

1 Evan J. Smith, Esquire (SBN 242352) FILED Ryan P. Cardona, Esquire (SBN 302113) BRODSKY & SMITH, LLC ALAMEDA COUNTY 2 9595 Wilshire Blvd., Ste. 900 SEP 25 2017 Beverly Hills, CA 90212 3 Telephone: (877) 534-2590 CLERK, OF THE SUPERIOR COURT Facsimile: (310) 247-0160 4 Attorneys for Plaintiff 5 6 7 8 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA 10 COUNTY OF ALAMEDA 11 KAREN CALACIN, Case No.: RG17860577 12 **CONSENT JUDGMENT** Plaintiff, 13 Judge: Stephen Pulido ٧. 14 ARTISTIC PRODUCTS, LLC, Dept.: 517 15 Hearing Date: September 12, 2017 Defendant. 16 Hearing Time: 3:00 PM 17 Reservation #: R-1867193 18 19 20 21 22 23 24 25 26 27 28

1. INTRODUCTION

- 1.1 The Parties. This Consent Judgment is entered into by and between Karen Calacin acting on behalf of the public interest (hereinafter "Calacin") and Artistic Products, LLC ("Artistic Products" or "Defendant") with Calacin and Defendant collectively referred to as the "Parties" and each of them as a "Party." Calacin 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 contained in consumer products. Artistic Products is a person in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.
- 1.2 Allegations and Representations. Calacin alleges that Defendant has exposed individuals to Diisononyl phthalate (DINP) from Krystal View Clear Desk Pads without providing clear and reasonable warnings under Proposition 65. DINP is listed under Proposition 65 as a chemical known to the State of California to cause reproductive toxicity.
- 1.3 **Notices of Violation/Complaint.** On or about December 21, 2016, Calacin served Artistic Products and various public enforcement agencies with a document entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notice"), alleging that Defendant was in violation of Proposition 65 for failing to warn consumers and customers that Krystal View Clear Desk Pads exposed users in California to DINP. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice. On May 16, 2017, Calacin filed a complaint in the matter (the "Complaint").
- 1.4 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 filed in this matter, that venue is proper in the County of Alameda, and that this Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein and/or in the Notice.
- 1.5 Defendant denies the material allegations contained in Calacin's Notice and Complaint and maintains that it has not violated Proposition 65. Nothing in this Consent Judgment

shall be construed as an admission by Defendant of any fact, finding, 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, issue of law, or violation of law, such being specifically denied by Defendant. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Defendant under this Consent Judgment.

2. **DEFINITIONS**

- 2.1 **Covered Products.** The term "Covered Products" means Artistic Products' desk pads, including but not limited to the Krystal View Clear Desk Pads, SKU No. 0 30615 62009 6, and the Microban Executive Desk Pad, SKU No. 030615 13841 6, that are manufactured, distributed and/or offered for sale in California by Artistic Products and that contain DINP.
- 2.2 **Effective Date.** The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.

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

- 3.1 Commencing ninety (90) days after the Effective Date, Artistic Products shall not manufacture, import, or purchase for sale in California any Covered Product that contains more than 1,000 parts per million DINP, unless the Covered Product is accompanied by the following warning: "WARNING: This product contains a chemical known to the State of California to cause cancer, birth defects and other reproductive harm."
- 3.2 The warning provided pursuant to Section 3.1 shall be affixed to or printed on the Covered Product's packaging or labeling. The warning shall be prominently affixed to or printed on the packaging or labeling and displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. A warning may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the product and shall be at least the same size as those other safety warnings.

- Artistic Products shall make a Final Civil Penalty payment of \$5,500.00 on the same terms as set forth in Section 4.1.1 pertaining to the Initial Civil Penalty. Pursuant to Title 11 California Code of Regulations, Section 3203(c), Calcin agrees that the Final Civil Penalty payment shall be waived in its entirety if, on or before the Final Civil Penalty payment is due, an officer of Artistic Products provides Plaintiff with a signed declaration certifying that all Covered Products it ships for sale or distributes for sale in California as of the date of its certification are Reformulated Products or are marked with the warnings required by this Consent Decree (hereinafter "Labeled Product") and that Artistic Products will continue to offer only Reformulated Products or Labeled Products in California in the future. The option to provide a declaration certifying its complete early reformulation or labeling of the Covered Products in lieu of making the Final Civil Penalty payment otherwise required by this Section is a material term, and time is of the essence.
- 4.3 Attorney Fees. Artistic Products shall pay \$42,000.00 to Brodsky & Smith, LLC ("Brodsky Smith") as complete reimbursement for Plaintiff Calacin's attorneys' fees and costs incurred as a result of investigating, bringing this matter to Artistic Products' attention, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure section 1021.5. The timing specified for payment required by this Section is a material term, and time is of the essence:
- 4.3.1 Within ten (10) business days of the Effective Date, Artistic Products shall issue a check for Attorney Fees addressed to "Brodsky & Smith, LLC" for \$22,000.00 delivered to the address listed in Section 4.1.1 above.
- 4.3.2 Within sixty (60) calendar days of the Effective Date, Artistic Products shall issue a second check for Attorney Fees addressed to "Brodsky & Smith, LLC" for \$20,000.00 delivered to the address listed in Section 4.1.1 above.
- 4.4 Artistic Products shall be liable for reimbursement of additional attorney fees ("Additional Fees") equal to \$2,500.00, for all amounts due and owing that are not received within five (5) calendar days of the date they are due.

