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12	Attorneys for Defendant	
13	HOME DECORATORS COLLECTION, INC.	
14	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
15	FOR THE CITY AND COUNTY OF SAN FRANCISCO	
16	UNLIMITED CIVIL JURISDICTION	
17	RUSSELL BRIMER) Case No. CGC-05-446473	
18) Plaintiff,) STIPULATION AND [PROPOSED]	
19	Plaintiff,) STIPULATION AND [PROPOSED]) ORDER RE: CONSENT JUDGMENT	
20	v.)	
21	HOME DECORATORS COLLECTION, INC.;)	
1	and DOES 1 through 150,	
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28	STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT CASE NO. CGC-05-446473	

1. <u>INTRODUCTION</u>

1.1 Russell Brimer And Home Decorators Collection, Inc.

This Consent Judgment is entered into by and between plaintiff Russell Brimer (hereinafter "Brimer" or "Plaintiff") and defendant Home Decorators Collection, Inc., (hereafter "Home Decorators" or "Defendant"), with Brimer and Home Decorators collectively referred to as the "Parties."

1.2 Plaintiff

Brimer 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.

1.3 Defendant

Home Decorators employs ten or more persons and is a person in the course of doing business for purposes of Proposition 65.

1.4 General Allegations

Brimer alleges that Home Decorators has manufactured, distributed and/or sold in the State of California certain stained glass products containing lead in the solder or came used on or in the stained glass. Lead is listed pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§25249.5 et seq. ("Proposition 65"), as a chemical known to the State of California to cause birth defects and other reproductive harm. Lead shall be referred to herein as the "Listed Chemical."

1.5 Product Description

The products that are covered by this Consent Judgment are defined as follows: stained glass products containing lead in the solder or came including, but not limited to, the stained glass products identified in Exhibit A to this Consent Judgment. All such stained glass products containing lead in the solder or came shall be referred to herein as the "Products."

1.6 Notices of Violation

On or about September 2, 2005, Brimer served Home Decorators and various public

STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

enforcement agencies with a document entitled "60-Day Notice of Violation" (the "Notice") that provided Home Decorators and such public enforcers with notice that alleged that Home Decorators was in violation of California Health & Safety Code §25249.6 for failing to warn consumers and customers that the Products that Home Decorators sold exposed users in California to the Listed Chemical.

1.7 Complaint

On November 8, 2005, Brimer, who is acting in the interest of the general public in California, filed a complaint (hereafter referred to as the "Complaint" or the "Action") in the Superior Court in and for the City and County of San Francisco against Home Decorators Collection, Inc. and Does 1 through 150, (*Brimer v. Home Decorators Collection, Inc.*, Case No. CGC-05-446473) alleging violations of Health & Safety Code §25249.6 based on the alleged exposures to the Listed Chemical contained in the Products sold by Home Decorators.

1.8 No Admission

Home Decorators denies the material factual and legal allegations contained in Brimer's Notice and Complaint and maintains that all products that it has sold and distributed in California, including the Products, have been and are in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission by Home Decorators 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 Home Decorators of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Home Decorators. However, this Section shall not diminish or otherwise affect the obligations, responsibilities and duties of Home Decorators under this Consent Judgment.

1.9 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Home Decorators as to the allegations contained in the Complaint, that venue is proper in the County of San Francisco and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

CASE NO. CGC-05-446473

1 1.10 Effective Date 2 For purposes of this Consent Judgment, the term "Effective Date" shall mean July 15, 2006. 3 INJUNCTIVE RELIEF: WARNINGS AND REFORMULATION

2.1 After the Effective Date, Home Decorators shall not sell, ship or offer to be shipped for sale in California Products containing the Listed Chemical unless such Products are sold or shipped with the clear and reasonable warnings set out in Section 2.2 or comply with the Reformulation Standards set forth in Section 2.3.

Any warning issued for Products pursuant to Section 2.2 below shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or, for Products shipped directly to an individual in California, before use.

