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6 CENTER FOR ENVIRONMENTAL HEALTH

7  
8 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 IN AND FOR THE COUNTY OF ALAMEDA  
10

11  
12 PEOPLE OF THE STATE OF CALIFORNIA, )  
13 ex rel. BILL LOCKYER, Attorney General, )

14 Plaintiffs, )

15 v. )

16 BURLINGTON COAT FACTORY )  
17 WAREHOUSE CORPORATION, et. al., )  
Defendants. )

Lead Case No. RG 04-162075

(Consolidated with Case Nos. RG 04-162037, RG 04-169511 and RG 06-269531)

**STIPULATED CONSENT JUDGMENT  
AS TO SHOP AT HOME NETWORK,  
LLC**

18 \_\_\_\_\_ )  
19 And Related and Consolidated Cases )

Complaint Filed: June 23, 2004  
Trial Date: None

1           **1. Introduction.**

2           **a.**       This Stipulated Consent Judgment is entered into by the Center For  
3 Environmental Health, a California non-profit corporation (“CEH”), and Shop At Home  
4 Network, LLC (“Shop At Home”), pursuant to a settlement of certain disputed claims set forth in  
5 the First Amended Complaint filed by CEH in the matter entitled *Center for Environmental*  
6 *Health v. Nadri, Inc., et al.*, A.C.S.C. Case No. RG 06-269531 (the “Nadri Action”). CEH and  
7 Shop At Home are referred to as the “Parties.”

8           **b.**       On June 23, 2006, CEH provided a “Notice of Violation of Proposition  
9 65” to the California Attorney General, the District Attorneys of every county in California, the  
10 City Attorneys of every California city with a population greater than 750,000, and to Shop At  
11 Home regarding the presence of lead and lead compounds in jewelry manufactured, distributed or  
12 sold by Shop At Home.

13           **c.**       On May 12, 2006, CEH filed the original Complaint in the Nadri Action.

14           **d.**       On July 12, 2006, the Court consolidated the Nadri Action with three  
15 previously filed cases that had already been consolidated under *People v. Burlington Coat*  
16 *Factory Warehouse Corp., et al.*, lead Case No. RG 04-162075.

17           **e.**       On September 21, 2006, CEH filed the First Amended Complaint in the  
18 Nadri Action naming Shop At Home and others as defendants.

19           **f.**       On June 15, 2006, upon due notice, the Court entered an Amended  
20 Consent Judgment in the three original consolidated cases, under the lead case *People v.*  
21 *Burlington Coat Factory Warehouse Corp., et al.*, A.C.S.C. Case No. RG 04-162075, against a  
22 group of different defendants, a true and correct copy of which is attached hereto as Exhibit 1  
23 (the “Global Consent Judgment”)<sup>1</sup>.

24           **g.**       Shop at Home has substantially completed the process of winding down its  
25 business and ceased all active operations on June 23, 2006. It has sold no jewelry at issue in this  
26 action, or other products, since that date.

27 \_\_\_\_\_  
28           <sup>1</sup> In order to minimize the size of Exhibit 1, the attached Amended Consent  
Judgment does not include certain signature pages or Exhibit A (list of initial defendants),  
Exhibit E (brand names from initial defendants), Exhibit F (initial defendant notice list), Exhibit  
G (copies of Notices of Intent to Opt In) and Exhibit H (Roman Company signature page).

1           **h.**       CEH and Shop At Home desire to resolve this matter on substantially  
2 identical injunctive terms as provided in Sections 2, 3, and 4 of the Global Consent Judgment.

3           **2. Jurisdiction and Venue.** For purposes of this Consent Judgment only, the  
4 Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the  
5 First Amended Complaint and personal jurisdiction over Shop At Home as to the acts alleged in  
6 the First Amended Complaint, venue is proper in the County of Alameda, and that this Court has  
7 jurisdiction to enter this Consent Judgment as a full and final resolution of all claims which were  
8 or could have been raised in the First Amended Complaint based on the facts alleged therein.

9           **3. Judgment Terms.** Judgment shall be entered against Shop At Home in this  
10 consolidated action pursuant to the terms of this Consent Judgment which adopts the provisions  
11 set forth in the attached Exhibit 1 as if Shop At Home was a CEH Defendant and a Settling  
12 Defendant as such terms are defined in Exhibit 1, subject to the following modifications.