5. RELEASE OF ALL CLAIMS

- 5.1 This consent judgment is a full, final, and binding resolution between Calacin acting in the public interest, and Artistic Products, and its parents, shareholders, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their successors and assigns ("Defendant Releasees"), and all entities from whom they obtain and to whom they directly or indirectly distribute or sell Covered Products, including but not limited to Staples, Inc. ("Staples"), manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees retailers, franchisees, and cooperative members ("Downstream Defendant Releasees"), of all claims for violations of Proposition 65 based on exposure to DINP from Covered Products as set forth in the Notice, with respect to any Covered Products manufactured, distributed, or sold by Artistic Products prior to ninety (90) days after the Effective Date. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with regard to the Covered Products.
- 5.2 In addition to the foregoing, Calacin, on behalf of herself, her past and current agents, representatives, attorneys, and successors and/or assignees, and *not* in her representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases any Artistic Products, Defendant Releasees, and Downstream Defendant Releasees from any and all manner of actions, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, now or in the future, with respect to any alleged violations of Proposition 65 related to or arising from Covered Products manufactured distributed or sold by Artistic Products or Defendant Releasees. With respect to the foregoing waivers and releases in this paragraph, Calacin hereby specifically waives any and all rights and benefits which she 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 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY

5.3 Artistic Products waives any and all claims against Calacin, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Calacin and her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to Covered Products.

6. <u>INTEGRATION</u>

6.1 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.

7. GOVERNING LAW

7.1 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 Covered Products, then Defendant shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, Covered Products are so affected.

8. NOTICES

8.1 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: (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 Defendant:

Bradley Brighton Artistic Products, LLC 125 Commerce Drive Hauppauge, NY 11788

And

For Calacin:

Evan Smith Brodsky & Smith, LLC 2 Bala Plaza, Suite 510 Bala Cynwyd, PA 19004

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

9. COUNTERPARTS; FACSIMILE SIGNATURES

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

10. <u>COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)/COURT APPROVAL</u>

- 10.1 Calacin agrees to comply with the requirements set forth in California Health & Safety Code §25249.7(f) and to promptly bring a Motion for Approval of this Consent Judgment and Defendant agrees it shall support approval of such Motion.
- 10.2 This Consent Judgment shall not be effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved by the Court. In such case, the Parties agree to meet and confer on how to proceed and if such agreement is not reached within 30 days, the case shall proceed on its normal course.
- 10.3 If the Court approves this Consent Judgment and is reversed or vacated 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, the case shall proceed on its normal course on the trial court's calendar.

11. MODIFICATION

11.1 This Consent Judgment may be modified only by further stipulation of the Parties and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

12. ATTORNEY'S FEES

- A party who unsuccessfully brings or contests an action arising out of this Consent 12.1 Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs unless the unsuccessful party has acted with substantial justification. For purposes of this Consent Judgment, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure Section 2016, et seq.
- Nothing in this Section shall preclude a Party from seeking an award of sanctions pursuant to law.

RETENTION OF JURISDICTION 13.

This Court shall retain jurisdiction of this matter to implement or modify the 13.1 Consent Judgment.

14. **AUTHORIZATION**

14.1 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 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 represented and legally bind that Party. Except as explicitly provided herein each Party is to bear its own fees and costs.

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1	AGREED TO:	AGREED TO:
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3	Date: 6-26.17	Date: 6/25/17
4	By: 1	By: Bradley Brichton Pres ARTISTIC PRODUCTS, LLC
5	KAREN CALACIN	ARTISTIC PRODUCTS, LLC
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7	IT IS SO ORDERED, ADJUDGED A	ND DECREED:
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9	Dated: 9-25-2017	
10		Judge of Superior Court Stephen Pulido
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