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| 7                                      |   |  |  |
| 8                                      | SUPERIOR COURT OF THE STATE OF CALIFORNIA   |  |  |
| 9                                      | FOR THE COUNTY OF ALAMEDA   |  |  |
| 10                                     | UNLIMITED JURISDICTION  |  |  |
| 11                                     | PEOPLE OF THE STATE OF CALIFORNIA, ex ) Case No. RG 04-162075                                       |  |  |
| 12                                     | rel. BILL LOCKYER, Attorney General, et al.,<br>) (Consolidated with RG 04-162037, RG<br>04 160511) |  |  |
| 13                                     | Plaintiffs, ) 04-169511)  |  |  |
| 14                                     | vs. ) [PROPOSED] CONSENT JUDGMENT<br>) AS TO WINCRAFT, INC.<br>) WINCRAFT, INC.                     |  |  |
| 15                                     | WAREHOUSE CORPORATION, et al,   |  |  |
| 16                                     | Defendants.   |  |  |
| 17                                     |   |  |  |
| 18                                     | AND RELATED CONSOLIDATED CASES.   |  |  |
| 19                                     |   |  |  |
| 20                                     | 1. INTRODUCTION   |  |  |
| 21                                     | 1.1 This Consent Judgment is entered into by the Center For Environmental Health, a                 |  |  |
| 22                                     | California non-profit corporation ("CEH"), and WinCraft, Inc. ("Defendant"), to settle certain      |  |  |
| 23                                     | claims asserted by CEH against Defendant as set forth in the complaint in the matter entitled       |  |  |
| 24                                     | Center for Environmental Health v. Nadri, Inc., et al., Alameda County Superior Court Case No.      |  |  |
| 25                                     | RG 06-269531 (the "Nadri Action").  |  |  |
| 26                                     | 1.2 On May 12, 2006, CEH filed the original complaint in the <i>Nadri</i> Action, which was         |  |  |
| 27                                     | later consolidated with three other actions including the lead case entitled People v. Burlington   |  |  |
| 28                                     |   |  |  |
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Coat Factory et al. (Alameda Superior Court Case No. RG 04-162075).

2 1.3 On February 21, 2006, upon noticed motion, the Court entered a Consent Judgment 3 against a group of other defendants in the consolidated actions (the "Master Consent Judgment"). 4 1.4 On June 15, 2006, upon noticed motion, the Court amended the Master Consent 5 Judgment by entering an Amended Consent Judgment in the consolidated actions (the "Amended 6 Master Consent Judgment"). 7 1.5 On December 27, 2006, CEH provided a "Notice of Violation of Proposition 65" to 8 the California Attorney General, the District Attorneys of every county in California, the City 9 Attorneys of every California city with a population greater than 750,000, and to Wincraft, Inc., 10 regarding the presence of lead in jewelry manufactured, distributed or sold by Defendant. 11 1.6 On November 8, 2007, the Complaint in the Nadri Action was amended to name 12 additional defendants, including Defendant Wincraft, Inc. 13 1.7 Defendant is a corporation that employs 10 or more persons, and which 14 manufactures, distributes and/or sells Covered Products in the State of California. 15 1.8 For purposes of this Consent Judgment only, CEH and Defendant (the "Parties") stipulate that this Court has jurisdiction over the allegations of violations contained in the 16 17 Complaint and personal jurisdiction over Defendant as to the acts alleged in the Complaint, that 18 venue is proper in the County of Alameda, and that this Court has jurisdiction to enter this 19 Consent Judgment as a full and final resolution of all claims which were or could have been raised 20 in the Complaint based on the facts alleged therein with respect to Covered Products 21 manufactured, distributed, and/or sold by Defendant. 22 1.9 CEH and Defendant enter into this Consent Judgment as a full and final settlement 23 of all claims that were raised in the Complaint, or which could have been raised in the Complaint, 24 arising out of the facts or conduct related to Defendant alleged therein. By execution of this 25 Consent Judgment and agreeing to comply with its terms, the Parties do not admit any facts or 26 conclusions of law, including, but not limited to, any facts or conclusions of law suggesting or 27 demonstrating any violations of Proposition 65 or any other statutory, common law or equitable 28 requirements relating to lead in jewelry. Nothing in this Consent Judgment shall be construed as

an admission by the Parties of any fact, conclusion of law, issue of law or violation of law, nor
shall compliance with the Consent Judgment constitute or be construed as an admission by the
Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Consent
Judgment shall prejudice, waive or impair any right, remedy, argument or defense the Parties may
have in this or any other or future legal proceedings. This Consent Judgment is the product of
negotiation and compromise and is accepted by the Parties for purposes of settling, compromising,
and resolving issues disputed in this action.

8 1.10 CEH and Defendant intend, and the Court finds, that the injunctive terms contained
9 in Sections 2, 3.1 through 3.4, and 4 of this Consent Judgment are "substantially identical terms as
10 provided in Sections 2, 3 and 4 of the amended consent judgment," as those terms are used in
11 Health & Safety Code §25214.3(d).

12

2.

#### DEFINITIONS

13 2.1 The term "Person" shall have the same meaning as that term is defined in
14 California Health & Safety Code §25249.11(a).

15 2.2 The term "Covered Products" means (a) the following ornaments worn by a person:
an anklet, arm cuff, bracelet, brooch, chain, crown, cuff link, decorated hair accessories, earring,
necklace, pin, ring, and Body Piercing Jewelry, or (b) any bead, chain, link, pendant, or other
component of such an ornament.

19 2.3 The term "Body Piercing Jewelry" means any part of a Covered Product that is
20 manufactured or sold for placement in new piercings and/or mucous membranes, and does not
21 include those parts of Covered Products not placed within new piercings and/or mucous
22 membranes.

23 2.4 The term "Children's Products" means Covered Products that are made for,
24 marketed for use by, or marketed to, Children.

25 2.4.1 For purposes of this Consent Judgment, the term "Children" means
26 children aged 6 and younger.

27 2.4.2 A Covered Product is made for, marketed for use by, or marketed to
28 Children if it is either:

| 1      | 2.4.2.1 Represented in its packaging, display, or advertising, as appropriate                              |  |
|--------|--|--|
| 2      | for use by Children; or  |  |
| 3      | 2.4.2.2 Sold in conjunction with, attached to, or packaged together with                                   |  |
| 4      | other products that are packaged, displayed, or advertised as appropriate for use by Children; or          |  |
| 5      | 2.4.2.3 Sized for Children and not intended for use by adults.   |  |
| 6      | 2.4.2.4 Sold in  |  |
| 7      | 2.4.2.4.1 a vending machine; or  |  |
| 8      | 2.4.2.4.2 a retail store, catalogue, or online website, in which   |  |
| 9      | Defendant exclusively offers for sale products that are packaged,  |  |
| 10     | displayed, or advertised as appropriate for use by Children; or  |  |
| 11     | 2.4.2.4.3 those discrete portions of a retail store, catalogue, or   |  |
| 12     | online website, in which Defendant offers for sale products that are                                       |  |
| 13     | packaged, displayed, or advertised as appropriate for use by   |  |
| 14     | Children.  |  |
| 15     | 2.5 The term "Supplier" means a Person that directly supplies Covered Products that                        |  |
| 16     | are or will be offered for retail sale in California to Defendant.   |  |
| 17     | 2.6 Any time a measurement of lead content is referred to in this Consent Judgment by                      |  |
| 18     | a percentage, it means percent lead by weight.   |  |
| 19     | 2.7 The term "Effective Date" means the date this Consent Judgment is entered by the                       |  |
| 20     | Court.   |  |
| 21     | 3. INJUNCTIVE RELIEF   |  |
| 22     | 3.1 <b>Reformulation of Covered Products.</b> Subject to the Additional Injunctive Relief                  |  |
| 23     | agreed to by Defendant as defined and set forth in Section 3.5, after the Effective Date, Defendant        |  |
| 24     | shall not: (1) manufacture; (ii) ship; or (iii) sell or offer for sale Covered Products for retail sale in |  |
| 25     | California unless the Covered Product complies with Section 3.2 or, for Children's Products,               |  |
| 26     | Section 3.3 or, for Body Piercing Jewelry, Section 3.4 of this Consent Judgment. Defendant shall           |  |
| 27     | provide the requirements of this Consent Judgment to its Suppliers of Covered Products no later            |  |
| 28     | than the Effective Date.   |  |
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| 1                                      | 3.2 <b>Reformulation Requirements.</b> Covered Products that are not Children's Products                |  |  |
|--|---|--|--|
| 2                                      | or Body Piercing Jewelry, shall be made entirely from Class 1, Class 2, and Class 3 Components,         |  |  |
| 3                                      | or any combination thereof, as these terms are defined below.   |  |  |
| 4                                      | 3.2.1 A "Class 1 Component" is the portion of a Covered Product that contains                           |  |  |
| 5                                      | one or more of the following materials:   |  |  |
| 6                                      | 3.2.1.1 Stainless and surgical steels.  |  |  |
| 7                                      | 3.2.1.2 Karat gold.   |  |  |
| 8                                      | 3.2.1.3 Sterling silver.  |  |  |
| 9                                      | 3.2.1.4 Platinum, palladium, iridium, ruthenium, rhodium, or osmium                                     |  |  |
| 10                                     | ("platinum group metals").  |  |  |
| 11                                     | 3.2.1.5 Natural and cultured pearls.  |  |  |
| 12                                     | 3.2.1.6 Glass, ceramic, and crystal decorative components (e.g., cat's eye,                             |  |  |
| 13                                     | cubic zirconia (sometimes called cubic zirconium, CZ), glass, rhinestones, cloisonné).                  |  |  |
| 14                                     | 3.2.1.7 Any gemstone that is cut and polished for ornamental purposes                                   |  |  |
| 15                                     | except the following: aragonite, bayldonite, boleite, cerussite, crocoite, ekanite, linarite, mimetite, |  |  |
| 16                                     | phosgenite, samarskite, vanadinite, and wulfenite.  |  |  |
| 17                                     | 3.2.1.8 Elastic, fabric, ribbon, rope, and string with no intentionally-added                           |  |  |
| 18                                     | lead and not otherwise listed as a Class 2 component.   |  |  |
| 19                                     | 3.2.1.9 Natural decorative materials (e.g., amber, bone, coral, feathers, fur,                          |  |  |
| 20                                     | horn, leather, shell, wood) that are in their natural state or are treated in a way that does not add   |  |  |
| 21                                     | lead.   |  |  |
| 22                                     | 3.2.1.10 Adhesives.   |  |  |
| 23                                     | 3.2.2 A "Class 2 Component" is the portion of a Covered Product that contains                           |  |  |
| 24                                     | one or more of the following materials:   |  |  |
| 25                                     | 3.2.2.1 Metal alloys with less than 10 percent lead by weight ("88 metal")                              |  |  |
| 26                                     | that are electroplated with suitable under and finish coats and that are plated utilizing the Best      |  |  |
| 27                                     | Management Practices described in Exhibit B. For Covered Products shipped by Defendant as a             |  |  |
| 28                                     | Supplier after December 31, 2008, to a third party for retail sale in California, and for Covered       |  |  |
| DOCUMENT PREPARED<br>ON RECYCLED PAPER | - 5 -<br>Consent judgment - wincraft  |  |  |

1 Products sold or offered for retail sale in California by Defendant after August 31, 2009, this 2 standard shall be metal alloys with less than 6 percent lead by weight ("92 metal") that are 3 electroplated with suitable under and finish coats and that are plated utilizing the Best 4 Management Practices described in Exhibit B. 5 3.2.2.2 Unplated metal containing less than 1.5 percent lead that is not 6 defined as a Class 1 Component. 7 3.2.2.3 Plastic or rubber (e.g., acrylic, polystyrene, plastic beads/stones, and 8 polyvinyl chloride (PVC)) containing less than 0.06 percent (600 parts per million) lead. For 9 Covered Products shipped by Defendant as a Supplier after December 31, 2008, to a third party for 10 retail sale in California, and for Covered Products sold or offered for retail sale in California by 11 Defendant after August 31, 2009, this standard shall be no more than 0.02 percent (200 ppm) lead 12 by weight 13 3.2.2.4 Dyes and Surface Coatings containing less than 0.06 percent (600 14 parts per million) lead. For purposes of this Consent Judgment, "Surface Coating" shall carry the 15 same meaning as "Paint or other similar surface coating" under 16 CFR §1303.2(b)(1) ("Paint and 16 other similar surface-coating materials means a fluid, semi-fluid, or other material, with or without 17 a suspension of finely divided coloring matter, which changes to a solid film when a thin layer is 18 applied to a metal, wood, stone, paper, leather, cloth, plastic, or other surface. This term does not 19 include printing inks or those materials which actually become a part of the substrate, such as the 20 pigment in a plastic article, or those materials which are actually bonded to the substrate, such as 21 by electroplating or ceramic glazing."). 22 3.2.3 A "Class 3 Component" is any part of a Covered Product that is not a 23 Class 1 or Class 2 Component. Class 3 Components must contain less than 0.06 percent (600 24 parts per million) lead. 25 3.3 Children's Products. Children's Products shall be made entirely from: 26 3.3.1 Non-metallic materials that are Class 1 Components other than glass or

