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11	Attorneys for Plaintiff Mateel Environmental Justice Foundation	
12		
13	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
14	COUNTY OF SAN FRANCISCO	
15		•
16	MATEEL ENVIRONMENTAL JUSTICE ) FOUNDATION, )	Case No. CGC 07-461732
17	Plaintiff,	
18	v. )	[PROPOSED] CONSENT JUDGMENT AS TO DEFENDANT
19.	STAUB S.A.; WILLIAMS-SONOMA, INC.; )	WILLIAMS -SONOMA, INC.
20	TARGET CORPORATION, )	
21	Defendants. )	•
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CONSENT JUDGMENT [PROPOSED]

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1. INTRODUCTION

- On March 27, 2007, the MATEEL ENVIRONMENTAL JUSTICE FOUNDATION ("Plaintiff" or "MEJF") acting on behalf of itself and the general public, filed a complaint for civil penalties and injunctive relief in San Francisco Superior Court, Case No. CGC-07-461732, against defendant WILLIAMS-SONOMA, INC. ("Williams-Sonoma"). The complaint alleges, among other things, that Williams-Sonoma 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 to those residents of California who handle and use cookware with brass handles that contain lead ("Covered Cookware Products") that handling and use of these products causes those residents to be exposed to lead and/or lead compounds. The complaint was based upon a 60-day notice letter, dated July 27, 2006, sent by MEJF to Williams-Sonoma, the California Attorney General, all District Attorneys, and all City Attorneys with populations exceeding 750,000.
- On March 22, 2007, MEJF, acting on behalf of itself and the general public, 1.2 issued a 60-day notice letter to Williams-Sonoma, the California Attorney General, all District Attorneys, and all City Attorneys with populations exceeding 750,000, alleging that Williams-Sonoma failed to provide clear and reasonable warnings under Proposition 65 that handling and use of peppermills with brass containing lead ("Covered Peppermills") cause exposures to lead and lead compounds. No public enforcer elected to sue within 60 days on the basis of the allegations in this notice letter.
- For purposes of this Consent Judgment, the term "Notice Letters" refers 1.3 collectively to MEJF's 60-day notice letter to Williams-Sonoma regarding Covered Cookware Products and MEJF's 60-day notice letter to Williams-Sonoma regarding Covered Peppermills.
- Upon entry of this Consent Judgment, the March 27, 2007 complaint shall be 1.4 deemed to be amended to assert a cause of action under Proposition 65 against Williams-Sonoma for alleged violations of Proposition 65 with respect to Covered Peppermills, based on those allegations asserted in MEJF's March 22, 2007 60-day notice letter regarding Covered Peppermills, and the complaint as amended shall be referred to herein as the "Complaint."

- 1.5 For purposes of this Consent Judgment, the term "Covered Products" means
  (1) Covered Cookware Products offered for sale by Williams-Sonoma, including, but not limited to those manufactured by Mauviel, Ruffoni, and Staub S.A., and (2) Covered Peppermills offered for sale by Williams-Sonoma.
- 1.6 Williams-Sonoma is a business that employs more than ten persons, and markets or sells Covered Products that contain lead and/or lead compounds. Pursuant to Health and Safety Code Section 25249.8, lead is known to the State of California to cause cancer and birth defects and other reproductive harm, and lead compounds are known to the State of California to cause cancer. Plaintiff MEJF alleges that Covered Products that are marketed or sold by Williams-Sonoma for use in California require warnings under Proposition 65, pursuant to Health and Safety Code Section 25249.6. Williams-Sonoma denies that warnings are required. For purposes of this Consent Judgment, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Williams-Sonoma as to the acts alleged in the Complaint, that venue is proper in the County of San Francisco, and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Complaint and of all claims which were or could have been raised by any person or entity based in whole or in part, directly or indirectly, on the facts alleged therein or arising therefrom or related to.
- 1.7 This Consent Judgment resolves claims that are denied and disputed. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. This Consent Judgment shall not constitute an admission with respect to any material allegation of the Complaint, each and every allegation of which Williams-Sonoma denies, nor may this Consent Judgment or compliance with it be used as evidence of any wrongdoing, misconduct, culpability or liability on the part of Williams-Sonoma.
  - 1.8 The term "Effective Date" means 90 days after entry of this Consent Judgment.
- 1.9 MEJF and Williams-Sonoma are, for purposes of this Consent Judgment, collectively referred to as the "Parties," with each of them a "Party."

