

SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN FRANCISCO

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TEXT JUDGMENT

ECOLOGICAL RIGHTS FOUNDATION VS. ORGILL, INC. ET AL

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1 Fredric Evenson (State Bar No. 198059) ECOLOGY LAW CENTER 2 P.O. Box 1000 an Francisco County Superior Court Santa Cruz, California 95061 3 Telephone: (831) 454-8216 5 2017 Email: evenson@ecologylaw.com 4 Christopher Sproul (Bar No. 126398) 5 ENVIRONMENTAL ADVOCATES 5135 Anza Street 6 San Francisco, California 94121 Telephone: (415) 533-3376, (510) 847-3467 7 Facsimile: (415) 358-5695 Email: csproul@enviroadvocates.com 8 9 Counsel for Plaintiff. ECOLOGICAL RIGHTS FOUNDATION 10 SUPERIOR COURT OF THE STATE OF CALIFORNIA 11 COUNTY OF SAN FRANCISCO 12 ECOLOGICAL RIGHTS FOUNDATION, Case No. CGC-16-555429 13 Plaintiff, HK [PROPOSED] CONSENT JUDGMENT v. 14 AS TO BURKHEAD ORGILL, INC., et al., MANUFACTURING COMPANY, d/b/a 15 **OLD SMOKEY PRODUCTS** Defendants. **COMPANY** 16 17 18 1. INTRODUCTION 19 On November 17, 2016, the Ecological Rights Foundation ("ERF") acting on behalf 1.1 20 of itself and the general public, filed a Complaint for civil penalties and injunctive relief 21 ("Complaint") in San Francisco Superior Court, Case No. 555429, against defendant Burkhead 22 Manufacturing Company, d/b/a Old Smokey Products Company (also referred to herein as "Old 23 Smokey" or "Defendant"). The Complaint alleges, among other things, that Defendant violated 24 the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code Sections 25 25249.5, et seq. (Proposition 65) by failing to give clear and reasonable warnings to those residents 26 of California who use Defendant's charcoal grills and hibachis ("Covered Products") because use 27 28 CONSENT JUDGMENT

(BURKHEAD MANUFACTURING COMPANY, dba OLD SMOKEY PRODUCTS COMPANY)

of those products causes exposures to carbon monoxide. Carbon monoxide is a chemical listed under Proposition 65 as known to the State of California to cause reproductive toxicity. The Complaint was based upon a 60-Day Notice letter, sent by ERF on September 12, 2016 to Old Smokey, the California Attorney General, all District Attorneys, and all City Attorneys with populations exceeding 750,000. The Complaint also is based on a 60 Day Notice Letter dated December 12, 2016 naming Burkhead Manufacturing Company for the same alleged violations as are set forth in the September 12, 2016 Notice Letter (collectively both letters are the "Notice Letters").

1.2 Defendant is a business that employs more than ten persons and either manufactures, and/or distributes, and/or sells Covered Products to residents of California. The complaint alleges combustion of charcoal creates 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. ERF alleges that Covered Products that are either manufactured, and/or distributed, and/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 Old Smokey Products Company, 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 and the 60 Day Notice Letters.

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 against interest with respect to any material allegation of the Complaint, each and every allegation of which Old Smokey 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 Old Smokey.

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The term "Effective Date" means the date Plaintiff serves notice on Defendant that this Consent Judgment is entered by the Court.

2. INJUNCTIVE RELIEF

1.4

Or,

2.1 **Warnings on Covered Products**

Covered Products that are manufactured, that Defendant distributes for sale in California, and/or sells in California on or after the date which is ninety (90) days after the Effective Date shall include one of the following warning options: WARNING¹: 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 a combustion byproduct known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

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

The warning statements shall be affixed to or printed on all Covered Products themselves, or on the immediate packaging of the Covered Products, and also in the instruction booklets. 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. The warning shall be set forth in their instruction booklets, and displayed with such conspicuousness, as compared with other words, statements, or designs in the instruction booklets so as to render them likely to be read and understood by an ordinary individual

Defendant may use the phrases "Proposition 65" or "California Proposition 65" in front of the word WARNING, provided the font and boldface text used as are the same as are used for the word WARNING.

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 word "WARNING:" shall be in upper case letters and bold text. Defendant may utilize a symbol consisting of a black exclamation point in a white equilateral triangle with a bold black outline if the pamphlet is printed only in black and white; if printed in color, then Defendant may use a black exclamation point in a yellow equilateral triangle with a bold black outline.

2.2 Reporting

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 paragraphs 3.1.

3. SETTLEMENT PAYMENTS

3.1 Civil Penalties and Payments In Lieu of Penalties

Pursuant to Health and Safety Code section 25249.7(b)(2), Old Smokey shall pay \$6,000.00 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, Old Smokey shall pay \$17,500.00 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, or via Federal Express or another courier with a tracking and receipt

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confirmation system 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.

The payment to OEHHA shall be delivered to:

Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment P.O. Box 4010 Sacramento, CA 95812-4010.

ERF shall cooperate in providing taxpayer identification information in an timely manner upon request of Defendant to allow for processing of the payments.