13           **a. Section 1.8.** Section 1.8 in Exhibit 1 to this Consent Judgment is  
14 modified as follows:

15                   **i.**       The term "Settling Defendant" means CEH Defendants and any  
16 Person that was a defendant party to the Global Consent Judgment or to a consent judgment that  
17 contained "identical or substantially identical terms as provided in Sections 2, 3, and 4 of the  
18 amended consent judgment," as those terms are used in Health & Safety Code § 25214.3(d).

19           **b. Section 3.1.** The last sentence of Section 3.1 in Exhibit 1 to this Consent  
20 Judgment is modified as follows:

21                   **i.**       Each Settling Defendant shall provide the requirements of this  
22 Consent Judgment to its Suppliers of Covered Products no later than December 31, 2006, and  
23 shall request each Supplier to use best efforts to provide compliant product as soon as  
24 commercially practicable.

25           **c. Section 5.** Section 5 in Exhibit 1 to this Consent Judgment is modified as  
26 follows:

27                   **i.**       Within seven calendar days of entry of this Stipulated Consent  
28 Judgment, Shop At Home shall pay the sum of \$20,000 as a settlement payment. The settlement

1 payment shall be by check made payable to the Lexington Law Group, LLP Attorney Client Trust  
2 Account. The funds paid by Shop At Home shall be distributed as follows:

3 (1) The sum of \$6,100 as payment to CEH in lieu of penalty  
4 pursuant to Health and Safety Code section 25249.7(b), and California Code of Regulations, title  
5 11, section 3202(b). CEH will use such funds to continue its work educating and protecting  
6 people from exposures to toxic chemicals, including heavy metals. In addition, CEH intends to  
7 use a portion of such funds to monitor compliance with the reformulation requirements of this  
8 and other similar Consent Judgments, to purchase and test jewelry, and to prepare and compile  
9 the information and documentation necessary to support a Notice of Violation.

10 (2) The sum of \$1,000 as a civil penalty pursuant to Health &  
11 Safety Code §25249.7(b), such money to be apportioned by CEH in accordance with Health &  
12 Safety Code §25249.12.

13 (3) The sum of \$12,900 as reimbursement of CEH's reasonable  
14 attorneys' fees and investigation costs.

15 **d. Section 7.** The references to the "People" and "Business and Professions  
16 Code Section 17200 *et seq.*" in Section 7 of Exhibit 1 to this Consent Judgment are modified  
17 such that they are of no force or effect.

18 **e. Notices.** The person for Shop At Home to receive Notices pursuant to  
19 Sections 4.2.2.2, Section 8 and Exhibit F in Exhibit 1 to this Consent Judgment, until and unless  
20 modified pursuant to Section 8, shall be:

21 George Phillips  
22 Shop At Home Network, LLP  
23 5388 Hickory Hollow Parkway  
24 Antioch, TN 37013

25 **f. References to the People and AYS.** All references to the People, AYS,  
26 and AYS Defendants in Exhibit 1 to this Consent Judgment are to have no force or effect.

27 **4. Finding Under Health & Safety Code § 25214.3(d).** The Court finds that the  
28 injunctive terms of this Consent Judgment are "substantially identical terms as provided in

1 Sections 2, 3, and 4 of the amended consent judgment," as those terms are used in Health &  
2 Safety Code § 25214.3(d).

3  
4 **IT IS SO STIPULATED.**

5 CENTER FOR ENVIRONMENTAL HEALTH

6  
7   
8 By: \_\_\_\_\_  
9 ~~Michael Green~~ CHARLIE PIZZARO  
10 Associate Executive Director

11 SHOP AT HOME NETWORK, LLC

12  
13 By: \_\_\_\_\_

14 Printed Name: \_\_\_\_\_

15  
16 Title: \_\_\_\_\_

17 **JUDGMENT SO RENDERED.**

18  
19 \_\_\_\_\_, 2007

20 \_\_\_\_\_  
21 JUDGE OF THE SUPERIOR COURT

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Sections 2, 3, and 4 of the amended consent judgment," as those terms are used in Health & Safety Code § 25214.3(d).

**IT IS SO STIPULATED.**

CENTER FOR ENVIRONMENTAL HEALTH

By: \_\_\_\_\_  
Michael Green  
Executive Director

SHOP AT HOME NETWORK, LLC

By:  \_\_\_\_\_

Printed Name: A. B. CRUZ III

Title: VICE PRESIDENT

**JUDGMENT SO RENDERED.**

\_\_\_\_\_, 2007

\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT