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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF MARIN**

MICHAEL RUGGIE,
Plaintiff,
vs.
TRANS GLOBE LIGHTING, *et al.*,
Defendants.

CASE NO. CV 061715
[PROPOSED] CONSENT JUDGMENT

1. INTRODUCTION

1.1 On April 24, 2006, plaintiff Michael Ruggie (“Plaintiff”), acting in the public interest, filed a complaint in Marin County Superior Court, entitled *Ruggie v. Trans Globe Lighting, et al.*, Marin County Superior Court Case Number CV 061715 (the “Action”), for civil penalties and injunctive relief pursuant to the provisions of California Health & Safety Code § 25249.5, *et seq.* (“Proposition 65”).

1.2 Defendant Leadco Products, Inc. (“Leadco”) is a corporation that employs 10 or more persons and that manufactured, distributed and/or sold Covered Products (as defined below) in the State of California. Plaintiff and Leadco are referred to collectively herein as the “Parties.”

1.3 For purposes of this Consent Judgment, the term “Covered Product” shall mean any lighting fixture that contains lead solder or other lead-containing materials in a manner such that the lead would be touched during ordinary installation, cleaning, maintenance, or use. For

1 purposes of this definition, a “fixture” is any piece of lighting equipment that is intended to be
2 attached to the inside or outside of a building or otherwise attached to real property.

3 **1.4** Beginning on or about December 19, 2005, Plaintiff served Leadco and the
4 appropriate public enforcement agencies with the requisite 60-day notice (the “60-day Notice”)
5 alleging that Leadco supposedly was in violation of Proposition 65. Plaintiff’s 60-day Notice and
6 the operative First Amended Complaint (“Complaint”) in this Action allege that Leadco exposes
7 individuals who use or otherwise handle the Covered Products to lead and/or lead compounds
8 (referred to interchangeably herein as “Lead”), chemicals known to the State of California to
9 cause cancer, birth defects and other reproductive harm, without first providing clear and
10 reasonable warning to such persons regarding the presence of chemicals that cause cancer and
11 reproductive toxicity. The 60-day Notice and Complaint allege that Leadco’s conduct violates
12 Health & Safety Code § 25249.6, the warning provision of Proposition 65.

13 **1.5** For purposes of this Consent Judgment only, the parties stipulate that this Court
14 has jurisdiction over the subject matter of the violations alleged in the Complaint and personal
15 jurisdiction over Leadco as to the acts alleged in the Complaint, that venue is proper in the
16 County of Marin, and that this Court has jurisdiction to enter this Consent Judgment as a full and
17 final resolution of all claims which were or could have been raised in the Complaint against
18 Leadco based on the facts alleged therein.

19 **1.6** The Parties enter into this Consent Judgment pursuant to a settlement of certain
20 disputed claims between the Parties as alleged in the Complaint. By executing this Consent
21 Judgment, the Parties do not admit any facts or conclusions of law. It is the Parties’ intent that
22 nothing in this Consent Judgment shall be construed as an admission by the Parties of any fact,
23 conclusion of law, issue of law or violation of law, nor shall compliance with the Consent
24 Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law,
25 issue of law, or violation of law. Nothing in this Consent Judgment shall prejudice, waive or
26 impair any right, remedy, argument or defense the Parties may have in this or any other or future
27 legal proceedings.

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1 **2. COMPLIANCE**

2 **2.1 Reformulation.** Leadco shall not sell or distribute for sale in California any
3 Covered Product manufactured (for Covered Products manufactured in the United States of
4 America) or imported (for Covered Products not manufactured in the United States of America)
5 on or after November 1, 2007 (the "Compliance Date") that contains Lead in concentrations that
6 exceed the Reformulation Standard set forth herein. The date of importation shall be the date that
7 Leadco receives the Covered Product not manufactured in the United States of America. For
8 purposes of this Consent Judgment only, the Reformulation Standard means that any component
9 of the Covered Products (other than internal electrical wiring) that is likely to be touched,
10 contacted or handled by a Covered Product user during ordinary installation, cleaning,
11 maintenance, or use of the Covered Products, including but not limited to the solder, glass plates
12 and metal frames of the Covered Products, contains no more than 600 parts per million Lead.

13 **2.2 Certification of Level By Suppliers.** By the Compliance Date, with respect to
14 any Covered Products not manufactured by Leadco, Leadco shall obtain written certification from
15 its suppliers of the Covered Products certifying that the Covered Products meet the Reformulation
16 Standard.