- 27 crystal decorative components;
- 28

3.3.2 Non-metallic materials that are Class 2 Components;

| 1      |                | 3.3.3      | Metallic materials that are either Class 1 Components or contain less than    |
|--------|----------------|------------|---|
| 2      | 0.06 percent   | (600 parts | s per million) lead;  |
| 3      |                | 3.3.4      | Glass or crystal decorative components that weigh in total no more than       |
| 4      | 1.0 gram, exc  | luding ar  | ny such glass or crystal decorative components that contain less than 0.02    |
| 5      | percent (200   | parts per  | million) lead and have no intentionally added lead.                           |
| 6      |                | 3.3.5      | Printing inks or ceramic glazes that contain less than 0.06 percent (600      |
| 7      | parts per mill | ion) lead  | ;   |
| 8      |                | 3.3.6      | Class 3 Components that contain less than 0.02 percent (200 parts per         |
| 9      | million) lead; | , or       |   |
| 10     |                | 3.3.7      | Any combination thereof.  |
| 11     | 3.4            | Body P     | <b>Piercing Jewelry.</b> Body Piercing Jewelry shall be made of one of the    |
| 12     | following ma   | terials:   |   |
| 13     |                | 3.4.1      | Surgical Implant Stainless Steel  |
| 14     |                | 3.4.2      | Surgical Implant grades of Titanium   |
| 15     |                | 3.4.3      | Niobium (Nb)  |
| 16     |                | 3.4.4      | Solid 14 karat or higher white or yellow nickel-free gold                     |
| 17     |                | 3.4.5      | Solid platinum  |
| 18     |                | 3.4.6      | A dense low porosity plastic such as Tygon or PTFE with no intentionally      |
| 19     | added lead.    |            |   |
| 20     | 3.5            | Additio    | onal Injunctive Relief. Defendant has agreed to comply with the following     |
| 21     | additional inj | unctive r  | elief in addition to that set forth in Sections 3.1 through 3.4:              |
| 22     |                | 3.5.1      | 600 ppm Standard. On or after March 1, 2009, the metallic materials           |
| 23     | used in all Co | overed Pr  | oducts manufactured, distributed, shipped or sold by Defendant shall be       |
| 24     | either Class 1 | Compor     | nents or contain less than 0.06 percent (600 parts per million) lead. Between |
| 25     | March 1, 200   | 8, and M   | arch 1, 2009, the metallic materials used in Defendant's Covered Products     |
| 26     | shall comply   | with Sec   | tion 3.2.2.1 above.   |
| 27     |                | 3.5.2      | National Application of Reformulation Standards. All Covered                  |
| 28     | Products man   | ufacture   | d, distributed, shipped or sold by Defendant within the United States shall   |
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comply with the lead content requirements set forth in Sections 3.2, 3.3, 3.4 and 3.5.1 of this
 Consent Judgment.

3 3.5.3 Market Withdrawal of Covered Products. On or before the Effective 4 Date, Defendant shall cease shipping the Rhinestone Kings Pin, SKU # 1136, that was identified 5 in the 60 Day Notice of Violation sent by CEH to Defendant dated December 27, 2006 (the 6 "Recall Product") to stores and/or customers in California, and Defendant shall withdraw the 7 Recall Product from the market in California, and, at a minimum, send instructions to any of its 8 stores and/or customers that offer the Recall Product for sale in California to cease offering such 9 Recall Product for sale in California and to either return all Recall Product to Defendant for 10 destruction, or to directly destroy the Recall Product. Any destruction of the Recall Product shall 11 be in compliance with all applicable laws. Defendant shall keep and make available to CEH for 12 inspection and copying records and correspondence regarding the market withdrawal and 13 destruction of Recall Products. If there is a dispute over the corrective action, the Parties shall 14 meet and confer before seeking any remedy in court.

15

#### 4. ENFORCEMENT

4.1 General Enforcement Provisions. The Attorney General or CEH may, by motion
or application for an order to show cause before this Court, enforce the terms and conditions
contained in this Consent Judgment, subject to the following:

4.1.1 Any action to enforce the terms of Section 3 of this Consent Judgmentshall be brought exclusively pursuant to this Section 4.

21 4.1.2 No action to enforce this Consent Judgment may be brought by CEH 22 unless the Attorney General either joins in such action or provides written non-objection to the 23 proposed enforcement proceedings at the conclusion of the meet-and-confer requirement of 24 Section 4.2.4. The Attorney General agrees to provide either a written objection or written non-25 objection to a proposed enforcement proceeding within 15 days of receipt of a written request for 26 such a response from CEH, provided that the Attorney General may extend such 15 day response 27 time by a single extension of an additional 15 days by writing to the requesting party. The fact 28 that the Attorney General provides a written non-objection shall not be construed as endorsement - 8 -

of or concurrence in an enforcement action. Any written non-objection shall be admissible in
 court only if Defendant challenges the right of CEH to enforce this Consent Judgment for failure
 to obtain the written non-objection.

4 4.1.3 For purposes of this Section 4 only, the term "Defendant" includes a
5 Person that was a party to the Amended Master Consent Judgment or to a consent judgment that
6 contained "identical or substantially identical terms as provided in Sections 2, 3 and 4 of the
7 amended consent judgment," as those terms are used in Health & Safety Code §25214.3(d).

8

#### 4.2 **Enforcement of Materials Violation.**

9 4.2.1 Notice of Violation. In the event that, at any time following the Effective
10 Date, the Attorney General or CEH ("Notifying Person") identifies one or more Covered Products
11 that the Notifying Person believes in good faith do not comply with Section 3 of this Consent
12 Judgment, the Notifying Person may issue a Notice of Violation pursuant to this Section 4.

