this Consent Judgment are checkbook covers, binders and similar financial products made of vinyl and/or plastic to cover or hold checks, that are sold or distributed for sale or use in California (Covered Products). Covered Products include, but are not limited to, the following products: *Blue Vinyl Checkbook Cover, Black Vinyl Checkbook Cover, and 3-Ring Navy Leather-Like Binder.*

1.5 General Allegations

DiPirro alleges that the Covered Products contain phthalates known as DEHP and DINP. DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer, birth defects and other reproductive harm. DINP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer. DiPirro alleges that Defendants sold the Covered Products, or distributed them for sale or use, in California, without first providing a clear and reasonable warning and continue to do so.

1.6 Notices of Violation

On or about April 12, 2016, DiPirro served a "Notice of Violation" addressed to "Harland Clarke Corp., dba Checks in the Mail, " "Wal-Mart Stores, Inc., dba Walmart.com," "WalmartChecks.com" (collectively "First Noticed Companies"), the California Attorney General and a number of District Attorneys and City Attorneys (these government entities collectively, Public Enforcers) informing the recipients of DiPirro's allegation that the First Noticed Companies violated Proposition 65 by failing to warn their customers and consumers in California that Covered Products they sell or distribute for use in California expose users to DEHP. On or about July 27, 2016, DiPirro served Harland Clarke Corp., Vistaprint Corporate Solutions Incorporated (collectively "Second Noticed Companies"), and Public Enforcers with a "Notice of Violation" informing the recipients of DiPirro's allegation that the Second Noticed Companies violated Proposition 65 by failing to warn their customers and consumers in California that Covered Products they sell or distribute for use in California expose users to DINP. (Collectively, "Notices.") To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notices.

1.7 Complaint

On or about December 6, 2016, DiPirro filed a complaint in the instant action against all of the companies on whom it had served the Notices. On or about February 23, 2017, DiPirro filed a first amended complaint against Defendants only ("Complaint") alleging violations of Health & Safety Code § 25249.6 based on exposures to Proposition 65 listed chemicals in the Covered Products.

1.8 No Admission

Defendants deny all of the respective material, factual, and legal allegations contained in the Notices and Complaint. Defendants maintain that all of the products they manufactured, sold, or distributed for sale in California, including the Covered Products, have been, and are, in compliance with all laws, including Proposition 65. Nothing in this Consent Judgment shall be construed as an admission against interest by Defendants 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 Defendants of any fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically denied by Defendants. This section shall not, however, diminish or otherwise affect Defendants' 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 Defendants 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

The term Effective Date, as used herein, shall be the date on which this Consent Judgment has been approved by the Court.

2. INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS

2.1 Reformulation Standard

For purposes of this Consent Judgment, "Reformulated Products" are Covered Products containing no more than 1,000 parts per million (0.1%) DEHP and no more than 1,000 parts per million (0.1%) DINP when analyzed pursuant to EPA testing methodologies 3580A and 8270C or, at the option of Defendants, equivalent methodologies utilized by and/or approved by State or federal agencies for the purpose of determining DEHP or DINP content in a solid substance.

2.2 Reformulation Commitment

Beginning on July 1, 2017, and continuing thereafter, Defendants shall not manufacture for sale in California any Covered Product that does not meet the reformulation Standard unless a Product Warning that satisfies the provisions of subsection 2.3 of this Consent Judgment is provided as to the Product.

2.3 Product Warnings

Each warning described in this subsection 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. The text of the warning shall be printed in black ink on a light background, in a font that is easy to read and legible, but in no case less than in 10 point font.

For Covered Products that are manufactured for sale in California after July 31, 2017, but prior to August 1, 2018, and do not meet the Reformulation Standard, Defendants may use one of the following warnings, at Defendants' option. For Covered Products that do not meet the Reformulation Standard, that are manufactured and shipped for sale in California by Defendants after July 31, 2018, Defendants shall use the warning language under "Option 2" below, which shall include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline as shown below (the symbol may be black on white if the color yellow is otherwise not used on the Product's packaging).

OPTION 1:

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

OPTION 2:

WARNING: This product can expose you to chemicals including DINP, which are known to the State of California to cause cancer, and DEHP, which are known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

3. MONETARY PAYMENTS

3.1 Initial Civil Penalty. Defendants shall pay an initial civil penalty in the amount of $6,000 within five (5) business days of the Effective Date. The penalty payment will be allocated by DiPirro's counsel in accordance with California Health & Safety Code § 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to DiPirro. The initial penalty payment shall be delivered to the address listed in Section 3.3 below.

3.2 Final Civil Penalty. Defendants shall pay a final civil penalty of $25,000 on or before January 15, 2018. The final civil penalty shall be waived in its entirety, however, if, no later

than January 5, 2018, an officer of each Defendant provides DiPirro with written certification that, as of the date of such certification and continuing into the future, the officer reasonably believes that all Covered Products manufactured for sale in California by Defendant after that date meet the Reformulation Standard. The certification in lieu of a final civil penalty payment provided by this Section is a material term, and time is of the essence. The penalty payment will be allocated by DiPirro's counsel in accordance with California Health & Safety Code § 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to DiPirro. The penalty payment or certification shall be delivered to the address listed in Section 3.3 below.

3.3 Payments Held in Trust. Payments shall be delivered to the offices of Bush & Henry, Attorneys at Law, PC, 3270 Mendocino Avenue, Suite 2E, Santa Rosa, CA 95403, and shall be in the form of three checks for the following amounts made payable to:

(a) "Office of Environmental Health Hazard Assessment" in the amount of $4,500 for payment to OEHHA, in the form of a certified or cashier's check. Bush & Henry agrees to forward the check to OEHHA in a timely manner.