17 **3. ENFORCEMENT OF VIOLATIONS**

18 **3.1 Notice of Violation**

19 **3.1.1** In the event that, at any time following the Compliance Date, Plaintiff
20 believes in good faith that Leadco is not complying with Section 2 of this Consent Judgment,
21 Plaintiff may issue a Notice of Violation pursuant to this Section.

22 **3.1.2** The Notice of Violation shall, at a minimum, set forth for each Covered
23 Product: (a) the alleged violation, (b) the date the alleged violation was observed, (c) the location
24 at which the Covered Product was sold, (d) a description of the Covered Product, including the
25 Stock Keeping Unit ("SKU") number for such product, giving rise to the alleged violation, and
26 (e) all test data obtained by Plaintiff regarding the Covered Product and supporting
27 documentation sufficient for validation of the test results, including all laboratory reports, quality
28 assurance reports and quality control reports associated with testing of the Covered Products.

1 **3.1.3** The Notice of Violation shall be sent to the person(s) identified in Section
2 11 below to receive notices for the Settling Defendant, and must be served within forty-five (45)
3 days of the date the alleged violation(s) was or were observed.

4 **3.2 Options Upon Receipt of A Notice of Violation**

5 **3.2.1** Within thirty (30) days of receipt of a Notice of Violation, Leadco shall
6 serve Plaintiff with a Notice of Election that states whether Leadco: (a) contests the Notice of
7 Violation in accordance with Section 3.2.2 below; or (b) does not contest the Notice of Violation
8 in accordance with Sections 3.2.3 and 3.2.4 below.

9 **3.2.2** If Leadco contests a Notice of Violation, Plaintiff and Leadco shall meet
10 and confer to attempt to resolve their dispute. If the parties do not reach an informal resolution of
11 a Notice of Violation within thirty (30) days of the commencement of the meet and confer
12 process, Plaintiff may, by motion or order to show cause before this Court, seek to enforce the
13 terms and conditions contained in this Consent Judgment. In any such proceeding, Plaintiff may
14 seek whatever fines, costs, penalties, attorneys' fees or remedies are provided by law for failure to
15 comply with the Consent Judgment.

16 **3.2.3** If Leadco does not contest a Notice of Violation, Leadco shall include in its
17 Notice of Election a detailed description of corrective action that it has undertaken or proposes to
18 undertake to remove the Covered Product(s) identified in the Notice of Violation for sale in
19 California. Corrective action must include instructions to Leadco's stores and/or its customers
20 that offer the Covered Product(s) for sale to consumers to cease offering the Covered Product(s)
21 identified in the Notice of Violation for sale in California as soon as practicable. Leadco shall
22 make available to Plaintiff for inspection and/or copying records and correspondence regarding
23 the corrective action. If there is a dispute over the corrective action, the Parties shall meet and
24 confer pursuant to Section 3.2.2 before seeking any remedy in court.

25 **3.2.4** For any Notice of Violation issued within one (1) year following the
26 Compliance Date, if Leadco does not contest a Notice of Violation, or if Leadco concedes the
27 violation during the meet and confer process detailed in Section 3.2.2 above, Leadco shall not be
28 liable to Plaintiff for any monetary amounts, including, but not limited to, fines, costs or

1 penalties, with respect to the Covered Product(s) at issue, unless Leadco has conceded the
2 existence of the same violation during the six (6) months preceding the date of the Notice of
3 Violation at issue. For any uncontested Notice of Violation issued more than one (1) year
4 following the Compliance Date, or for second and subsequent violations in any six (6) month
5 period within the first year after the Compliance Date, Leadco shall be liable for a stipulated
6 penalty of \$2,500 per location at which a non-compliant product was identified.

7 **4. SETTLEMENT PAYMENTS**

8 **4.1 Amount of Payments.** Leadco shall each pay \$15,000 as a settlement payment.
9 The funds paid by the Settling Defendants shall be distributed as follows:

10 **4.1.1** The sum of \$3,000 in penalties pursuant to Health and Safety Code
11 § 25249.7(b). Plaintiff shall apportion the penalties in accordance with Health and Safety Code
12 § 25249.12.

13 **4.1.2** The sum of \$12,000 as reimbursement of Plaintiff's reasonable
14 investigation fees and costs, attorneys' fees, and any other costs incurred as a result of
15 investigating, bringing this matter to Leadco's attention, litigating and negotiating a settlement in
16 the public interest.

17 **4.2 Timing of Payments.** The payment required under this Section shall be made by
18 check payable to "Lexington Law Group, LLP Attorney Client Trust Account," and shall be
19 delivered to the address for notices to Plaintiff set forth in Section 11 below within ten (10) days
20 following the Court's entry of this Consent Judgment. Plaintiff shall be entitled to his reasonable
21 attorneys' fees and costs associated with any motion or application to enforce the payment terms
22 of this Consent Judgment.

23 **5. MODIFICATION OF CONSENT JUDGMENT**

24 **5.1** This Consent Judgment may be modified by written agreement of Plaintiff and
25 Leadco, or upon motion of Plaintiff or Leadco as provided by law.

26 **6. APPLICATION OF CONSENT JUDGMENT**

27 **6.1** This Consent Judgment shall apply to and be binding upon the Parties, their
28 divisions, subdivisions and subsidiaries, and the successors or assigns of any of them.

1 **7. CLAIMS COVERED**

2 **7.1** This Consent Judgment is a full, final and binding resolution between the Plaintiff
3 acting in the public interest in his capacity under Proposition 65 and Leadco, its parents,
4 subsidiaries, affiliates, divisions, subdivisions, officers, directors, employees, agents, and
5 successors and assigns (“Defendant Releasees”), and all entities to whom they distribute or sell
6 Covered Products, including but not limited to distributors, wholesalers, customers, retailers,
7 franchisees, cooperative members, and licensees (“Downstream Defendant Releasees”), of any
8 violation or any other statutory or common law claim that have been or could have been asserted
9 in the public interest against Leadco, Defendant Releasees, or Downstream Defendant Releasees
10 in the Complaint through the date of entry of this Consent Judgment arising from any actual or
11 alleged failure to provide clear and reasonable warnings pursuant to Proposition 65 of exposure to
12 Lead in Covered Products manufactured, distributed and/or sold by Defendant Releasees.
13 Compliance with the terms of this Consent Judgment by Leadco and Defendant Releasees,
14 constitutes compliance with Proposition 65 from the date of entry of this Consent Judgment into
15 the future by Leadco, Defendant Releasees, and Downstream Defendant Releasees as to
16 exposures to Lead resulting from any Covered Products manufactured, distributed and/or sold by
17 Defendant Releasees. This release does not limit or effect the obligations of any party created
18 under this Consent Judgment.

19 **8. SEVERABILITY**

20 **8.1** In the event that any of the provisions of this Consent Judgment are held by a court
21 to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

22 **9. GOVERNING LAW**

23 **9.1** The terms of this Consent Judgment shall be governed by the laws of the State of
24 California.

25 **10. RETENTION OF JURISDICTION**

26 **10.1** This Court shall retain jurisdiction of this matter to implement and enforce the
27 terms this Consent Judgment.

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11. PROVISION OF NOTICE

11.1 All notices required pursuant to this Consent Judgment and correspondence shall be sent to the following:

For Plaintiff:

Mark N. Todzo
Lexington Law Group, LLP
1627 Irving Street
San Francisco, CA 94122

For Leadco:

J. Craig Williams
Joseph R. McFaul
WLF | The Williams Law Firm, PC
100 Bayview Circle, South Tower, Suite 330
Newport Beach, CA 92660-2984

12. COURT APPROVAL

12.1 If this Consent Judgment is not approved by the Court in its entirety, it shall be of no further force or effect.

13. EXECUTION AND COUNTERPARTS

13.1 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

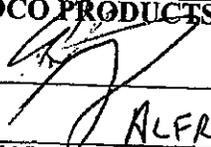
14. AUTHORIZATION

14.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the party he or she represents to stipulate to this Consent Judgment and to enter into and execute the Consent Judgment on behalf of the party represented and legally bind that party. The undersigned have read, understand and agree to all of the terms and conditions of this Consent Judgment. Except as explicitly provided herein, each party is to bear its own fees and costs.

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<p>AGREED TO:</p> <p>MICHAEL RUGGIE</p> <p> _____ MICHAEL RUGGIE</p>	<p>Dated: <u>10/11/07</u></p>
<p>LEADCO PRODUCTS, INC.</p> <p>_____</p> <p>_____</p> <p>Printed Name _____</p> <p>Title _____</p>	<p>Dated: _____</p>

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AGREED TO: MICHAEL RUGGIE	
_____ MICHAEL RUGGIE	Dated: _____
LEADCO PRODUCTS, INC.	
 _____ ALFRED F. GEIGER	Dated: <u>10/14/07</u>
Printed Name PRESIDENT	
Title _____	

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ORDER AND JUDGMENT

Based upon the stipulated Consent Judgment between Plaintiff and Leadco Products, Inc., the settlement is approved and judgment is hereby entered according to the terms herein.

Dated: _____ Judge, Superior Court of the State of California