13

#### 4.2.2 Service of Notice of Violation and Supporting Documentation.

4.2.2.1 The Notice of Violation shall be sent to the person(s) identified in
Section 6.5 to receive notices for Defendant, and must be served within 45 days of the date the
alleged violation(s) was or were observed. The Notice of Violation shall also be served on
Defendant as a Supplier of the Covered Products identified by Brand Names listed on Exhibit D to
the Amended Master Consent Judgment for the Covered Product(s) in question.

19 4.2.2.2 The Notice of Violation shall, at a minimum, set forth for each 20 Covered Product: (a) the date(s) the alleged violation(s) was observed, (b) the location at which 21 the Covered Product was offered for sale, (c) a description of the Covered Product giving rise to 22 the alleged violation, and (d) all test data obtained by the Notifying Person regarding the Covered 23 Product and supporting documentation sufficient for validation of the test results, including all 24 laboratory reports, quality assurance reports and quality control reports associated with testing of 25 the Covered Products. Such Notice of Violation shall be based upon test data that meets the 26 criteria of Exhibit C. Wipe, swipe, and swab testing are not sufficient to support a Notice of 27 Violation.

28

4.2.2.3 The Notifying Person shall promptly make available for inspection

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1 and/or copying upon request all supporting documentation related to the testing of the Covered 2 Products and associated quality control samples, including chain of custody records, all laboratory 3 logbook entries for laboratory receiving, sample preparation, and instrumental analysis, and all 4 printouts from all analytical instruments relating to the testing of Covered Product samples and 5 any and all calibration, quality assurance, and quality control tests performed or relied upon in 6 conjunction with the testing of the Covered Products, obtained by or available to the Notifying 7 Person that pertains to the Covered Product's alleged noncompliance with Section 3 and, if 8 available, any exemplars of Covered Products tested.

9 4.2.3 Notice of Election of Response. No more than 30 days after receiving a
10 Notice of Violation, Defendant shall provide written notice to the Notifying Person whether it
11 elects to contest the allegations contained in a Notice of Violation ("Notice of Election").

4.2.3.1 If a Notice of Violation is contested the Notice of Election shall
include all then-available documentary evidence regarding the alleged violation, including all test
data, if any. If Defendant or the Notifying Person later acquires additional test or other data
regarding the alleged violation, it shall notify the other party and promptly provide all such data or
information to the party. Any test data used to rebut a Notice of Violation shall meet the criteria
of Exhibit C.

4.2.3.2 If a Notice of Violation is not contested, the Notice of Election shall
include a description of Defendant's corrective action pursuant to Section 4.2.6. The Notice of
Election shall include the name, address, telephone number, and other contact information, of
Defendant's Supplier(s) of each Covered Product identified in the Notice of Violation, and any
other Defendant to whom it sold any Covered Product(s) identified in the Notice of Violation.

4.2.4 Meet and Confer. If a Notice of Violation is contested, the Notifying
Person, the Attorney General, and the Defendant shall meet and confer to attempt to resolve their
dispute. Within 30 days of serving a Notice of Election contesting a Notice of Violation, and if no
enforcement action has been filed, Defendant may withdraw the original Notice of Election
contesting the violation and serve a new Notice of Election conceding the violation. If no
informal resolution of a Notice of Violation results, the Notifying Person may by motion or order
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to show cause before the Superior Court of Alameda, seek to enforce the terms and conditions
 contained in this Consent Judgment. In any such proceeding, the Attorney General and CEH may
 seek whatever fines, costs, penalties, or remedies are provided by law for failure to comply with
 the Consent Judgment.

4.2.5 Non-Contested Matters. If Defendant elects not to contest the
allegations in a Notice of Violation, it shall undertake corrective action pursuant to Section 4.2.6
and shall make any contributions required by Section 4.2.7.

8 4.2.6 Corrective Action in Non-Contested Matters. If Defendant elects not to 9 contest the allegation, it shall include in its Notice of Election a detailed description of corrective 10 action that it has undertaken or proposes to undertake to remove the Covered Product(s) identified 11 in the Notice of Violation for sale in California. Corrective action must include instructions to 12 Defendant's stores to cease offering the Covered Product(s) identified in the Notice of Violation 13 for sale in California as soon as practicable. Defendant shall make available to the Notifying 14 Person for inspection and/or copying records and correspondence regarding the corrective action. 15 If there is a dispute over the corrective action, the Parties shall meet and confer pursuant to Section 16 4.2.4 before seeking any remedy in court.

4.2.7 Required Contributions to Proposition 65 Jewelry Testing Fund in
Non-Contested Matters. Defendant shall be required to make a contribution to the Proposition
65 Jewelry Testing Fund established by the Amended Master Consent Judgment as specified
below:

4.2.7.1 If Defendant serves a Notice of Election not to contest the
allegations in a Notice of Violation within 15 days of receipt of the Notice of Violation, it shall not
be required to make any contributions pursuant to this Section.

4.2.7.2 If Defendant serves a Notice of Election not to contest the
allegations in a Notice of Violation more than 15 days but less than 31 days after receipt of the
Notice of Violation, Defendant shall make a required contribution in the amount of \$2,500 for
each Supplier from whom it purchased the Covered Product(s) identified in any Notices of
Violation served within a 30-day period.

| 1                    | 4.2.7.3 If Defendant withdraws a Notice of Election contesting the violation                         |  |  |
|----------------------|--|--|--|
| 2                    | and serves a new Notice of Election not to contest the allegations in a Notice of Violation within   |  |  |
| 3                    | 60 days after receipt of the Notice of Violation, and before any enforcement action concerning the   |  |  |
| 4                    | violations alleged in the Notice of Violation is filed, Defendant shall make a required contribution |  |  |
| 5                    | in the amount of \$7,500 for each Supplier from whom it purchased the Covered Product(s)             |  |  |
| 6                    | identified in any Notices of Violation served within a 30-day period.                                |  |  |
| 7                    | 4.2.7.4 The contributions shall be paid within 15 days of service of a Notice                        |  |  |
| 8                    | of Election.   |  |  |
| 9                    | 4.2.7.5 Defendant's liability for required contributions shall be limited as                         |  |  |
| 10                   | follows:   |  |  |
| 11                   | 4.2.7.5.1 Defendant as a Supplier to one or more retailers shall                                     |  |  |
| 12                   | be liable for one required contribution within any 30-day period,                                    |  |  |
| 13                   | regardless of the number of retailers to whom the Covered Product                                    |  |  |
| 14                   | is distributed.  |  |  |
| 15                   | 4.2.7.5.2 If Defendant has manufactured, sold, or distributed a                                      |  |  |
| 16                   | Covered Product identified in a Notice of Violation, only one  |  |  |
| 17                   | required contribution may be assessed against the Defendant  |  |  |
| 18                   | potentially liable therefore in any 30-day period, in the following                                  |  |  |
| 19                   | order of priority: (1) Manufacturers; (2) Importers; (3) Distributors,                               |  |  |
| 20                   | and (4) Retailers.   |  |  |
| 21                   | 4.2.7.5.3 Defendant's monetary liability to make required  |  |  |
| 22                   | contributions under Section 4.2.7.2 shall be limited to \$5,000 for                                  |  |  |
| 23                   | each 30-day period. Defendant's monetary liability to make   |  |  |
| 24                   | required contributions under Section 4.2.7.3 shall be limited to                                     |  |  |
| 25                   | \$15,000 for each 30-day period.   |  |  |
| 26                   | 4.2.7.6 If Defendant has paid either of the payments set forth in Sections                           |  |  |
| 27                   | 4.2.7.2 and 4.2.7.3 more than six times in any 18-month period, or more than three times in any      |  |  |
| 28                   | 12-month period for Covered Products sold to Defendant from the same Supplier then, at the           |  |  |
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Notifying Person's option, the Notifying Person may seek whatever fines, costs, penalties, or
 remedies are provided by law for failure to comply with the Consent Judgment.

4.2.8 Limitation on Liability. Defendant's liability when it elects not to
contest a Notice of Violation shall be limited to the contributions required by Section 4.2.7.

5

5.

## PAYMENTS

5.1 Payments From Defendant. Within five days of the entry of this Consent
Judgment, Defendant shall pay the total sum of \$100,000 as a settlement payment. Any failure by
Defendant to comply with the payment terms herein shall be subject to a stipulated late fee in the
amount of \$100 for each day after the delivery date the payment is received. The late fees
required under this section shall be recoverable, together with reasonable attorneys' fees, by way
of motion to enforce this Consent Judgment.

5.2 Allocation of Payments. The total settlement amount for Defendant shall be paid
in three separate checks delivered to the offices of the Lexington Law Group, LLP (Attn: Eric
Somers), 1627 Irving Street, San Francisco, California 94122 and made payable and allocated as
follows:

5.2.1 Defendant shall pay the sum of \$1,000 as a civil penalty pursuant to
Health & Safety Code \$25249.7(b), such money to be apportioned by CEH in accordance with
Health & Safety Code \$25249.12. The \$1,000 penalty check shall be made payable to the Center
For Environmental Health.

20 5.2.2 Defendant shall pay the sum of \$32,300 as payment to CEH in lieu of 21 penalty pursuant to Health & Safety Code §25249.7(b), and California Code of Regulations, title 22 11, §3202(b). CEH will use such funds to continue its work educating and protecting people from 23 exposures to toxic chemicals, including heavy metals. In addition, CEH may use a portion of such 24 funds to monitor compliance with the reformulation requirements of this and other similar Consent 25 Judgments, to purchase and test jewelry, and to prepare and compile the information and 26 documentation necessary to support a Notice of Violation. The payment in lieu of penalty check 27 shall be made payable to the Center For Environmental Health.

28

5.2.3 Defendant shall pay the sum of \$66,700 as reimbursement of reasonable

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1 attorneys fees and costs. The attorneys fees and cost reimbursement check shall be made payable 2 to the Lexington Law Group, LLP.

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6.

## **MODIFICATION AND DISPUTE RESOLUTION**

4 6.1 **Modification.** This Consent Judgment may be modified from time to time by express written agreement of the Parties, with the approval of the Court, or by an order of this 6 Court upon motion and in accordance with law.

7 6.2 Subsequent Legislation. If, subsequent to the Effective Date, legislation is 8 adopted that addresses the lead content of Covered Products sold in California, any Party shall be 9 entitled to request that the Court modify this Consent Judgment for good cause shown.

10 6.3 Modification of Amended Master Consent Judgment. Upon the entry of any 11 order amending Sections 2, 3 or 4 of the Amended Master Consent Judgment, the corresponding 12 terms of Sections 2, 3.1 through 3.4, or 4 of this Consent Judgment shall be deemed amended, so 13 that the injunctive terms contained in Sections 2, 3.1 through 3.4, or 4 of this Consent Judgment 14 remain "substantially identical terms as provided in Sections 2, 3 and 4 of the amended consent 15 judgment," as those terms are used in Health & Safety Code §25214.3(d). Defendant's obligation 16 to undertake additional injunctive relief under Section 3.5 shall not be subject to amendment under 17 this section, and may not be modified absent stipulation of the parties or court order.

18 6.4 **Reopeners.** The Parties may seek to reopen the requirements of Section 3 as to 19 Covered Products other than Children's Products as follows:

20

#### 6.4.1 Limited Reopener of Component Designation for Certain

21 **Components.** The parties acknowledge that the materials described in Sections 3.2.1.8 and 22 3.2.1.9 are not generally known to contain or expose users to lead and, as such, have been 23 designated as Class 1 Components. CEH, with the written non-opposition of the Attorney 24 General, may seek to modify this Consent Judgment by seeking the re-designation of any material 25 described in Sections 3.2.1.8 and 3.2.1.9 from Class 1 Component to a Class 2 Component with a 26 lead standard for such material, if, subsequent to the Effective Date, CEH obtains information that 27 demonstrates that such material contains lead and that the use of the material in any Covered 28 Product exposes users of the Covered Product to lead in an amount greater than 0.5 micrograms - 14 -

1 per day.

| 2                                      | 6.4.2 <b>Reopener for Class 3 Components.</b> Any Party may seek to modify this                      |  |  |
|--|--|--|--|
| 3                                      | Consent Judgment by seeking to designate a Class 3 Component as a Class 1 Component or as a          |  |  |
| 4                                      | Class 2 Component with a lead specification standard.  |  |  |
| 5                                      | 6.4.3 <b>Required Showing to Obtain Reopeners.</b> A reopener pursuant to                            |  |  |
| 6                                      | Sections 6.4.1 or 6.4.2 shall be granted if the court finds the following:                           |  |  |
| 7                                      | 6.4.3.1 A Class 3 Component shall be redesignated as a Class 1 Component                             |  |  |
| 8                                      | if the moving party demonstrates that such material does not contain lead, or that the use of the    |  |  |
| 9                                      | material in any Covered Product does not expose users of the Covered Product to lead in an           |  |  |
| 10                                     | amount greater than 0.5 micrograms per day.  |  |  |
| 11                                     | 6.4.3.2 A Class 3 Component, and the materials described in Sections                                 |  |  |
| 12                                     | 3.2.1.8 and 3.2.1.9, shall be redesignated as a Class 2 Component with a lead specification          |  |  |
| 13                                     | standard if the moving party demonstrates that use of such material at or below the standard does    |  |  |
| 14                                     | not expose average users of the Covered Product to lead in an amount greater than 0.5 micrograms     |  |  |
| 15                                     | per day.   |  |  |
| 16                                     | 6.5 Notice; Meet and Confer. Any Party seeking to modify this Consent Judgment                       |  |  |
| 17                                     | shall attempt in good faith to meet and confer with all affected Parties prior to filing a motion to |  |  |
| 18                                     | modify the Consent Judgment.   |  |  |
| 19                                     | 6.5.1 <b>Notices to Defendant.</b> The person for Defendant to receive Notices                       |  |  |
| 20                                     | pursuant to this Consent Judgment, until and unless modified pursuant to Section 8, shall be:        |  |  |
| 21                                     | Peter Callahan<br>Callahan McCune & Willis   |  |  |
| 22                                     | 111 Fashion Lane   |  |  |
| 23                                     | Tustin, California 92780<br>Tel: (714) 730-5700 / Fax: (714) 730-1642                                |  |  |
| 24                                     | peter_callahan@cmwlaw.net  |  |  |
| 25                                     | 6.5.2 <b>Notices to Plaintiff.</b> The person for CEH to receive Notices pursuant to                 |  |  |
| 26                                     | this Consent Judgment, until and unless modified pursuant to Section 8, shall be:                    |  |  |
| 27                                     |  |  |  |
| 28                                     |  |  |  |
| DOCUMENT PREPARED<br>ON RECYCLED PAPER | - 15 -<br>CONSENT JUDGMENT - WINCRAFT  |  |  |

| 1<br>2 | Eric S. Somers<br>Lexington Law Group, L.L.P.<br>1627 Irving Street                                     |
|--------|---|
| 3<br>4 | San Francisco, California 94122<br>Tel: (415) 759-4111 / Fax: (415) 759-4112<br>esomers@lexlawgroup.com |
| 5      | 7. CLAIMS COVERED AND RELEASE   |
| 6      | 7.1 This Consent Judgment is a full, final, and binding resolution between CEH and                      |
| 7      | Defendant and their parents, shareholders, divisions, subdivisions, subsidiaries, partners, sister      |
| 8      | companies and their successors and assigns ("Defendant Releasees"), and all entities other than         |
| 9      | those listed on Exhibit D to this Consent Judgment to whom they distribute or sell Covered              |
| 10     | Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees,    |
| 11     | cooperative members, and licensees ("Downstream Defendant Releasees"), of any violation of              |
| 12     | Proposition 65 or any other statutory or common law claims that have been or could have been            |
| 13     | asserted in the public interest against Defendant, Defendant Releasees, and Downstream                  |
| 14     | Defendant Releasees, regarding the failure to warn about exposure to lead arising in connection         |
| 15     | with Covered Products manufactured, distributed, or sold by Defendant prior to the Effective Date.      |
| 16     | 7.2 CEH, for itself and acting on behalf of the public interest pursuant to Health and                  |
| 17     | Safety Code §25249.7(d), releases, waives, and forever discharges any and all claims against            |
| 18     | Defendant, Defendant Releasees, and Downstream Defendant Releasees arising from any violation           |
| 19     | of Proposition 65 or any other statutory or common law claims that have been or could have been         |
| 20     | asserted in the public interest regarding the failure to warn about exposure to lead arising in         |
| 21     | connection with Covered Products manufactured, distributed or sold by Defendant prior to the            |
| 22     | Effective Date.   |
| 23     | 7.3 Compliance with the terms of this Consent Judgment by Defendant and its                             |
| 24     | Defendant Releasees shall constitute compliance with Proposition 65 by that Defendant, its              |
| 25     | Defendant Releasees and their Downstream Defendant Releasees with respect to any alleged                |
| 26     | failure to warn about Lead in Covered Products manufactured, distributed or sold by Defendant           |
| 27     | after the Effective Date.   |
| 28     | 7.4 Nothing in this Section 7 shall apply to any Supplier that is not Defendant unless                  |

1 such Supplier is a parent, subsidiary, or sister company of Defendant.

2

8.

9.

## **PROVISION OF NOTICE**

8.1 When any party is entitled to receive any notice under this Consent Judgment, the
notice shall be sent by certified mail and electronic mail to the Party(ies) identified in Section 6.5.
Any party may modify the person and address to whom the notice is to be sent by sending each
other party notice by certified mail and/or other verifiable form of written communication.

7

## COURT APPROVAL

8 9.1 This Consent Judgment shall become effective on the Effective Date, provided
9 however, that CEH shall prepare and file a Motion for Approval of this Consent Judgment and
10 Defendant shall support approval of such Motion.

9.2 If this Consent Judgment is not entered by the Court, it shall be of no force or effect
and shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

13

### 10. GOVERNING LAW AND CONSTRUCTION

14 10.1 The terms of this Consent Judgment shall be governed by the laws of the State of15 California.

16 10.2 The Parties, including their counsel, have participated in the preparation of this 17 Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This 18 Consent Judgment has been accepted and approved as to its final form by all Parties and their 19 counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be 20 interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. 21 Each Party to this Consent Judgment agrees that any statute or rule of construction providing that 22 ambiguities are to be resolved against the drafting Party should not be employed in the 23 interpretation of this Consent Judgment and, in this regard, the Parties hereby waive California 24 Civil Code §1654.

25 **11.** ATTORNEY'S FEES

11.1 A party who unsuccessfully brings or contests an action arising out of this Consent
 Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs
 unless the unsuccessful party has acted with substantial justification. For purposes of this Consent
 - 17 -

Judgment, the term substantial justification shall carry the same meaning as used in the Civil
 Discovery Act of 1986, Code of Civil Procedure §§2016.010, *et seq*.

11.2 Notwithstanding Section 11.1, a party who prevails in a contested enforcement
action brought pursuant to Section 4 may seek an award of attorneys' fees pursuant to Code of
Civil Procedure §1021.5 against a party that acted with substantial justification. The party seeking
such an award shall bear the burden of meeting all of the elements of §1021.5, and this provision
shall not be construed as altering any procedural or substantive requirements for obtaining such an
award.

9 11.3 Nothing in this Section 11 shall preclude a Party from seeking an award of
10 sanctions pursuant to law.

11

### **12. ENTIRE AGREEMENT**

12 12.1This Consent Judgment contains the sole and entire agreement and understanding 13 of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, 14 negotiations, commitments, or understandings related thereto, if any, are hereby merged herein 15 and therein. There are no warranties, representations, or other agreements between the Parties 16 except as expressly set forth herein. No representations, oral or otherwise, express or implied, 17 other than those specifically referred to in this Consent Judgment have been made by any Party 18 hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, 19 shall be deemed to exist or to bind any of the Parties hereto. No supplementation, modification, 20 waiver, or termination of this Consent Judgment shall be binding unless executed in writing by the 21 Party to be bound thereby. No waiver of any of the provisions of this Consent Judgment shall be 22 deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, 23 nor shall such waiver constitute a continuing waiver.

24 25

28

13.

#### **RETENTION OF JURISDICTION**

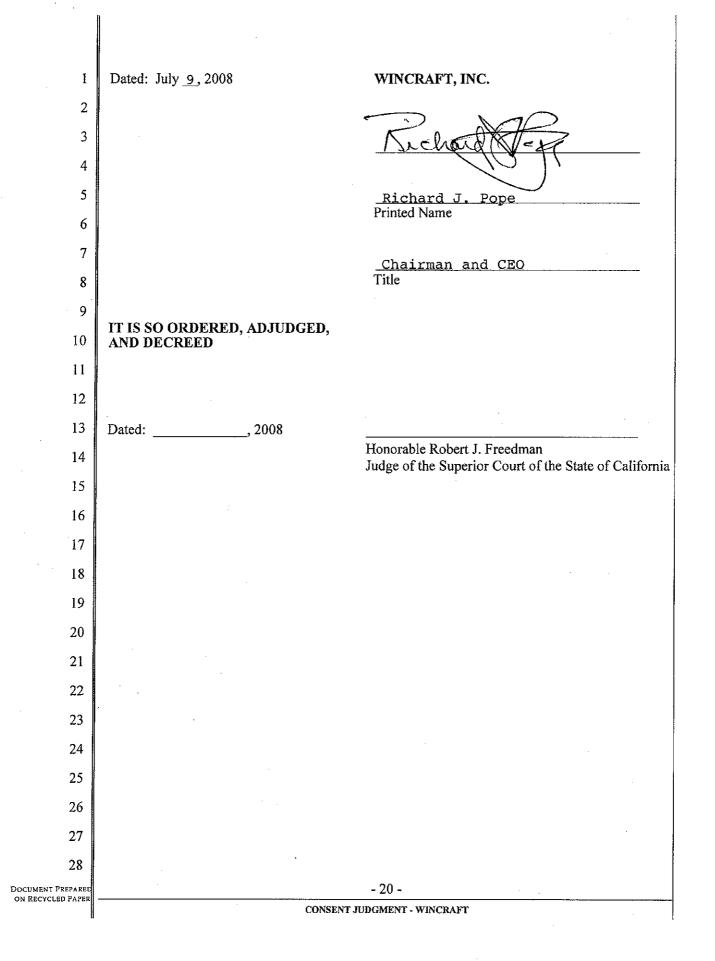
13.1 This Court shall retain jurisdiction of this matter to implement or modify the

26 Consent Judgment.

## 27 14. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT

14.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized

| 1                                      | by the perfy he or the represente to stimulate to  |   |  |
|--|--|---|--|
| 2                                      | by the party he or she represents to stipulate to this Consent Judgment and to enter into and  |   |  |
| 3                                      | execute the Consent Judgment on behalf of the party represented and legally to bind that party.  |   |  |
| 4                                      |  | 15. NO EFFECT ON OTHER SETTLEMENTS              |  |
|  | 1  | nt shall preclude CEH from resolving any claim  |  |
| 5                                      | S, the second se | that are different than those contained in this |  |
| 6                                      |  |   |  |
| 7                                      |  |   |  |
| 8                                      |  | ludgment may be executed in counterparts and by |  |
| 9                                      | means of facsimile, which taken together shall l   | be deemed to constitute one document.           |  |
| 10                                     |  |   |  |
| 11                                     | IT IS SO STIPULATED:   |   |  |
| 12                                     |  |   |  |
| 13                                     | Dated: July <u>7</u> , 2008 C  | ENTER FOR ENVIRONMENTAL HEALTH                  |  |
| 14                                     |  |   |  |
| 15                                     |  | Avertail L                                      |  |
| 16                                     |  | MicHAGE GROOM                                   |  |
| 17                                     | 6 Dr   | MICHAGE GREAT                                   |  |
| 18                                     | rı   | inteo Ivaine                                    |  |
| 19                                     | S .  | EXECUTIVES PIRECTOR                             |  |
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| ľ                                      | CONSENT JUDGMI   | ent - Wincraft                                  |  |



