1 2 3 4	Brian Gaffney, Esq. (CBN 168778) Matt McFarland, Esq. (CBN 225537) LAW OFFICES OF BRIAN GAFFNEY 605 Market St., Suite 505 San Francisco, CA 94105 Telephone: (415) 442-0711 Facsimile: (415) 442-0713			
5	Attorney for Plaintiff ECOLOGICAL RIGHTS FOUNDATION			
<ul><li>6</li><li>7</li><li>8</li><li>9</li></ul>	Ann G. Grimaldi (CBN 160893) MCKENNA LONG & ALDRIDGE LLP 101 California St., 41 <sup>st</sup> Floor San Francisco, CA 94111 Telephone: (415) 267-4000 Facsimile: (415) 267-4198			
10 11	PROVÓ CRAFT & NOVELTY, INC.			
12				
13	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
14 15	COUNTY OF SAN FRANCISCO (Unlimited Jurisdiction)			
16	ECOLOGICAL RIGHTS FOUNDATION, CASE NO. CGC-05-443363			
17	Plaintiff,			
18	[PROPOSED] CONSENT JUDGMENT v.			
19 20 21 22	PROVO CRAFT & NOVELTY, INC.; PROVO CRAFT, INC., and DOES 1 through 100 inclusive,  Defendants.			
23	1 INTRODUCTION			
24	1. INTRODUCTION  1.1 Plaintiff Palaciael Biobte Foundation ("FRE" on "Plaintiff") is a			
25	1.1 <u>Plaintiff</u> : Plaintiff Ecological Rights Foundation ("ERF" or "Plaintiff"), is a			
26				
27	promotion of human health, environmental education, and consumer rights.			
28	1.2 <u>The Action</u> : On July 22, 2005, Plaintiff filed a complaint in the Superior Court for the City and County of San Francisco (hereafter referred to as the "Action") charging Provo			

Craft & Novelty, Inc.; Provo Craft, Inc. and Does 1 through 100 (hereinafter "Defendant" or "Provo Craft & Novelty, Inc.") with having violated The Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), Health and Safety Code Section 25249.5 et. seg., by exposing individuals to lead, a chemical known to the State of California to cause cancer and birth defects and other reproductive harm, without providing clear and reasonable warnings to such individuals. The alleged violations addressed in the Action were described in Plaintiff's Notice of Intent to Sue dated April 26, 2005 ("Plaintiff's Notice"), which Plaintiff had sent to the Defendant and to public enforcers as required by Health & Safety Code Section 25249.7. Provo Craft & Novelty, Inc. filed an answer in the Action on August 31, 2005 denying all material allegations and asserting numerous affirmative defenses. The alleged violations at issue in the Action relate to exposure to lead from glass suncatchers with leaded glass and leaded glass inserts containing leaded mullions manufactured, imported, distributed, and/or sold by Provo Craft & Novelty, Inc. 

- 1.3 <u>Jurisdiction</u>: For purposes of this Consent Judgment, the Parties stipulate that the San Francisco Superior Court has jurisdiction over the allegations in the Action and personal jurisdiction over Defendant as to the acts alleged in the Action, that venue is proper in the City and County of San Francisco, that this Court has jurisdiction to enter this Consent Judgment as a resolution of all claims which were alleged in the Action, and that the Court shall retain jurisdiction to implement the Consent Judgment.
- No Admissions: For the purpose of avoiding prolonged litigation, the Parties enter into this Consent Judgment as a compromise of disputed claims and none of its provisions shall be construed as an admission by any Party of any fact, finding, issue of law, or violation of law, including Proposition 65, or any other statute, regulation, or common law requirement related to exposure to lead or other chemicals listed under Proposition 65 from the Covered Products. By executing this Consent Judgment and agreeing to provide the relief and remedies specified herein, Defendant does not admit any violations of Proposition 65—or any other law or legal duty—and specifically deny that they have committed any such violations. This Consent Judgment shall not be construed as an admission that any reformulation and/or warnings

regarding exposure to lead are required under Proposition 65 for the Covered Products. Defendant maintains that all Covered Products (as that term is defined below) manufactured, marketed, distributed, and/or sold by it in California have at all times been in compliance with all applicable laws. Nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, or defense that Plaintiff and Defendant may have in any other or in future legal proceedings unrelated to these proceedings. Defendant reserves all of its rights and defenses with regard to any claim by any person under Proposition 65 or otherwise. However, this paragraph shall not diminish or otherwise affect the obligations, responsibilities, waivers, releases, and/or duties provided for under this Consent Judgment.