2.2 <u>Product Warnings</u>

- 2.2.1 Clear and Reasonable Warnings. This Section describes Home Decorators' options for satisfying the warning obligations required by Section 2.1, depending, in part, on the manner of sale:
 - (a) Retail Store Sales. Home Decorators or its agents may either:
- (i) **Product Labeling.** From the Effective Date, affix a warning to the packaging, labeling or directly on the Product by Home Decorators or its agent, that states:

WARNING: The solder or came used on this product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm

Or,

possible that signs are posted at retail outlets in the State of California where the Products are sold. To utilize this method of warning, Home Decorators must receive a written commitment from each retailer to whom Home Decorators sells Products directly stating that it will post the warning signs. Point-of-sale warnings shall be provided through one or more signs posted in close proximity to the point of display of the Products that state:

STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

WARNING: The solder or came used on this product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

A point-of-sale warning shall be provided in a manner such that the consumer understands to which *specific* Products the warning applies.¹

(b) Mail Order Catalog and Internet Sales. Defendant shall satisfy its warning obligations for Products that are sold by mail order catalog or from the internet to California residents, by providing a warning: (a) in the mail order catalog and/or on the website, or (b) with the Product when it is shipped to an address in California as further specified in Sections 2.2.1(b)(i), (ii) and/or (iii) as applicable.

(i) Mail Order Catalog. Any warning provided in a mail order catalog must be in the same type size or larger as the product description text within the catalog. The following warning shall be provided on the same page and in the same location as the display and/or description of the Product:

WARNING: The solder or came used on this product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

Where it is impracticable to provide the warning on the same page and in the same location as the display and/or description of the Product, Home Decorators may utilize a designated symbol to cross reference the applicable warning ("Designated Symbol") and shall provide the following language on the inside of the front cover of the catalog or on the same page as any order form for the Product(s):

WARNING: The solder or came used on certain products identified with this symbol ▼ and offered for sale in this catalog contain lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

The Designated Symbol (shown on Exhibit B attached hereto) must appear on the same page and in close proximity to the display and/or description of the Product. On each page where the

The *specific* identification referenced here and in Section 2.2.1(b) must provide the product name and model number so as to minimize if not eliminate the chances that an overwarning situation will arise.

Designated Symbol appears, Home Decorators must provide a header or footer directing the consumer to the warning language and definition of the Designated Symbol.

If Defendant elects to provide warnings in the mail order catalog, then the warnings must be included in any catalogs offering to sell one or more Products that are laid out for printing after July 1, 2006.

(ii) Internet Web Sites and Pages. A warning may be given in conjunction with the sale of the Product via the internet, provided it appears either: (a) on the same web page on which the Product is displayed; (b) on the same web page as the order form for the Product; (c) on the same page as the price for any Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The following warning statement shall be used and shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the Product for which it is given in the same type size or larger as the product description text:

WARNING: The solder or came used on this product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

Alternatively, the Designated Symbol may appear adjacent to or immediately following the display, description or price of the Product for which a warning is being given, provided that the following warning statement also appears elsewhere on the same web page:

WARNING: Products identified on this page with the following symbol use solder or came that contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm: ▼

(iii) Package Insert or Label. For all Products sold by catalog or via the internet, a warning may be provided with the Product when it is shipped directly to an individual in California, by either: (a) affixing the following warning language to the packaging, labeling or directly to a specific Product;² (b) inserting a warning card measuring at least 4" x 6" in

² A warning statement or sticker placed on the bottom of the product packaging is deemed an inadequate warning for purposes of this Consent Judgment.

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the shipping carton which contains the following warning language;³ or (c) by placing the following warning statement on the packing slip or customer invoice on the line directly below the description of the Product on the packing slip or customer invoice:

WARNING: The solder or came used on this product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

Alternatively, Home Decorators may place the following language on the packing slip or invoice and specifically identifying the Product in lettering of the same size or larger as the description of the Product:

WARNING: The solder or came used in the following product(s) contains lead, a chemical known to the State of California to cause birth defects or other reproductive harm: [list products for which warning is given].

The Defendant shall, in any of these instances, in conjunction with providing the warning, also inform the consumer, in a conspicuous manner, that he or she may return the Product for a full refund (including shipping costs for both the receipt and the return of the Product) within thirty (30) days of his or her receipt of the Product.

2.2.2 Exceptions

The warning requirements set forth in Section 2.2.1 shall not apply to:

- (i) Any Products shipped to a third party before the Effective Date; or
- (ii) Reformulated Products (as defined in Section 2.3 below).

2.3 Reformulation Standards

The following Reformulated Products shall be deemed to comply with Proposition 65 and be exempt from any Proposition 65 warning requirements under Section 2.2:

(a) Any Product containing one tenth of one percent (0.1%) lead or less by weight in each material used in the Products (such as solder or came).

³ If more than one product is in the shipping carton and the warning does not apply to all products in that carton, then the warning card or slip shall be supplied in a manner which distinguishes between the Products for which it is being given and any items to which it does not apply.

2.4 Reformulation Commitment

Home Decorators hereby commits that all Products that it offers for sale in California after January 1, 2007, shall qualify as Reformulated Products.⁴

3. MONETARY PAYMENTS

3.1 Penalties Pursuant to Health & Safety Code §25249.7(b)

The total settlement amount shall be \$25,000, which shall be paid by Home Decorators as set forth herein. Home Decorators shall receive a credit of \$5,000 against the penalty amount in light of its prompt cooperation with Brimer in resolving this matter. Pursuant to Health & Safety Code \$25249.7(b), Home Decorators shall pay the remaining \$20,000 in civil penalties in two installments. The first payment of \$10,000 shall be made on or before July 14, 2006. The second payment of \$10,000 shall be payable on or before March 1, 2007. The second payment shall be waived in the event that Home Decorators certifies in writing under penalty of perjury with supporting facts and documentation, not later than February 1, 2007, that it has complied with the Reformulation Commitment set forth in Section 2.4. Said payments shall be made payable to the "HIRST & CHANLER LLP in Trust For Russell Brimer" and shall be delivered to plaintiff's counsel at the following address:

HIRST & CHANLER LLP Attn: Proposition 65 Controller 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

3.2 Apportionment of Penalties Received

All penalty monies received shall be apportioned by Brimer in accordance with Health & Safety Code §25192, with 75% of these funds remitted by Brimer to the State of California's Office of Environmental Health Hazard Assessment and the remaining 25% of these penalty monies

⁴ The commitment provided for in this Section shall exclusively be enforced through Section 3.1 below.

⁵ Failure to submit such a timely certification shall be addressed through the second penalty payment provided for in this Section 3.1 and not be the basis for additional remedies or enforcement actions.

STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

retained by Brimer as provided by Health & Safety Code §25249.12(d). Brimer shall bear all responsibility for apportioning and paying to the State of California the appropriate civil penalties paid in accordance with this Section.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that Brimer and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee issue to be resolved after the material terms of the agreement had been settled. Home Decorators then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The Parties then attempted to (and did) reach an accord on the compensation due to Brimer and his counsel under the private attorney general doctrine codified at California Code of Civil Procedure §1021.5 for all work performed through the Court's approval of this agreement. Under the private attorney general doctrine, Home Decorators shall reimburse Brimer and his counsel for fees and costs incurred as a result of investigating, bringing this matter to Home Decorators' attention, litigating and negotiating a settlement in the public interest and seeking the Court's approval of the settlement agreement. Home Decorators shall pay Brimer and his counsel \$31,500 for all attorneys' fees, expert and investigation fees, litigation and related costs. The payment shall be made payable to HIRST & CHANLER LLP and shall be delivered on or before July 14, 2006, at the following address:

HIRST & CHANLER LLP Attn: Proposition 65 Controller 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

5. <u>RELEASE OF ALL CLAIMS</u>

5.1 Release of Home Decorators and Downstream Customers

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4, Brimer, on behalf of himself, his past and current agents, representatives, attorneys, successors and/or assignees, and in the interest of the general public, hereby waives all rights to institute or participate in, directly or indirectly, any form STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

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of legal action and releases all claims, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses (including, but not limited to, investigation fees, expert fees and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against Home Decorators and each of its downstream distributors, wholesalers, licensors, licensees, auctioneers, retailers, franchisees, dealers, customers, owners, purchasers, users, parent companies, corporate affiliates, subsidiaries, successors and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities (collectively "Releasees"). This release is limited to those claims that arise under Proposition 65, as such claims relate to the alleged failure to warn about exposures to or identification of the Listed Chemical contained in the Products.

The Parties further understand and agree that this release shall not extend upstream to any entities that manufactured the Products or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to Home Decorators.

5.2 <u>Home Decorators' Release of Brimer</u>

Home Decorators waives any and all claims against Brimer, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Brimer and his 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 the Products.

6. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered by the Court within one year after it has been fully executed by all Parties, in which event any monies that have been provided to Plaintiff, or his counsel pursuant to Section 3 and/or Section 4 above, shall be refunded within fifteen (15) days after receiving written notice from Home Decorators that the one-year period has expired.

STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

7. <u>SEVERABILITY</u>

If, subsequent to court approval of this Consent Judgment, 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.

8. ATTORNEYS' FEES

In the event that, after Court approval: (1) a dispute arises with respect to any provision of this Consent Judgment; (2) Home Decorators or any third party seeks, in the absence of a stipulation with Plaintiff, modification of this Consent Judgment pursuant to Section 14 below; or (3) Brimer takes reasonable and necessary steps to enforce the terms of this Consent Judgment, Brimer shall be entitled to seek his reasonable attorneys' fees and costs pursuant to CCP §1021.5. Home Decorators shall retain the right to oppose the amount sought in any such fee or cost application.

9. GOVERNING LAW

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 the Products, then Home Decorators shall provide written notice to Brimer of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Products are so affected.

10. NOTICES

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:

To Home Decorators:

Jason Woodle Home Decorators Collection 8920 Pershall Road

STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

To Brimer:

Hazelwood, MO 63042

Proposition 65 Controller HIRST & CHANLER LLP

2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

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STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

CASE NO. CGC-05-446473

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11.

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.

Any Party, from time to time, may specify in writing to the other Party a change of address

12. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

Brimer agrees to comply with the reporting form requirements referenced in Health & Safety Code §25249.7(f).

13. ADDITIONAL POST EXECUTION ACTIVITIES

to which all notices and other communications shall be sent.

COUNTERPARTS; FACSIMILE SIGNATURES

Brimer and Home Decorators agree to mutually employ their best efforts to support the entry of this Agreement as a Consent Judgment and obtain approval of the Consent Judgment by the Court in a timely manner. The Parties acknowledge that, pursuant to Health & Safety Code § 25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment. Accordingly, the Parties agree to file a Joint Motion to Approve the Agreement ("Joint Motion"), the first draft of which Home Decorators' counsel shall prepare, within a reasonable period of time after the Execution Date (i.e., not to exceed thirty (30) days unless otherwise agreed to by the Parties' counsel based on unanticipated circumstances). Home Decorators shall have no additional responsibility to Plaintiff's counsel pursuant to Code of Civil Procedure §1021.5 or otherwise with regard to reimbursement of any fees and costs incurred with respect to the preparation and filing of the Joint Motion and its supporting declaration or with regard to Plaintiff's counsel appearing for a hearing thereon.

14. **MODIFICATION**

This Consent Judgment may be modified only: (1) by written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon; or (2) upon a successful motion of any Party and entry of a modified Consent Judgment by the Court. The Attorney General shall be served with notice of any proposed modification to this Consent Judgment at least fifteen (15) days in advance of its consideration by the Court.

15. **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

AGREED TO:	AGREED TO:
Date:	Date: 6/22/06
By:Plaintiff Russell Brimer	By: Jathy All Defendant Home Deporators Collection, Inc.
APPROVED AS TO FORM:	APPROVED AS TO FORM:
Date:	bate: 6/30/06
HIRST & CHANLER LLP	MORRISON & FOERSTER LLP
By:Clifford A. Chanler Attorneys for Plaintiff Russell Brimer	By: Robert L. Falk Attorneys for Defendant Home Decorators Collection, Inc.
T IS SO ORDERED.	
Pate:	
	JUDGE OF THE SUPERIOR COURT

STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

14. **MODIFICATION**

This Consent Judgment may be modified only: (1) by written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon; or (2) upon a successful motion of any Party and entry of a modified Consent Judgment by the Court. The Attorney General shall be served with notice of any proposed modification to this Consent Judgment at least fifteen (15) days in advance of its consideration by the Court.

15. <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 Consent Judgment

AGREED TO:	AGREED TO:
Date: 6 - 26 - 06	Date:
By: Plaintiff Russell Brimer	By:
APPROVED AS TO FORM:	APPROVED AS TO FORM:
Date:	Date:
HIRST & CHANLER LLP	MORRISON & FOERSTER LLP
By: Clifford A. Chanler Attorneys for Plaintiff Russell Brimer	By:

STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

CASE NO. CGC-05-446473

JUDGE OF THE SUPERIOR COURT

Date: _____

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15. <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 Consent Judgment.

AGREED TO:	AGREED TO:
Date: 6.76-06	Date:
By: Plaintiff Russell Brimer	By: Defendant Home Decorators Collection, Inc.
APPROVED AS TO FORM:	APPROVED AS TO FORM:
Date: 6-26-06	Date:
HIRST & CHANLER LLP	MORRISON & FOERSTER LLP
By: Clifford A. Chanler Attorneys for Plaintiff Russell Brimer	By: - Robert L. Falk Attorneys for Defendant Home Decorators Collection, Inc.
IT IS SO ORDERED.	
Date:	

JUDGE OF THE SUPERIOR COURT

CASE NO. CGC-05-446473

STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

Exhibit A

The Products that are covered by this Consent Judgement are stained glass products containing lead in the solder or came including, but not limited to:

1. Fan/ Vanity Light Shade 2.25" Neck Fruit, #13028-00890

Exhibit B

The Designated Symbol [Yellow Triangle] that Defendant will use to identify Products containing the Listed Chemical which are sold through its catalogs or on its website is:

