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15 ECOLOGICAL RIGHTS FOUNDATION

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

ECOLOGICAL RIGHTS FOUNDATION,

Plaintiff,

v.

A&J MANUFACTURING, LLC, BLUE
RHINO GLOBAL SOURCING, INC., THE
COMPANION GROUP, ONWARD
MANUFACTURING COMPANY, LTD.,

Defendants.

Case No. CGC-18-563746

~~PROPOSED~~ [PROPOSED] CONSENT JUDGMENT
AS TO THE COMPANION GROUP

1. INTRODUCTION


1.1 On January 19, 2018, the Ecological Rights Foundation ("ERF") acting on behalf of itself and the general public, filed a Complaint for Injunctive Relief and Civil Penalties ("Complaint") in San Francisco Superior Court, Case No. 563746 against defendant the Companion Group, (also referred to herein as "Companion" 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 about carbon monoxide exposures to those residents of California who use charcoal starters that are manufactured, distributed or sold by Defendant ("Covered Products"), that use of those products causes exposures to carbon

CONSENT JUDGMENT
(The Companion Group)

FILED
San Francisco County Superior Court

JUN 06 2018

CLERK OF THE COURT

BY:  Deputy Clerk

1 monoxide, a chemical known to the State of California to cause birth defects and other
2 reproductive harm. The Complaint was based upon a 60-Day Notice letter, sent by ERF on June
3 29, 2017, to Companion, the California Attorney General, all District Attorneys, and all City
4 Attorneys with populations exceeding 750,000 (the "60-Day Notice").

5 1.2 Defendant is a company that employs more than ten persons, and manufactures,
6 distributes, and/or sells Covered Products. ERF alleges that the Covered Products that Defendant
7 distributes, markets and sells are designed to assist the ignition and combustion of charcoal,
8 which creates carbon monoxide to be released into the air, causing inhalation exposures to those
9 using or standing near the Covered Products when they are in use. Pursuant to Health and Safety
10 Code Section 25249.8, carbon monoxide is a chemical known to the State of California to cause
11 reproductive toxicity. ERF alleges that Covered Products that are manufactured, distributed or
12 sold by Defendant for use in California require a warning under Proposition 65, pursuant to
13 Health and Safety Code Section 25249.6.

14 1.3 ERF and Companion are hereafter sometimes referred to individually as a "Party"
15 or collectively as the "Parties."

16 1.4 For purposes of this Consent Judgment, the parties stipulate that this Court has
17 jurisdiction over the allegations of violations contained in the Complaint and personal
18 jurisdiction over Companion, that venue is proper in the County of San Francisco, and that this
19 Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the
20 allegations contained in the Complaint.

21 1.5 This Consent Judgment resolves claims that are denied and disputed. The parties
22 enter into this Consent Judgment pursuant to a full and final settlement of any and all claims
23 between the parties for the purpose of avoiding prolonged litigation. Nothing in this Consent
24 Judgment, nor compliance with its terms, shall constitute an admission by any of the Parties, or
25 by any of their respective officers, directors, shareholders, employees, agents, parent companies,
26 subsidiaries, divisions, affiliates, suppliers, franchisees, licensees, distributors, wholesalers, or
27 retailers, of any fact, conclusion of law, issue of law, violation of law, fault, wrongdoing, or
28 liability, including without limitation, any admission concerning any alleged violation of

1 Proposition 65 or any other material allegation of the Complaint, each and every allegation of
2 which Companion denies, nor may this Consent Judgment, or compliance with it, be used as
3 evidence of any wrongdoing, misconduct, culpability or liability on the part of Companion.

4 1.6 The term "Effective Date" means the date that Defendant receives Notice that this
5 Consent Judgment was entered by the Court.

6 **2. INJUNCTIVE RELIEF**

7 **2.1 Warnings on Covered Products**

8 No later than 120 days after the Effective Date, Covered Products offered for sale in
9 California shall include one of the following warning statements:

10 **WARNING:** Chemicals known to the state of California to cause birth defects or other
11 reproductive harm, including carbon monoxide, are produced by combustion of charcoal.

12 Or,

13 **WARNING:** This product can expose you to carbon monoxide, which is a combustion
14 byproduct known to the State of California to cause birth defects or other reproductive
15 harm. For more information go to www.P65Warnings.ca.gov.

16 Or,

17 **WARNING:** This product can expose you to chemicals including combustion by-
18 products (including soot and carbon monoxide), which are known to the State of
19 California to cause birth defects or other reproductive harm. For more information go to
20 www.P65Warnings.ca.gov.

21 Or, any warning authorized by regulations effective August 30, 2018, or subsequently
22 established by statute, regulation, or court decision in a contested matter, that is directly
23 applicable to the same type of product as the Covered Products, and the purpose of which
24 is or includes satisfying Proposition 65 warning requirements.

25 The warning statement shall be affixed to, or printed on packaging for, Covered Products, or
26 provided in a manner established by statute or regulation applicable to the same type of product
27 as the Covered Products, as such may be modified or amended from time to time. In accordance
28 with the current regulations, the warning shall be displayed with such conspicuousness, as

1 compared with other words, statements, designs, or devices as to render it likely to be read and
2 understood by an ordinary individual under customary conditions of purchase or use. The type
3 size of the warning must be legible, and no smaller than any other warning provided on or with
4 the Covered Products. The word "WARNING:" shall be in upper case letters and bold text.
5 Defendant may utilize a symbol consisting of a black exclamation point in a yellow equilateral
6 triangle with a bold black outline, or a black exclamation point in a white triangle with black
7 border if no yellow is used in the section of the packaging, print or online material regarding the
8 Covered Products that contains other warning language regarding use of the Covered Products.

9 2.2 Exemption.

10 All Covered Products that have been or will have been distributed, shipped, or sold, or
11 otherwise placed in the stream of commerce through and including the Effective Date of this
12 Consent Judgment are exempt from the provisions of Section 2.1 and are included in the release
13 in Section 4.1.

14 2.3 Example

15 The warning statement exemplar and graphic, attached hereto as Exhibit A, is hereby
16 deemed to be a clear and reasonable warning under, and to fully comply with, Health & Safety
17 Section 25249.6 and the implementing regulations. Defendant may comply with Section 2.1 by
18 either using the form of warning and graphic in Exhibit A or another form of warning statement
19 that complies with the requirements of Section 2.1.

20 2.4 Reporting

21 No later than 150 days after the Effective Date, Defendant shall provide a certification
22 signed by an officer or director of Defendant to ERF confirming its compliance with the warning
23 requirements of paragraph 2.1, and the payment to OEHHA pursuant to paragraphs 3.1.

24 3. SETTLEMENT PAYMENTS

25 Pursuant to Health and Safety Code section 25249.7(b), and in settlement of all claims
26 contained in or referred to in the 60-Day Notice, Complaint, and this Consent Judgment,
27 Companion shall make payments totaling \$22,000 (twenty two thousand dollars) within ten days
28 of the Effective Date, as more specifically set forth in sections 3.1 and 3.2, below, which shall be

1 in full and final satisfaction of any and all civil penalties and attorneys' fees and costs owed to
2 ERF, OEHHA, and/or its counsel.

3 **3.1 Civil Penalties and Payments In Lieu of Penalties**

4 Pursuant to Health and Safety Code section 25249.7(b)(2), Companion shall pay \$5,000
5 (Five thousand dollars) in civil penalties. The penalty payment will be allocated in accordance
6 with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty
7 amount remitted to the California Office of Environmental Health Hazard Assessment
8 ("OEHHA") and the remaining 25% of the penalty amount paid to Ecological Rights
9 Foundation. Defendant will provide these payments in two checks for the following amounts
10 made payable to: 1) "OEHHA" in the amount of \$3,750 (three thousand, seven hundred fifty
11 dollars), and 2) "Ecological Rights Foundation" in the amount of \$1,250 (One thousand two
12 hundred fifty dollars).

13 **3.2 Attorneys' Fees and Litigation Costs**

14 In settlement of all of the claims that are alleged, or could have been alleged, in the
15 Complaint concerning Covered Products, Companion shall pay \$17,000 (seventeen thousand
16 dollars) to the Ecology Law Center to cover Plaintiff's attorneys' fees and costs.

17 **3.3 Payments**

18 All Payments shall be sent no later than 10 days after the Effective Date via USPS
19 certified mail, return receipt requested, to the following addresses:

20 All payments to Ecological Rights Foundation and Ecology Law Center shall be delivered to:

21 Fredric Evenson
22 Ecology Law Center
23 P.O. Box 1000
24 Santa Cruz, CA 95061

25 The payment to OEHHA shall be delivered to:

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

1 **4. RELEASE OF CLAIMS.**

2 4.1 As to Covered Products, this Consent Judgment is a final and binding resolution
3 between ERF, acting on behalf of itself and, as to those matters raised in the 60-Day Notice,
4 acting in the public interest. ERF, acting on its own behalf and in the public interest, forever
5 releases and discharges Companion and its past and present officers, directors, owners,
6 shareholders, employees, agents, attorneys, parent companies, subsidiaries, divisions, affiliates,
7 suppliers, franchisees, licensees, customers, distributors, wholesalers, retailers, and all other
8 upstream and downstream entities and persons in the distribution chain of any Covered Product,
9 and the predecessors, successors and assigns of any of them (collectively the "Released
10 Persons"), from any and all claims and causes of action for (i) any violation of Proposition 65
11 (including but not limited to the claims made in the Complaint) based on exposure to carbon
12 monoxide from the Covered Products or failure to provide clear and reasonable warnings in
13 connection therewith; and/or (ii) any other statutory or common law claim based on failure to
14 provide clear and reasonable warnings for exposure to carbon monoxide from the Covered
15 Products, to the fullest extent that any of the foregoing described in (i) or (ii) were or could have
16 been asserted by any person or entity up to and including the Effective Date, against Companion
17 or the other Released Persons. As to actual or alleged exposures to carbon monoxide from
18 Covered Products, compliance with the terms of this Consent Judgment resolves any issue, now
19 and in the future, concerning compliance by Companion and the Released Persons, with the
20 requirements of Proposition 65 with respect to Covered Products, and any actual or alleged
21 resulting exposure.

22 4.2 Compliance with the terms of this Consent Judgment constitutes compliance
23 now and in the future by Companion and the Released Persons with Proposition 65 regarding
24 any actual or alleged exposures to carbon monoxide from the Covered Products as set forth in
25 the 60-Day Notice and the Complaint. This Consent Judgment shall apply to and shall benefit
26 Companion and all Released Persons.

27 4.3 It is possible that other claims not known to the Parties, arising out of the facts
28 alleged in the 60-Day Notice or the Complaint and relating to the Covered Product, will

1 develop or be discovered. ERF on behalf of itself only, and Companion on behalf of itself
2 only, acknowledge that this Consent Judgment is expressly intended to cover and include all
3 such claims up through and including the Effective Date, including all rights of action therefor.
4 ERF and Companion acknowledge that the claims released above may include unknown
5 claims, and nevertheless they each waive California Civil Code Section 1542 as to any such
6 unknown claims. California Civil Code Section 1542 reads as follows:

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

12 ERF on behalf of itself only, and Companion on behalf of itself only, acknowledge and
13 understand the significance and consequences of this specific waiver of California Civil Code
14 Section 1542.

15 **5. ENTRY OF CONSENT JUDGMENT**

16 5.1 The parties hereby request that the Court promptly enter this Consent Judgment.
17 Upon entry of the Consent Judgment, Companion and ERF waive their respective rights to a
18 hearing or trial on the allegations of the Complaint.

19 **6. ENFORCEMENT OF JUDGMENT**

20 6.1 The terms of this Consent Judgment shall be enforced exclusively by the parties
21 hereto. The parties may, by noticed motion or order to show cause before the Superior Court of
22 San Francisco County, giving the notice required by law, enforce the terms and conditions
23 contained herein.

24 6.2 Before filing a motion or order to show cause under Section 6.1, ERF shall provide
25 Companion with at least thirty (30) days written notice of any alleged violations of the terms and
26 conditions contained in this Consent Judgment, and the parties shall meet and confer in good
27 faith in an effort to resolve any such alleged violation.

28 6.3 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.

1 **7. MODIFICATION OF JUDGMENT**

2 7.1 This Consent Judgment may be modified only upon written agreement of the parties
3 and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any
4 party as provided by law and upon entry of a modified Consent Judgment by the Court. If either
5 Party requests or initiates a modification, then it shall meet and confer with the other Party in
6 good faith before filing a motion with the Court seeking to modify it.

7 **8. TERMINATION AND RETENTION OF JURISDICTION**

8 8.1 This Court shall retain jurisdiction of this matter to implement and enforce the
9 terms this Consent Judgment.

10 **9. AUTHORITY TO STIPULATE**

11 9.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized
12 by the party he or she represents to enter into this Consent Judgment and to execute it on behalf
13 of the party represented and legally to bind that party.

14 **10. SERVICE ON THE ATTORNEY GENERAL**

15 10.1 ERF shall serve a copy of this Consent Judgment, signed by both parties, on the
16 California Attorney General on behalf of the parties so that the Attorney General may review this
17 Consent Judgment prior to its submittal to the Court for approval. No sooner than forty five (45)
18 days after the Attorney General has received the aforementioned copy of this Consent Judgment,
19 and in the absence of any written objection by the Attorney General to the terms of this Consent
20 Judgment, the parties may then submit it to the Court for approval.

21 **11. ENTIRE AGREEMENT**

22 11.1 This Consent Judgment contains the sole and entire agreement and understanding of
23 the parties with respect to the entire subject matter hereof and any and all prior discussions,
24 negotiations, commitments and understandings related hereto. No representations, oral or
25 otherwise, express or implied, other than those contained herein have been made by any party
26 hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be
27 deemed to exist or to bind any of the parties.

1 **12. GOVERNING LAW**

2 12.1 The validity, construction and performance of this Consent Judgment shall be
3 governed by the laws of the State of California, without reference to any conflicts of law
4 provisions of California law.

5 **13. EXECUTION AND COUNTERPARTS**

6 13.1 This Consent Judgment may be executed in counterparts which taken together shall
7 be deemed to constitute one document. A facsimile or .pdf signature shall be construed as valid
8 and as the original signature.

9 **14. COURT APPROVAL**

10 14.1 Upon execution of this Consent Judgment by the Parties, ERF shall notice a Motion
11 for Court Approval.

12 14.2 If the California Attorney General objects to any term in this Consent Judgment, the
13 Parties shall use their reasonable and diligent best efforts to resolve the concern in a timely
14 manner, and if possible prior to the hearing on the motion.

15 14.3 If this Consent Judgment is not approved by the Court, it shall be of no force or
16 effect, and cannot be used in any proceeding for any purpose.

17 **15. NOTICES**

18 15.1 Any notices or payments due under this Consent Judgment shall be sent by USPS
19 certified mail, return receipt requested.

20 If to Ecological Rights Foundation: Fredric Evenson
21 Ecology Law Center
22 P.O. Box 1000
23 Santa Cruz, CA 95061

24 If to The Companion Group: Daniel Rapaport
25 Wendel Rosen Black and Dean, LLP
26 1111 Broadway, 24th Floor
27 Oakland, CA 94607

28 IT IS SO STIPULATED:

1 DATED: _____

ECOLOGICAL RIGHTS FOUNDATION

2
3 BY: _____
4 JAMES LAMPORT, EXECUTIVE DIRECTOR

5 DATED: 3/23/2018

6 THE COMPANION GROUP

7 BY: _____

8 ITS: CEO

9 IT IS SO ORDERED, ADJUDGED AND DECREED:

10
11 DATED: _____

12
13 _____
14 JUDGE OF THE SUPERIOR COURT
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1 DATED: April 19, 2018

ECOLOGICAL RIGHTS FOUNDATION

Ecological Rights Foundation

2
3 BY: James Lampion T., EXEC. DIR.
JAMES LAMPORT, EXECUTIVE DIRECTOR

4
5 DATED: _____

THE COMPANION GROUP

6 BY: _____

7 ITS: _____

8
9 IT IS SO ORDERED, ADJUDGED AND DECREED:

10
11 DATED: 6/6/18

12 

13 JUDGE OF THE SUPERIOR COURT

14
15 HAROLD KAHN

California Proposition 65



WARNING

Combustion byproducts
produced when using this
product include carbon
monoxide and other
chemicals known to the
State of California to cause
cancer, and birth defects or
other reproductive harm.

Exhibit A