## 2. INJUNCTIVE RELIEF

- 2.1 <u>Definition Of "Covered Products"</u>: For purposes of this Consent Judgment, the term "Covered Products" means all glass suncatchers which contain leaded glass inserts, leaded mullions, leaded caming and/or lead solder which are marketed, sold, and/or distributed by Defendant (regardless of product nomenclature, model design, model designation or brand name *i.e.*, both those employed directly by Defendant as well as privately labeled products supplied to others by Defendant) as further described in Plaintiff's Notice.
- 2.2 <u>Reformulation of Covered Products</u>: As of the Effective Date of this Consent Judgment, Defendant shall not, by itself or through others, manufacture for sale in California, ship for sale and/or sell in the State of California any Covered Products manufactured with (a) solder that is specified to have a lead content exceeding 0.05 percent (0.05%) lead by weight, and/or (b) mullions or caming material that is specified to have a lead content exceeding 0.01 percent (0.01%) lead by weight.
- 2.3 <u>Reliance On Specifications</u>: Defendant may comply with the requirement in Paragraph 2.2 by relying on the specifications provided by the supplier(s) of the Covered Products, solder, mullions, or caming material, provided such reliance is in good faith.

## 2.4 Warnings to Past California Customers

Defendant will exert best faith reasonable efforts to identify all its customers in California who have already purchased the Covered Products without a warning in the three-year

period prior to the date of Plaintiff's Notice. Within 60 days of the Effective Date of this Consent Judgment, Defendant will provide the following warning by mail on Defendant's letterhead to each such identified customer.

Warning: Our records indicate that you purchased leaded glass product(s) manufactured, distributed, and/or sold by Provo Craft and Novelty, Inc. The solder, caming and mullions in these products contain lead, a chemical known to the State of California to cause cancer, birth defects, and other reproductive harm. Avoid contact. Wash your hands immediately after handling.

Within 120 days of the Effective Date of this Consent Judgment, Defendant will notify Plaintiff of its efforts to identify and provide warning by mail to such identified customers.

## 2.5 Removal from Display by Retailers and Distributors

Defendant will instruct each of its retailers and distributors in California to return all Covered Products in their possession or control to Defendant within 30 days of the Effective Date of this Consent Decree. Defendant will certify, within 60 days of the Effective Date of this Consent Decree, that each of Defendant's retailers and distributors in California has returned all Covered Products in their possession or control to Defendant.

### 3. WAIVER AND RELEASE OF ALL CLAIMS

3.1 Waiver And Release of Claims Against Defendant: Plaintiff, on its own behalf and on behalf of its members, subsidiaries, successors, and assigns and its directors, officers, agents, attorneys, representatives, and employees, hereby releases Defendant and its directors, officers, agents, attorneys, representatives, employees, licensors, heirs, subsidiaries, affiliates, suppliers, customers, retailers, distributors, dealers, predecessors, successors, and assigns, and waives all claims for injunctive relief or damages, penalties, fines, sanctions, mitigation, fees (including fees of attorneys, experts, and others), costs, expenses or any other sum incurred or claimed, for the alleged failure of Defendant or its subsidiaries, affiliates, suppliers, customers, retailers, distributors, dealers, predecessors, successors, and assigns to provide clear and reasonable warning about exposure to lead from the sale or use of any Covered Products manufactured, marketed, distributed, and/or sold by Defendant in accordance with and including, but not limited to, Proposition 65.

Plaintiff, in the interest of the general public and on behalf of all other private persons or

entities potentially having standing under Health and Safety Code § 25249.7(d) and on behalf of its respective members, subsidiaries, successors, and assigns and its directors, officers, agents, attorneys, representatives, and employees, further hereby releases Defendant and its directors, officers, agents, attorneys, representatives, employees, licensors, heirs, subsidiaries, affiliates, suppliers, customers, retailers, distributors, dealers, successors, and assigns, and waives all claims for injunctive relief or damages, penalties, fines, sanctions, mitigation, fees (including fees for attorneys, experts and others), costs, expenses, or any other sum incurred or claimed for violations of Proposition 65 as set forth in Plaintiff's Notice, for the alleged failure to provide clear and reasonable warning about exposure to lead from the sale or use of any Covered Products manufactured, marketed, distributed, and/or sold by Defendant or its subsidiaries, affiliates, suppliers, customers, retailers, distributors, dealers, predecessors, successors, and assigns.

- 3.2 <u>Defendant's Waiver And Release Of Plaintiff</u>: Defendant on its own behalf and on behalf of its subsidiaries, affiliates, successors, and assigns and its directors, officers, agents, attorneys, representatives, and employees release Plaintiff and its members, directors, officers, agents, attorneys, representatives, employees, heirs, successors, and assigns from, and waives all claims for injunctive relief or damages, penalties, fines, sanctions, mitigation, fees (including fees of attorneys, experts, and others), costs, expenses, or any other sum incurred or claimed or which could have been claimed for matters related to the Action.
- 3.3 Matters Covered By This Consent Judgment/Release of Future Claims: As to Covered Products, this Consent Judgment is a full, final, and binding resolution between the Plaintiff, acting on behalf of itself and, as to those matters raised in Plaintiff's Notice, the public interest pursuant to Health and Safety Code Section 25249.7(d), on the one hand, and Defendant on the other hand, for the alleged failure to provide clear, reasonable, and lawful warnings of exposure to lead used or contained in the Covered Products manufactured, marketed, distributed, and/or sold by Defendant. As to Covered Products, compliance with the terms of this Consent Judgment resolves any issue, now and in the future, concerning compliance by Defendant with existing requirements of Proposition 65 to provide clear and reasonable warning about exposure

to lead in Covered Products manufactured, distributed, and/or sold by Defendant.

3.4 <u>Waiver Of Civil Code Section 1542</u>: This Consent Judgment is intended as a full settlement and compromise of all claims arising our of or relating to Plaintiffs' Notice and/or the Action regarding Covered Products, except as set forth herein. No claim is reserved as between the Parties hereto, and each Party expressly waives any and all rights which it may have under the provisions of Section 1542 of the Civil Code of the State of California, which provides:

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 him must have materially affected his settlement with the debtor.

#### 4. MONETARY PAYMENTS

- 4.1 Within fifteen (15) days following the parties' execution of this Consent Judgment, Defendant shall pay \$15,500, in the form of a check made payable to "Brian Gaffney, Attorney Client Trust Account" with this amount to be used by Ecological Rights Foundation to reduce harm from toxic chemicals or other pollutants, or to increase consumer worker and community awareness of health hazards posed by toxic chemicals. The payment for use by Ecological Rights Foundation shall not be construed as a credit against the personal claims of absent third parties for restitution against Defendant. The check shall be delivered by overnight delivery to Brian Gaffney, LAW OFFICES OF BRIAN GAFFNEY, 605 Market St., Suite 505, San Francisco, CA 94105. In the event this Consent Judgment becomes null and void under either Paragraphs 11 or 12 infra, Plaintiff shall, within fifteen days, return the payment made under this paragraph to Defendant.
- 4.2 Within fifteen (15) days following the parties' execution of this Consent
  Judgment, Defendant shall pay \$17,000, in the form of a check made payable to "Brian Gaffney,
  Attorney Client Trust Account" as reimbursement for the investigation fees and costs, testing
  costs, expert witness fees, attorneys fees, and other litigation costs and expenses. The check shall
  be delivered by overnight delivery to Brian Gaffney, LAW OFFICES OF BRIAN GAFFNEY,
  605 Market St., Suite 505, San Fra`ncisco, CA 94105. In the event this Consent Judgment
  becomes null and void under either Paragraphs 11 or 12 infra, Plaintiff shall, within fifteen days,
  return the payment made under this paragraph to Defendant.

8

9

10 11

12

13

14

15 16

1718

19

2021

22

2324

25

26

2728

4.3 Defendant understands that the sales data and declaration under penalty of perjury provided to Plaintiff by Defendant was a material factor upon which Plaintiff has relied to determine the amount of monetary payments made under paragraph 4.1 above. To the best of Defendant's knowledge, the sales data provided is true and accurate. Plaintiff understands that Defendant considers the sales data to be confidential information and shall return the sales data to Defendant within fifteen days of the execution of this Agreement. In the event that Plaintiff discovers facts that demonstrate to a reasonable degree of certainty that the sales data is materially inaccurate, the parties shall meet in a good faith attempt to resolve the matter within ten (10) days of Defendant's receipt of notice from Plaintiff of its intent to challenge the accuracy of the sales data. If this good faith attempt fails to resolve Plaintiff's concerns, Plaintiff shall have the right to re-institute an enforcement action against Defendant, for those additional Covered Products, based upon any existing 60-Day Notice of violation allegedly served on Defendant. In such cases, all applicable statutes of limitation shall be deemed tolled for the period between the date Plaintiff filed the instant action and the date Plaintiff notifies Defendant that it is re-instituting the action for the additional Covered Products, but in no instance shall the date upon Plaintiff notifies Defendant that it is re-instituting the action for the additional Covered Products extend past July 22, 2007.

## 5. SEVERABILITY

In the event that any of the provisions of this Consent Judgment are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected thereby.

## 6. MODIFICATION OF CONSENT JUDGMENT

This Consent Judgment may be modified only upon the written agreement of the Parties, or pursuant to court order issued upon motion of a Party, and upon entry of a modified Consent Judgment by this Court.

### 7. ENFORCEMENT OF CONSENT JUDGMENT

7.1 The Parties may, by motion or order to show cause before this Court, and upon notice having been given to all Parties in accordance with Paragraph 9 below, unless waived,

enforce the terms and conditions of this Consent Judgment and seek whatever fines, costs, penalties, or remedies (including reasonable attorneys' fees and costs) are provided by law.

7.2 The Parties may enforce the terms and conditions of this Consent Judgment pursuant to paragraph 7.1 only after the complaining party has first given thirty (30) days notice to the Party failing to comply with the terms and conditions of the Consent Judgment and has attempted, in an open and good faith manner, to resolve such Party's failure to comply.

## 8. GOVERNING LAW

- 8.1 The terms of this Consent Judgment shall be governed by, and construed in accordance with, the laws of the State of California.
- 8.2 The Parties, including their counsel, have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting party should not be employed in the interpretation of this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code Section 1654.

## 9. ENTIRE AGREEMENT

This Consent Judgment constitutes the sole and entire agreement and understanding between the Parties with respect to the subject matter hereof, and any prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties, except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to herein, shall be deemed to exist or bind any of the Parties hereto. No supplementation, modification, waiver, or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the

other provisions hereof, whether or not similar, nor shall such waiver constitute a continuing waiver.

## 10. NOTICES

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

All notices or correspondence to be given pursuant to this Consent Judgment shall be in writing and shall be personally delivered or sent by first-class, registered, certified mail, overnight courier, and/or via facsimile transmission (with presentation of facsimile transmission confirmation) addressed to the Parties as follows:

For Plaintiffs: Ecological Rights Foundation

867 B Redwood Drive Garberville, CA 95542

With a copy to: Brian Gaffney

LAW OFFICES OF BRIAN GAFFNEY

605 Market Street, Suite 505 San Francisco, CA 94105

For Defendant: Provo Craft & Novelty

Robert Workman, CEO and President

151 E 3450 N

Spanish Fork, UT 84660-8507

With a copy to: Ann G. Grimaldi

MCKENNA LONG & ALDRIDGE LLP

101 California St., 41<sup>st</sup> Floor San Francisco, CA 94111

The contacts and/or addresses stated immediately above may be amended by giving notice to all Parties to this Consent Judgment.