(b) "Michael DiPirro" in the amount of $1,500 as payment to Michael DiPirro, in the form of a certified or cashier's check. Bush & Henry agrees to forward such check in a timely manner; and

(c) "Bush & Henry, Attorneys at Law, PC" in the amount of $69,000, as payment for attorneys' fees and costs pursuant to Section 4 below.

For any payment that is returned for insufficient funds, payment must be made by a certified or cashier's check within ten (10) calendar days of notification of insufficient funds, plus a 10% service fee. Any payment that is not actually received by the due date will also be subject to a 10% fee.

3.4 Issuance of 1099 Forms. Defendants shall provide DiPirro's counsel with a separate 1099 form for each payment under this Agreement as follows:

(a) "Office of Environmental Health Hazard Assessment", P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486) for civil penalties paid;

(b) "Michael DiPirro," whose address and tax identification number shall be furnished upon request after this Agreement has been fully executed by the Parties for his portion of the civil penalties paid; and

(c) "Bush & Henry, Attorneys at Law, PC" for fees and costs reimbursed pursuant to Section 4.

4. REIMBURSEMENT OF FEES AND COSTS

The parties acknowledge that DiPirro 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 this fee issue to be resolved after the material terms of the agreement had been settled. The parties then attempted to (and did) reach an accord on the compensation due to OEHHA, DiPirro and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this agreement. Defendants shall pay $69,000 for fees and costs incurred as a result of investigating, bringing this matter to Defendants' attention, and negotiating a settlement in the public interest. Defendants shall issue a separate 1099 for fees and costs (EIN: 81-1257634), shall make the check payable to "Bush & Henry, Attorneys at Law, PC" and shall deliver payment within five (5) business days of the Effective Date , to the address listed in Section 3.3 above.

5. CLAIMS COVERED AND RELEASED

5.1 DiPirro's Public Release of Proposition 65 Claims

DiPirro, acting on his own behalf and in the public interest, releases Defendants and their parents, subsidiaries, affiliated entities under (full or partial) common ownership, and the directors, officers, employees, attorneys, and predecessors, successors or assigns of each of them ("Releasees") and each entity to whom Defendants directly or indirectly distribute or sell, distributed or sold, the Covered Products including, but not limited to, their downstream distributors, wholesalers, customers, retailers, franchisers, cooperative members, licensors and licensees, and including any and all subsidiaries, parents, marketplace retailers and/or affiliated entities under (full or partial) common ownership, and the directors, officers, employees, attorneys, and predecessors, successors or assigns of each of the preceding (collectively, the "Distribution

Chain Releasees") for violations arising under Proposition 65 for unwarned exposures to DEHP and/or DINP in the Covered Products prior to the Effective Date. As used in the preceding definition of "Distribution Chain Releasees," the term "retailers" includes, but is not limited to, Wal-Mart Stores, Inc., VistaPrint and the affiliates and subsidiaries of both entities, and entities for which Defendants provide fulfillment services.

DiPirro's release of claims applies to all Covered Products which Defendants either manufactured, and/or distributed and/or sold prior to the Effective Date, regardless of the date any person distributes or sells the subject Covered Products.

This Consent Judgment is a full, final and binding resolution of all claims that were or could have been asserted in the Complaint arising out of Defendants' alleged failure to provide Proposition 65 warnings for exposures to DEHP and/or DINP in Covered Products. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DEHP and/or DINP from the Covered Products after the Effective Date.

5.2 DiPirro's Individual Release of Claims

DiPirro, in his individual capacity only, also provides a release to Defendants, Releasees, and Distribution Chain Releasees, which release 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 DiPirro of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to DEHP and/or DINP in the Covered Products imported, manufactured, sold or distributed by Defendants and/or Releasees prior to the date this Consent Judgement is entered by the Court.

5.3 Defendant's Release of DiPirro

Defendants, on their own behalf and on behalf of their past and current agents, representatives, attorneys, successors, and assignees, hereby waive any and all claims that they may have against DiPirro and his attorneys and other representatives, for any and all actions taken or statements made by DiPirro and his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against them in this matter, or with respect to the Covered Products.

6. **COURT APPROVAL**

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 all Parties.

7. **SEVERABILITY**

If, subsequent to the execution of this Consent Judgment, any provision of this Consent Judgment is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

8. **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 or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, then Defendants may provide written notice to DiPirro of any asserted change in the law, and have no further obligations pursuant to this Consent Judgment, with respect to, and to the extent that, the Covered Products are so affected.

9. **NOTICES**

Unless otherwise 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 on any party by the other party at the following addresses:

For Defendants:

Bradley S. Wilder
Harland Clarke Holdings Corp.
Legal Department
15955 La Cantera Parkway
San Antonio, TX 78256

Michèle B. Corash, Esq.
Morrison & Foerster
425 Market Street, Suite 30
San Francisco, CA 94105

For DiPirro:

Bush & Henry, Attorneys at Law, PC
3270 Mendocino Avenue, Suite 2E
Santa Rosa, CA 95403

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

10. 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.

11. POST EXECUTION ACTIVITIES

DiPirro agrees to comply with the reporting form requirements referenced in Health & Safety Code § 25249.7(f). The Parties further acknowledge that, pursuant to Health & Safety Code § 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement. In furtherance of obtaining such approval, DiPirro and Defendants agree to mutually employ their best efforts, and that of their counsel, to support the entry of this agreement as a Consent Judgment, and to obtain judicial approval of the settlement in a timely manner.

12. 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.

13. AUTHORIZATION

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.