4. MATTERS COVERED BY THIS CONSENT JUDGMENT

4.1 As to Covered Products, this Consent Judgment is a final and binding resolution between ERF, acting on behalf of itself and (as to those matters raised in the 60-Day Notice Letter) acting in the public interest, and Burkhead Manufacturing Company d/b/a Old Smokey 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 described in (i) or (ii) were or could have been asserted by any person or entity against Old Smokey or its parents, subsidiaries or affiliates, and all of their suppliers, manufacturers, customers, distributors, wholesalers, retailers, or any other person in the course of doing business, and the predecessors, 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 and ERF hereby releases all of the foregoing claims against all the released entities up through and including the Effective Date. After the Effective Date compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 by any Released Party with regard to any alleged exposures to carbon monoxide from Covered Products.

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4.2 It is possible that other claims not known to the parties, arising out of the facts
alleged in the 60 Day Notice Letter or the Complaint and relating to the Covered Products, will
develop or be discovered. ERF on behalf of itself only, and Defendant on behalf of itself only,
acknowledge 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
and Old Smokey acknowledge 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:

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, and Old Smokey on behalf of itself only, acknowledge and understand the significant 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, Old Smokey and ERF waive their respective rights to a hearing or trial on the allegations of the Complaint.

6. ENFORCEMENT OF JUDGMENT

- 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 this Consent Judgment.

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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. Copies of any motion to modify this Consent Judgment shall be served on the Office of the Attorney General.

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. AUTHORITY TO STIPULATE

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, Plaintiff may then submit it to the Court for approval. If the Attorney General tenders a written objection, the Plaintiff may seek judicial approval only if both parties concur in seeking such 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

herete	o. No other agreements not specifically refe	erred 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 p	performance of this Consent Judgment shall be		
gover	governed by the laws of the State of California, without reference to any conflicts of law provisions			
of Ca	lifornia law. This Consent Judgment shall	not apply to Covered Products which are not sold		
in the	State of California.	•		
13.	13. EXECUTION AND COUNTERPARTS			
	13.1 This Consent Judgment may be ex	secuted in counterparts which taken together shall		
be deemed to constitute one document.				
14.	. COURT APPROVAL			
	14.1 If this Consent Judgment is not a	approved by the Court, it shall be of no force or		
effect, and cannot be used in any proceeding for any purpose.				
15.	<u>NOTICES</u>	, or a		
	15.1 Any notices or payments due unde	er this Consent Judgment shall be sent by personal		
delivery or Certified Mail.				
	If to Ecological Rights Foundation:	Fredric Evenson Ecology Law Center		
		P.O. Box 1000		
		Santa Cruz, CA 95061		
	If to Old Smokey Products Company:	Bruce K. Jamison		
		PO Box 4 1620 Maury		
		Houston, TX 77001		
	With a Copy to:	Judith M. Praitis		
		Amy P. Lally		
		Sidley Austin LLP 555 W. Fifth Street		
		Los Angeles, CA 90013		
		jpraitis@sidley.com		
		alally@sidley.com		

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3	IT IS SO STIPULATE	ED:
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5	DATED:	ECOLOGICAL RIGHTS FOUNDATION
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7		By:
8		JAINES DAMI OKI, DALCOTTE DIGGETOR
9	DATED:	BURKHEAD MANUFACTURING
10		COMPANY, D/B/A OLD SMOKEY PRODUCTS COMPANY
11		Ву:
12		ITS:
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14 15		•
16	IT IS SO ORDERED, ADJUI	OGED AND DECREED.
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18	DATED:	
19		JUDGE OF THE SUPERIOR COURT
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	CONSENT JUDGMENT (BURKHEAD MANUFACTURING	G COMPANY d/b/a OLD SMOKEY PRODUCTS COMPANY)

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3	IT IS SO STIPULATED:	
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5	DATED:	ECOLOGICAL RIGHTS FOUNDATION
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7	,	By:
8		JAMES LAMPORT, EXECUTIVE DIRECTOR
9	DATE: D 1 29 2016	BURKHEAD MANUFACTURING
10	DATED: December 28, 2016	COMPANY, D/B/A OLD SMOKEY
11		PRODUCTS COMPANY
12		BY: Johnson
13		Its: haidst
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16	IT IS SO ORDERED, ADJUDGED AND I	DECREED:
17	DATED:	
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19		JUDGE OF THE SUPERIOR COURT
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	CONSENT JUDGMENT (BURKHEAD MANUFACTURING COMPANY of	1/b/a OLD SMOKEY PRODUCTS COMPANY)
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3	IT IS SO STIPULATED:	
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5	DATED: FEBRUARY 27, 2017	ECOLOGICAL RIGHTS FOUNDATION Ecological Rights Foundation
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7		BY: James Lamport, Executive Director
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9	.DATED: ,	BURKHEAD MANUFACTURING COMPANY, D/B/A OLD SMOKEY
10		PRODUCTS COMPANY
11		By:
12 13	.	TIS:
14	e # # # # # # # # # # # # # # # # # # #	
15	· ·	
16	IT IS SO ORDERED, ADJUDGED AND	DECREED:
17	DATED: 1/s/17	
18	**************************************	
19		JUDGE OF THE SUPERIOR COURT
20		HAROLD KAHN
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28	CONSENT HIDGMENT	

CONSENT JUDGMENT (BURKHEAD MANUFACTURING COMPANY d/b/a OLD SMOKEY PRODUCTS COMPANY)