#### 2. SETTLEMENT PAYMENT

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In settlement of all of Plaintiff's claims referred to in this Consent Judgment, 2.1 Williams-Sonoma shall pay a total of \$35,000 (Thirty-Five Thousand Dollars). Of this total amount, Williams-Sonoma shall pay \$25,000 (Twenty-Five Thousand Dollars) to the Klamath Environmental Law Center ("KELC") to cover Plaintiff's attorneys' fees. Additionally, of the total amount, and as a payment in lieu of civil penalties, Williams-Sonoma shall pay \$5,000 (Five Thousand Dollars) to the Ecological Rights Foundation, and \$5,000 (Five Thousand Dollars) to Californians for Alternatives to Toxics, for use toward reducing exposures to toxic chemicals and other pollutants, and toward increasing consumer, worker and community awareness of health hazards posed by lead and other toxic chemicals. The Parties agree and acknowledge that the charitable contributions made pursuant to this section shall not be construed as a credit against the personal claims of absent third parties for restitution against Williams-Sonoma. The above described payments shall be forwarded by Williams-Sonoma so that they are received at least 5 days prior to the hearing date scheduled for approval of this Consent Judgment. If the Consent Judgment is not approved with 120 days of the date scheduled for approval, the above described payments shall be returned and the provisions of this Consent Judgment shall become null and void.

2.2 Williams-Sonoma shall not be required to pay a civil penalty pursuant to Health and Safety Code Section 25249.7(b).

### 3. ENTRY OF CONSENT JUDGMENT

3.1 The Parties hereby request that the Court promptly enter this Consent Judgment.

Upon entry of the Consent Judgment, Williams-Sonoma and MEJF waive their respective rights to a hearing or trial on the allegations of the Complaint.

#### 4. MATTERS COVERED BY THIS CONSENT JUDGMENT

4.1 This Consent Judgment is a final and binding resolution, as to Covered Products, between MEJF, acting on behalf of itself and (as to those matters raised in the Notice Letters) the general public, and Williams-Sonoma of: (i) any violation of Proposition 65 (including but not limited to the claims made in the Complaint); and (ii) any other statutory or common law claim to the fullest extent that any of the foregoing described in (i) or (ii) were or could have been asserted

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by any person or entity against Williams-Sonoma or its parents, subsidiaries or affiliates, and all of their suppliers, customers, distributors, wholesalers, retailers, or any other person in the course of doing business, and the successors and assigns of any of them, who may use, maintain, distribute or sell Covered Products ("Released Entities"), based on its or their exposure of persons to lead or lead compounds from Covered Products or their failure to provide a clear and reasonable warning of exposure to such individuals; and (iii) as to alleged exposures to lead or lead compounds from Covered Products, any other claim based in whole or in part on the facts alleged in the Complaint, whether based on actions committed by the Released Entities or others. As to alleged exposures to lead or lead compounds from Covered Products, compliance with the terms of this Consent Judgment resolves any issue, now and in the future, concerning compliance by Williams-Sonoma and the Released Entities, with the requirements of Proposition 65 with respect to Covered Products, and any alleged resulting exposure. Notwithstanding any other provision in Section 4, no releases on behalf of the general public shall be construed to extend to claims concerning chemicals listed under Proposition 65 other than lead and/or lead compounds or to claims not arising out of allegations in the Notice Letters. As to alleged exposures to lead or lead compounds from Covered Products, 4,2

As to alleged exposures to lead or lead compounds from Covered Products, MEJF, by and on behalf of itself and its respective agents, successors and assigns, waives any and all rights to institute any form of legal action, and releases all claims against Williams-Sonoma and the Released Entities, and all of their respective parents, subsidiaries or affiliates, and all of their suppliers, customers, distributors, wholesalers, retailers, or any other person in the course of doing business, and the successors and assigns of any of them, who may use, maintain, distribute or sell the Covered Products, whether, under Proposition 65 or otherwise, arising out of or resulting from, or related directly or indirectly to, in whole or in part, the Covered Products, including but not limited to any exposure to, or failure to warn with respect to, the Covered Products that was or could have been alleged by Plaintiff against any of the Released Entities based on the facts alleged in the Complaint, or facts similar to those alleged (referred to collectively in this paragraph as the "Claims"). In furtherance of the foregoing, as to alleged exposures to lead and lead compounds from Covered Products, MEJF hereby waives any and all rights and benefits which it now has, or in

the future may have, conferred upon it with respect to the Claims by virtue of the provisions of section 1542 of the California Civil Code, which provides as follows:

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

this waiver of California Civil Code section 1542 is that even if MEJF suffers future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, the Covered Products, including but not limited to any exposure to, or failure to warn with respect to exposure to, lead or lead compounds from Covered Products, MEJF will not be able to make any claim for those damages against Williams-Sonoma or the Released Entities; provided however, Plaintiff cannot and expressly does not release any claims for personal injury that could be brought by any other individual or organization. Furthermore, MEJF acknowledges that it intends these consequences for any such Claims as may exist as of the date of this release but which MEJF does not know exist, and which, if known, would materially affect their decision to enter into this Consent Judgment, regardless of whether their lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause. Notwithstanding the above, Staub S.A. shall not be deemed a Released Entity, nor shall it benefit from the releases of liability granted in Sections 4.1 through 4.3.

#### 5. ENFORCEMENT OF JUDGMENT

5.1 The terms of this Consent Judgment shall be enforced exclusively by the Parties hereto. The Parties may, by noticed motion or order to show cause before the Superior Court of San Francisco County, giving the notice required by law, enforce the terms and conditions contained herein; provided however, that a Party may enforce any of the terms and conditions of this Consent Judgment only after that Party first provides 30 days' notice to the Party allegedly failing to comply with the terms and conditions of this Consent Judgment and attempts to resolve such Party's failure to comply in an open and good faith manner.

5.2 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.

## 6. MODIFICATION OF JUDGMENT

- 6.1 This Consent Judgment may be modified only upon written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any Party as provided by law and upon entry of a modified Consent Judgment by the Court.
- 6.2 If, with respect to brass containing lead, the Attorney General of the State of California or Plaintiff permit any other reformulation standard by way of settlement or compromise with any other person in the course of doing business, or any other entity, or if another reformulation standard for brass is incorporated by way of final judgment as to any other person in the course of doing business, or any other entity, then Williams-Sonoma is entitled to seek a modification to this Consent Judgment on the same terms as provided in those settlements, compromises or judgments.

# 7. CLEAR AND REASONABLE WARNINGS

- 7.1 The requirements of this Section 7 shall apply only to Covered Products that are offered for sale in California by Williams-Sonoma after the Effective Date. Williams-Sonoma shall provide a warning for all Covered Products that do not meet the reformulation standard set forth in Section 8 below, and that are offered for sale in California. At the sole option of Williams-Sonoma, warnings may be provided through one or more of the following methods: (a) shelf warnings pursuant to Paragraph 7.3; (b) product labeling pursuant to Paragraph 7.4; or (c) package inserts pursuant to Paragraph 7.5.
  - 7.2 For the warnings set out in Paragraphs 7.3 through 7.5, the warning shall state:
- 7.2.1 "WARNING: This product contains chemicals, including lead, known to the State of California to cause birth defects and other reproductive harm. Wash hands after handling" or

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"WARNING: Handling the brass parts of this product will expose 7.2.2 you to lead, a chemical known to the State of California to cause birth defects and other reproductive harm. Wash hands after handling."

The word "WARNING" shall be in bold text, and the phrase "Wash hands after handling" shall be in bold italic text.

- Shelf Warning: Williams-Sonoma may provide a warning by placing a notice on 7.3 the shelf or shelves in its stores in California where the Covered Products are sold. Each sign shall be no smaller than 4 inches x 6 inches, and the form and type shall be substantially similar to that which is attached hereto as Exhibit A (hereinafter, the "Warning Sign"). Williams-Sonoma may, at its option, identify on the Warning Sign, by brand or model, the particular Covered Products for which such warning is being given, and/or other products for which such warning is NOT being given.
- Product Labeling: A warning may be placed on the packaging or labeling of, or 7.4 directly on, the Covered Products, by Williams-Sonoma (or someone on Williams-Sonoma's behalf, including but not limited to its agents, or the suppliers, manufacturers, importers, or distributors of the Covered Products). Such warning shall be placed with such conspicuousness as compared with other words, statements and designs as to render it likely to be read and understood by an ordinary individual under customary conditions of use or purchase.
- Package Insert: A warning may be provided with the Covered Product when it is 7.5 shipped to a California resident by (a) inserting a card or slip of paper measuring at least 4 inches x 6 inches in the shipping package, or (b) including the warning on the packing slip or customer invoice identifying the Covered Product. Such warning shall be placed with such conspicuousness as compared with other words, statements and designs as to render it likely to be read and understood by an ordinary individual under customary conditions of use or purchase.
- In determining whether a Covered Product meets the reformulation standard of 7.6 Section 8, Williams-Sonoma may rely on written confirmation obtained from its suppliers of the Covered Products, so long as such reliance is in good faith. Demonstration of good faith reliance

may include, but is not limited to, e-mails or other written correspondence from suppliers attesting to compliance with the provisions of Section 8.

#### 8. REFORMULATION STANDARD

- 8.1 The warning requirements of Section 7 shall not apply to Covered Products that meet the following criteria:
- 8.2 The brass used to manufacture the Covered Products shall have no lead as an intentionally added constituent; and
- A representative sample of the brass alloys used to manufacture the Covered Products shall have been tested for lead, and must have shown lead content by weight of less than 0.03% (300 parts per million or "300 ppm"), using a test method of sufficient sensitivity to establish a limit of quantification (as distinguished from detection) of less than 300 ppm.
- 8.4 In the event that MEJF settles another actual or potential claim concerning the alleged failure of a business to provide adequate Proposition 65 warnings concerning its manufacture, distribution or sale of either Covered Cookware Products, Covered Peppermills, or both in California, and agrees to a standard for reformulation that allows for lead content by weight of greater than 300 ppm in the brass alloys of Covered Cookware Products or Covered Peppermills, or both, Williams-Sonoma's compliance with the less stringent standard will be deemed to meet the requirements of this Section 8 with respect to either Covered Cookware Products or Covered Peppermills, or both, as appropriate.

#### 9. RETENTION OF JURISDICTION

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

#### 10. AUTHORITY TO STIPULATE

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

#### 11. DUTIES LIMITED TO CALIFORNIA

This Consent Judgment shall have no effect on Covered Products sold by Williams-Sonoma outside the State of California.

#### SERVICE ON THE ATTORNEY GENERAL

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

#### **ENTIRE AGREEMENT**

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

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

#### **EXECUTION AND COUNTERPARTS**

This Consent Judgment maybe executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

#### 16. **COURT APPROVAL**

If this Consent Judgment, in its entirety, is not approved by the Court, it shall be 16.1 of no force or effect, and cannot be used in any proceeding for any purpose.

#### 17. **NOTICES**

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17.1 Any notices under this Consent Judgment shall be made by First Class Mail.

1	. If to MEJF: Wi	illiam Verick, Esq.
2		amath Environmental Law Center 4 First Street
-3	Eu	reka, CA 95501
4		H: (707) 268-8900/Fax: (707) 268-8901 verick@igc.org
5	If to Williams- Sonoma, Inc.: Tr Al	RNOLD & PORTER LLP
6	90 Sa	New Montgomery Street, Suite 600 in Francisco, CA 94105 el: (415) 356-3000/Fax: (415) 356-3099 ent.norris@aporter.com
7	Te tre	el: (415) 356-3000/Fax: (415) 356-3099 ent.norris@aporter.com
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1	Wit	h a copy to:
2 3 4	Vice Wil 325	nleen McCarthy e President, Associate General Counsel liams-Sonoma, Inc. 0 Van Ness Avenue Francisco, CA 94109 (415) 616 7865 (Fox: (415) 439, 1014
5	kmo	Francisco, CA 94109 (415) 616-7865/Fax: (415) 439-1014 ccarthy@wsgc.com
6	IT IS SO STIPULATED:	
7	Dated: _\&\/28\/08	MATEEL ENVIRONMENTAL JUSTICE FOUNDATION
8		d'i · Ma.
9		By authern House
10		WILLIAM VERIČK
11		
12	Dated:	WILLIAMS-SONOMA, INC.
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14		By:
15		Its:
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18	IT IS SO ORDERED, ADJUDGED AND DECREED:	
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20	DATED:	
21	<u> </u>	DGE OF THE SUPERIOR COURT
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1	With a copy to:		
2	Kathleen McCarthy Vice President, Associate General Counsel		
3	Williams-Sonoma, Inc. 3250 Van Ness Avenue		
4	San Francisco, CA 94109 Tel: (415) 616-7865/Fax: (415) 439-1014 kmccarthy@wsgc.com		
5	kmccarthy@wsgc.com IT IS SO STIPULATED:		
6	Datal. 8-28-08		
7	MATEEL ENVIRONMENTAL JUSTICE FOUNDATION		
8	di ala.		
9	By Aulthern Vouck		
10	WILLIAM VERICK		
11	Dated: 12 AUGUST 2000 WILLIAMS SONOMA INC		
12 13	Dated: 12 AUGUST 2008 WILLIAMS-SONOMA, INC.		
13			
15	Its: 6. a. V. GREQ NASH		
16	Its: $\frac{\zeta \cdot \zeta \cdot Q \cdot Q}{\zeta \cdot \zeta \cdot Q}$		
17			
18.			
19	IT IS SO ORDERED, ADJUDGED AND DECREED:		
20	DATED:		
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22	JUDGE OF THE SUPERIOR COURT		
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	- 11 -		
	CONSENT JUDGMENT [PROPOSED]		

# EXHIBIT A Shelf Warning – Options A and B

WARNING: This product contains chemicals, including lead, known to the State of California to cause birth defects and other reproductive harm. Wash hands after handling.

WARNING: Handling the brass parts of this product will expose you to lead, a chemical known to the State of California to cause birth defects and other reproductive harm. Wash hands after handling.