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KINGPUN CHENG,	13
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Plaintiff,	15
LEWIS LIFETIME TOOLS	16
TEMIS LIME LOOFS	17

F I L E D
Clark of the Superior Court

JUN 2 8 2017

By: R. CERSOSIMO, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

#### **COUNTY OF SAN DIEGO**

#### UNLIMITED CIVIL JURISDICTION

)	CASE NO.: 37-2016-00042424-CU-NP-CTL
)	
)	
)	[PROPOSED] ORDER APPROVING
)	STIPULATION AND ORDER RE:
)	CONSENT JUDGMENT
)	"IMAGED FILE"
)	
)	Date: April 21, 2017
)	Time: 10:30 AM
)	Dept. C-68
)	Judge: Hon. Judith F. Hayes
)	Action Filed: December 2, 2016
)	,

Plaintiff, Kingpun Cheng and Defendant, Lewis Lifetime Tools. having agreed through their respective counsel that judgment be entered pursuant to the terms of the Stipulation and Order Re: Consent Judgment entered into by the parties, and attached to the Judgment pursuant to the terms of the Stipulation and Order Re: Consent Judgment as Exhibit 1. After consideration of the papers submitted and arguments presented, the Court finds that the settlement agreement set out in the attached Consent Judgment meets the criteria established by Health & Safety Code §25249.7, in that:

1 PARKER SMITH, ESQ. (SBN 290311) SY AND SMITH, PC. 2 11622 El Camino Real, Suite 100 Del Mar, CA 92130 3 Telephone: (858) 746-9554 Facsimile: (858)746-5199 4 Attorneys for Plaintiff, King Pun Cheng 5 6 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF SAN DIEGO 10 KING PUN CHENG, Case No.:37-2016-00042424-CU-NP-CTL 11 Plaintiff, UNLIMITED JURISDICTION 12 VS. STIPULATION AND [PROPOSED] 13 LEWIS LIFETIME TOOLS ORDER RE ENTRY OF CONSENT JUDGMENT AS TO LEWIS 14 LIFETIME TOOLS Defendant. 15 Complaint Filed: November 28, 2016 16 17 1. **Introduction** 18 1.1 **Parties** 19 This Consent Judgment is hereby entered into by and between Kingpun Cheng, as an 20 individual and acting in the interest of the public, (hereinafter "Cheng") and Richmond 21 Engineering, Inc., a California corporation doing business as Lewis Lifetime Tools (hereinafter 22 "Lewis") and selling products under the brand name Yard Butler, among other brand names. 23 24 Lewis and Cheng shall be collectively referred to as the "Parties" and each of them as a "Party." 25 Cheng is an individual residing in California who seeks to promote awareness of exposures to 26 toxic chemicals and improve human health by reducing or eliminating hazardous substances 27 contained in consumer products. 28

LEGAL:10080-0006/4595383.1

#### 1.2 **General Allegations**

Cheng alleges that Lewis offered for sale and sold in the State of California, Gopher/Mole Bait Applicators, Terra Mattock garden hand tool, and other tools with vinyl grips that are in the same product category and type, including but not limited to "Gopher/Mole Bait Applicator" UPC 033607000012 and "Terra Mattock" UPC 033607007059, containing DINP, a chemical listed under Proposition 65 as a chemical known to the State of California to cause cancer and that it did so without providing the warning Cheng alleges is required by Proposition 65.

Gopher/Mole Bait Applicator and Terra Mattock are examples of the product category and type of tools with vinyl grips, all of which are covered by this Consent Judgment and are referred to herein as "Covered Products." Lewis claims that it has relied in good faith on the representation of the supplier of the vinyl grips that they do not contain levels of DINP requiring cautionary warnings under Proposition 65.

#### 1.3 **Notice of Violation**

On or about September 26, 2016, Cheng issued a 60 Day Notice of Violation to Lewis, Home Depot, and various public enforcement agencies pursuant to Health & Safety Code \$25249.7(d) alleging that Lewis and Home Depot Inc. and Home Depot USA, Inc. (Collectively "Home Depot") were in violation of Proposition 65 for failing to warn California consumers that the Covered Products exposed them to DINP ("60 Day Notice"). The 60 Day Notice is referred to herein as "Notice." No public enforcer diligently prosecuted the claims threatened in the Notice within sixty days plus service time after service of the Notice to them by Cheng.

Other examples of tools containing the same vinyl grip and thus falling into the same Product Category and Type that are the subject of a Proposition 65 Notice and are encompassed in "Covered Products" include, but are not limited to: Bulb and Garden Planter; Compost Aerator; Concrete Mixer; Core Aerator; Deep Root Irrigator; Rocket Weeder; Sod Plugger, Spike Aerator; Step Edger; Twist & Tiller; High Capacity Hose Reel; Hose Trucks (2-wheeled, 4 wheeled & compact); Mighty Wheel; Swivel Reels (free standing, patio base & wall mount); Terra Bulb Planter; Terra Planter; Terra Tiller; Terra Weeder; Whisk Rake and other rakes.

#### 1.4 **Complaint**

On or about November 28, 2016, Cheng filed a Complaint against Lewis for civil penalties and injunctive relief ("Complaint") in San Diego Superior Court, Case No. 37-2016-00042424-CU-NP-CTL. The Complaint alleges, among other things, that Lewis violated Proposition 65 by failing to give clear and reasonable warnings of exposure to DINP from the Covered Products.

#### 1.5 Consent to Jurisdiction

For purposes of this Consent Judgment, the Parties consent that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over the named Defendant as to the acts alleged in the Complaint, that venue is proper in the County of San Diego and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Notices, Complaint, and of all claims which were or could have been raised by any person or entity based in whole or in part, directly or indirectly, on the prior conduct of the Parties or on the facts alleged in the Complaint or arising therefrom or related to.

1.6 For purposes of this Consent Judgment, the term "Effective Date" shall mean the date at which the Motion to Approve the Consent Judgment has been granted by the Court.

#### 2. <u>Injunctive Relief</u>

Commencing on the Effective Date, Lewis shall only sell, offer for sale, or distribute for sale in California, Covered Products that are either (a) reformulated pursuant to Section 2.1 or (b) include a warning as provided in Section 2.3.

#### 2.1 **Reformulation Option**.

The Covered Products shall be deemed to comply with Proposition 65 with regard to DINP, and be exempt from any Proposition 65 warning requirements for DINP, if the exposed

vinyl grip and other components that are part of the Covered Products meet the following criteria: the products contain DINP in concentration of less than 0.1 percent (1,000 part per million). Lewis may comply with the above requirements by relying on information obtained from its suppliers regarding the content of vinyl from which the components are made, provided such reliance is in good faith. Obtaining test results showing that the DINP content is no more than 0.1 percent, using a method of sufficient sensitivity to establish a limit of quantification (as distinguished from detection) of less than 1,000 ppm shall be deemed to establish good faith reliance. For purposes of this Consent Judgment, Covered Products in compliance with this standard are "Reformulated Products."

#### 2.2 **Warning Alternative**.

As an alternative to reformulating the Covered Products, commencing on the Effective Date, Covered Products that Lewis ships for sale, sells or offers for sale in California that are not Reformulated Products as set forth in Section 2.1 above shall be accompanied by a clear and reasonable warning as described in Section 2.3 below.

#### 2.3 Clear and Reasonable Warnings.

Where required under Section 2.2 above, Lewis shall provide Proposition 65 warnings substantially as follows:

**WARNING**: This product contains DINP, a chemical known to the State of California to cause cancer.

OR

**WARNING:** This product contains chemicals known to the State of California to cause cancer.

2.3.1 Where utilized as an alternative to meeting the criteria set forth in Section 2.1, Lewis shall provide the warning language set forth in Section 2.3 either on the packaging or a

sticker affixed to the packaging of the Covered Products or affixed to the Covered Products.

Such warning shall be prominently affixed to or printed on each Product's label or package or the Product itself. If printed on the label, the warning shall be contained in the same section that states other safety warnings, if any, concerning the use of the Product. Lewis may continue to utilize, on an ongoing basis, unit packaging containing substantively the same Proposition 65 warnings as those set forth in Section 2.3 above, but only to the extent such packaging materials have already been printed within ninety days after the Effective Date.

- 2.3.2 The requirements for warnings, set forth in Section 2.3 above are imposed pursuant to the terms of this Consent Judgment. The Parties recognize that these are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations and that they may or may not be appropriate in other circumstances.
- 2.3.3 If Proposition 65 warnings for DINP or other specified chemicals should no longer be required by Proposition 65, Lewis shall have no further warning obligations pursuant to this Consent Judgment. In the event that a change in the law requires modification of such warnings, Lewis may cease to implement or may modify the warnings required under this Consent Judgment in compliance with the change in the law per Section 12 of this Consent Judgment. In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting warning text and/or methods of transmission different than those set forth above, Lewis shall be entitled to either use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Consent Judgment, or continue to comply with the warning provisions in this Consent Judgment per Section 12 of this Consent Judgment.

#### 2.4 Products Manufactured Prior to the Effective Date

Notwithstanding anything else in this Consent Judgment, Covered Products that were manufactured prior to the Effective Date shall be subject to the release of liability pursuant to section 5 of this Consent Judgment, without regard to when such Covered Products were, or are in the future, distributed or sold to customers. As a result, the obligations of Lewis as set forth in this Consent Judgment, including but not limited to Section 2, do not apply to these products manufactured, shipped or sold prior to the Effective Date.

#### 3. Entry of Consent Judgment

3.1 With regard to all claims that have been raised or which could be raised with respect to failure to warn pursuant to Proposition 65 with regard to DINP in the Covered Products, Lewis shall pay a civil penalty of \$1,000 pursuant to Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health & Safety Code § 25192, with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to Cheng, as provided by California Health & Safety Code § 25249.12(c)(1) and (d) and the instructions directly below.

#### 3.2 **Payment Procedures**

Lewis shall issue two separate checks for the penalty payment: (a) one check made payable to "OEHHA" (tax identification number: 68-0284486) in an amount representing 75% of the total penalty (i.e., \$750); and (b) one check in an amount representing 25% of the total penalty (i.e., \$250) made payable directly to Cheng. Lewis shall mail these payments within five (5) days after the Effective Date at which time such payments shall be mailed to the following addresses respectively:

Proposition 65 Settlement Coordinator California Department of Justice 1515 Clay Street, 20th Floor Oakland, CA 94612-1413

Mr. Kingpun Cheng C/O Sy and Smith, PC 11622 El Camino Real, Suite 100 San Diego, CA 92130

#### 4. Reimbursement of Fees and Costs

The Parties reached an accord on the compensation due to Cheng and his counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Lewis shall reimburse Cheng's counsel for fees and costs incurred as a result of investigating, bringing this matter to Lewis Tools' attention, and negotiating a settlement. Lewis shall pay Cheng's counsel \$10,000 for all attorneys' fees, expert and investigation fees, and related costs associated with this matter, the Notices and associated fees and costs in two equal installments of \$5,000 each as follows: Lewis shall wire said monies or send a check payable to "Sy and Smith, PC" of the first installment within ninety (90) days of the Effective Date and of the second and final installment within one hundred and eighty (180) days of the first payment Sy and Smith, PC will provide Lewis with wire instruction and tax identification information on or before the Effective Date if requested. Other than the payment required hereunder, each side is to bear its own attorneys' fees and costs.

#### 5. Release of all Claims and Matters Covered by This Consent Judgment

#### 5.1 Release of Lewis and Customers, Retailers, and Related or Affiliates Entities.

This Consent Judgment is a full, final, and binding resolution between Cheng, acting on behalf of himself and in the public interest, and Lewis and its customers of all matters that are or could have been alleged in the Complaint, including any violation of Proposition 65 alleged in any and all 60 Day Notices of Proposition 65 made to the California Attorney General, District Attorneys, and/or City Attorneys by anyone acting for themselves or on behalf of the public interest that are outstanding to the fullest extent that any violation could have been asserted by Cheng or anyone

acting in the public interest against Lewis, arising out of, or relating to Lewis' compliance with Proposition 65, or regulations promulgated thereunder, with respect to exposures to DINP from the Covered Products and components thereof whether based on actions committed by Lewis or by any other entity within the chain of manufacture, distribution and sale of the Covered Products, including without limitation The Home Depot and Dixieline.

To this end, Cheng releases Lewis and its Related and Affiliated Entities and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, sister and parent entities, successors, and assigns, and each entity to whom it directly or indirectly distributed or distributes or sold or sells the Covered Products including, but not limited to, their customers, distributors, wholesalers, licensors, licensees, auctioneers, retailers (including, but not limited to, Home Depot, Inc., Home Depot U.S.A., Inc., Dixieline, their parents and all affiliates and subsidiaries thereof), their respective employees, agents and assigns, franchisees, dealers, customers, owners, purchasers, users, parent companies, corporate affiliates, subsidiaries, (collectively "Releasees") from all claims for violations of Proposition 65 up through the Effective Date, and consistent with the provisions of Section 2.4, above, based on exposure to DINP from the Covered Products as set forth in the Notices. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DINP from the Covered Products.