# 11. COMPLIANCE WITH REPORTING REQUIREMENTS/ATTORNEY GENERAL OFFICE REVIEW AND COMMENT

The parties agree to comply with the reporting form requirements referenced in Health & Safety Code § 25249.7(f). Within a reasonable time of receiving all necessary signatures to this Consent Judgment, and consistent with Health & Safety Code §25249.7(f), Plaintiff shall notice a Motion to Approve Settlement and for Entry of Consent Judgment ("Motion") in the San Francisco Superior Court for a hearing scheduled not earlier than forty-five (45) days later. Plaintiff shall serve this Consent Judgment and the noticed Motion to the California Attorney General's office within a reasonable time of receiving all necessary signatures.

1 | 2 | 3 | 4 | 5 | 6 | 7 | 6 |

It is expressly understood and agreed by the Parties hereto that the rights and obligations contained in this Consent Judgment are expressly conditioned on the non-opposition by the California Attorney General's Office to this Consent Judgment. Should the Attorney General object to the Consent Judgment, the Parties shall negotiate in good faith to modify the Consent Judgment in a manner that resolves the objection of the Attorney General. If the Parties cannot agree on appropriate modifications within thirty (30) days of receiving the Attorney General's objections, this Consent Judgment shall, at any Party's option, be deemed null and void as to that Party, shall not bind that Party, and shall not be construed as an admission or waiver of any claim or defense and cannot be used for any purpose.

#### 12. COURT APPROVAL/EFFECTIVE DATE

The Court shall either approve or disapprove of this Consent Judgment in its entirety, without alteration, deletion or amendment, unless otherwise so stipulated by the Parties and their counsel. Defendant agrees to support the motion to approve this Consent Judgment in full, and shall take all reasonable measures to ensure that it is entered without delay. In the event that the Court fails to approve and order entry of the Consent Judgment without any change whatsoever (unless otherwise so stipulated by the Parties), this Consent Judgment shall become null and void upon the election of either Party and upon written notice to all of the Parties to the Action pursuant to the notice provisions herein.

If the Court enters this Consent Judgment, Plaintiff shall, within ten (10) working days after the Effective Date, electronically provide or otherwise serve a copy of it and the report required pursuant to 11 Cal. Code Regs. § 3004 to/on the California Attorney General's Office.

The Effective Date of this Consent Judgment shall be the date it is entered 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.

### 14. COUNTERPARTS/FACSIMILE SIGNING

This Consent Judgment may be executed in one or more counterparts, each of which

1	shall be deemed an original, and all of which, when taken together, shall constitute one and the		
2	same document. All signatures need not appear on the same page of the document and		
3	signatures of the Parties transmitted by facsimile shall be deemed binding.		
4	APPROVED AS TO FORM:		
5	Dated:, 2005		
6	I	LAW OFFICES OF BRIAN GAFFNEY	
7		D	
8		By: Brian Gaffney	
9	I	Attorney for Plaintiff ECOLOGICAL RIGHTS FOUNDATION	
10	Dated: 2005		
11		By: Ann Grimaldi	
12 13	I	Attorney for Defendant PROVO CRAFT & NOVELTY, INC.	
14			
15		ECOLOGICAL RIGHTS FOUNDATION	
16	Dated:		
17	i i	By: James Lamport	
18		Executive Director	
19	I	PROVO CRAFT & NOVELTY, INC.	
20		Ву:	
21		Robert Workman CEO and President	
22			
23	In accordance with the stipulation of Plaintiff Ecological Rights Foundation and		
24	Defendant Provo Craft & Novelty, Inc.		
25	IT IS SO ORDERED, ADJUDGED, AND DECREED:		
26	Dated:		
27	-		
28	J	JUDGE OF THE SUPERIOR COURT	