In addition to the foregoing, Cheng, on behalf of himself, his past and current agents, representatives, attorneys, and successors and/or assignees, and not in his representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases any other claims, cause of action, obligation, costs, expenses, attorneys' fees, damages, losses, liabilities, and demands that he could make against Lewis or the Releasees with respect to violations of Proposition 65 based upon the Covered Products. The Parties

acknowledge that the claims released above may include unknown claims, and with respect to the foregoing waivers and releases in this paragraph, Cheng hereby specifically waives any and all rights and benefits which he now has, or in the future may have, conferred by virtue of the provisions of Section 1542 of the California Civil Code, which provides 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.

Cheng acknowledges and understands the significance and consequences of this specific waiver of California Civil Code section 1542.

#### 5.2 Lewis Release of Cheng

Lewis waives any and all claims against Cheng, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Cheng and his attorneys and other representatives in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter.

#### 6. Non-Disparagement

The Parties agree to refrain from taking action or making statements, written, oral or through any form of social media, which disparage or defame the goodwill or reputation of the other Party or its products.

#### 7. Severability and Merger

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

1 2 3 4 5 8. **Governing Law** 6 7 8 9 10 11 the Covered Products are so affected. 12 9. **Notices** 13 9.1 14 15 16 17 18 Lewis Lifetime Tools: 19 Cynthia G. Iliff 20 Attorney at Law 15472 Markar Road 21 Poway CA 92064 cynthiailiff@gmail.com 22 and 23 24

This Consent Judgment contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

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 or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, then Lewis shall have no further obligations pursuant to this Consent Judgment with respect to the Covered Products to the extent

Unless specified herein, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and personally delivered or sent by: electronic mail and either (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any Party by the other Party at the following addresses:

For Cheng:

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Parker A. Smith Sy and Smith, PC 11622 El Camino Real, Suite 100 Del Mar, CA 92130 parker@sysmithlaw.com

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

#### 10. Counterparts; Facsimile Signatures

10.1 This Consent Judgment may be executed in counterparts and by facsimile or exchange by electronic means, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

#### 11. <u>Post Execution Activities</u>

Cheng agrees to comply with the requirements set forth in California Health & Safety Code \$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, Cheng agrees to employ his best efforts, and those of his counsel, to support the entry of this agreement as judgment, and to obtain judicial approval of this Consent Judgment in a timely manner.

#### 12. Modification

This Consent Judgment may be modified only by further written agreement of the Parties with court approval or by noticed motion.

#### 13. Attorney Fees

A Party who unsuccessfully brings or contests an action to enforce this Consent Judgment, other than for indemnity against third parties, shall be required to pay the prevailing Party's reasonable attorney's fees and costs.

#### 14. <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

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document and certifies that he or she is fully authorized by the Party he or she represents to execute the Consent Judgment on behalf of the Party and legally bind that Party.

## 15. Warranties and Representations Regarding Other Potential Claims

Cheng and his attorneys, Sy and Smith, PC, represent and warrant that neither of them is aware of any other actual or potential action, violation, or claim against Lewis or any of the Releasees. Cheng and his attorneys, Sy and Smith, PC, agree, represent and warrant that neither of them shall, themselves or by assisting others, file a notice or pursue a claim against Lewis or any of the Releasees for alleged violation of Proposition 65 for a period of two (2) years from the Effective Date herein.

#### IT IS SO STIPULATED:

Dated: 2/16/17	Dated:				
By:	By:				
Parker A. Smith, Attorney for Plaintiff	Cynthia G. Iliff, Attorney for Defendant				
Dated: 2017-2-14	Dated:				
Ву:	By:				
Kingpun Cheng	Lewis Lifetime Tools				
IT IS SO ORDERED, ADJUDGED AND DECREED:					
Dated:					
	Judge of the Superior Court				

1	document and certifies that he or she is fully authorized by the Party he or she represents to		
2	execute the Consent Judgment on behalf of the Party and legally bind that Party.		
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9	of them shall, themselves or by assisting others, file a notice or pursue a claim against Lewis or		
10	any of the Releasees for alleged violation of Proposition 65 for a period of two (2) years from the		
11	Effective Date herein.		
12	IT IS SO STIPULATED:		
13 14	Dated: Dated:		
15	By:		
16	Parker A. Smith, Attorney for Plaintiff  Cynthia G. Iliff, Attorney for Defendant		
17	Dated:		
18	By:		
19	Kingpun Cheng Lewis Lifetime Tools		
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23	IT IS SO ORDERED, ADJUDGED AND DECREED:		
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25	Dated:		
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27	Judge of the Superior Court		
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Dated: 2017-2-14	Dated:				
Ву:	By:				
Kingpun Cheng	Lewis Lifetime Tools				
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Dated:					
	Judge of the Superior Court				