| 1                  | EXHIBIT A (CLASS 1, 2, AND 3 COMPON  | ENTS AND BODY PIERCING JEWELRY)               |  |
|--------------------|--|---|--|
| 2                  | CLASS 1 COMPONENTS   |   |  |
| 3                  | Stainless and surgical steels  |   |  |
| 4                  | Karat gold   |   |  |
| 5                  | Sterling silver  |   |  |
| 6                  | Platinum, palladium, iridium, ruthenium,   | rhodium, or osmium ("platinum group metals")  |  |
| 7                  | Natural and cultured pearls.   |   |  |
| 8                  | Glass, ceramic, and crystal decorative   | components (e.g., cat's eye, cubic zirconia   |  |
| 9                  | (sometimes called cubic zirconium, CZ), glass, rh  | ninestones, cloisonne).                       |  |
| 10                 | Any gemstone that is cut and polished for ornamental purposes except the following:            |   |  |
| 11                 | aragonite, bayldonite, boleite, cerussite, crocoite, ekanite, linarite, mimetite, phosgenite,  |   |  |
| 12                 | samarskite, vanadinite, and wulfenite.   |   |  |
| 13                 | Elastic, fabric, ribbon, rope, and string with no intentional lead and not otherwise listed as |   |  |
| 14                 | a Class 2 component.   |   |  |
| 15                 | Natural decorative materials (e.g., amber, bone, coral, feathers, fur, horn, leather, shell,   |   |  |
| 16                 | wood) that are in their natural state or are treated in a way that does not add lead.          |   |  |
| 17                 | Adhesives  |   |  |
| 18                 | <u>CLASS 2 CO</u>  | MPONENTS                                      |  |
| 19                 | COMPONENT  | LEAD CONTENT LIMITS                           |  |
| 20                 | Metal substrates that are electroplated  | Metal alloys with less than 10 percent        |  |
| 21                 |  | lead by weight ("88 metal") that are          |  |
| 22                 |  | electroplated with suitable under and finish  |  |
| 23                 |  | coats and that are plated utilizing the Best  |  |
| 24                 |  | Management Practices described in Exhibit B.  |  |
| 25                 |  | For Covered Products shipped by Defendant as  |  |
| 26                 |  | a Supplier after December 31, 2008 to a third |  |
| 27                 |  | party for retail sale in California, and for  |  |
| 28                 | - 1  |   |  |
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| 27     |  |  |
|--------|--|--|
| 27     |  |  |
| 26     |  | (200 parts per million) lead and have no intentionally added lead.                         |
| 25     |  | components that contain less than 0.02 percent   |
| 24     | used in Children's Products                  | excluding glass or crystal decorative  |
| 23     | Glass or crystal decorative components       | Total weight no more than 1.0 gram,  |
| 22     | Children's Products                          |  |
| 21     | Printing inks or ceramic glazes used in      | 0.06% (600 ppm)  |
| 20     | Dyes and Surface Coatings                    | 0.06% (600 ppm)  |
| 19     |  | lead by weight   |
| 18     |  | shall be no more than 0.02 percent (200 ppm)   |
| 17     |  | Defendant after August 31, 2009, this standard   |
| 16     |  | or offered for retail sale in California by  |
| 15     |  | retail sale in California, and for products sold   |
| 14     | chloride (PVC))                              | after December 31, 2008 to a third party for   |
| 13     | polystyrene, plastic beads/stones, polyvinyl | Products shipped by Defendant as a Supplier  |
| 12     | Plastic/Rubber (e.g., acrylic,               | 0.06%, (600 ppm). For Covered  |
| 11     | Children's Products                          |  |
| 10     | Metal (plated and unplated) used in          | 0.06% (600 ppm)  |
| 9      | Components.                                  |  |
| 8      | Unplated metal not defined as Class 1        | 1.5%   |
| 7      |  | Management Practices described in Exhibit B.   |
| 6      |  | coats and that are plated utilizing the Best   |
| 5      |  | are electroplated with suitable under and finish   |
| 4      |  | than 6 percent lead by weight ("92 metal") that  |
| 3      |  | this standard shall be metal alloys with less  |
| 1<br>2 |  | products sold or offered for retail sale in California by Defendant after August 31, 2009, |
|        |  | products sold or offered for retail sale in  |

| 1        | CLASS 3 COMPONENTS  |
|----------|---|
| 2        | Class 3 Components shall contain no more than 0.06% lead.                             |
| 3        | Class 3 Components used in Children's Products shall contain no more than 0.02% lead. |
| 4        | BODY PIERCING JEWELRY   |
| 5        | Body Piercing Jewelry shall be made of one of the following materials:                |
| 6        | Surgical Implant Stainless Steel  |
| 7        | Surgical Implant grades of Titanium   |
| 8        | Niobium (Nb)  |
| 9        | Solid 14 karat or higher white or yellow nickel-free gold                             |
| 10       | Solid platinum  |
| 11       | A dense low porosity plastic such as Tygon or PTFE with no intentionally added lead   |
| 12       |   |
| 13       |   |
| 14       |   |
| 15       |   |
| 16       |   |
| 17       |   |
| 18       |   |
| 19       |   |
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| 27       |   |
| 28       | - 3 -   |
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| 1             | EXHIBIT B (BEST MANAGEMENT PRACTICES FOR PLATING FACILITIES)                               |
|---------------|--|
| 2             | PRE-PLATING PROCEDURE  |
| 3             | The pieces must be cleaned. Any polishing compound must be removed before plating by       |
| 4             | cleaning with aqueous cleaning solution or solvent and rinsed with water.                  |
| 5             | The pieces must be activated.  |
| 6             | The pieces must be rinsed in clean water before plating.                                   |
| 7             | PLATING BATH MAINTENANCE   |
| 8             | The temperature of each plating bath must be controlled to the appropriate temperature in  |
| 9             | accordance with the recommendations of the equipment and plating chemical suppliers.       |
| 10            | The nickel and nickel-substitute tanks must be agitated or aerated in accordance with the  |
| 11            | chemical suppliers' recommendations.   |
| 12            | All baths must be filtered continuously during plating and filters changed at least than   |
| 13            | monthly.   |
| 14            | pH must be measured each day of plating and adjusted within the chemical supplier's        |
| 15            | recommendations.   |
| 16            | All plating employees must be trained on the use of the equipment in accordance with       |
| 17            | recommendation of equipment manufacturer and plating chemical suppliers.                   |
| 18            | The plating baths must be maintained in accordance with the plating chemical suppliers     |
| 19            | recommendations.   |
| 20            | Plating tanks must be swept at least weekly.   |
| 21            | Anodes must be inspected monthly in accordance with the anode supplier's                   |
| 22            | recommendations.   |
| 23            | Racks must be stripped at least annually.  |
| 24            | The electrical equipment must be sized appropriately for each tank in accordance with      |
| 25<br>26      | equipment manufacturer's recommendations and calibrated annually.                          |
| 26<br>27      | PLATING PROCEDURES   |
| 27            | Substantial pieces such as pendants, drops, and rings without prongs or other such feature |
| 28<br>Repared | - 1 -  |

shall be plated with at least 15 minutes combined plating with copper (copper strike and/or acid
copper), nickel or nickel substitute, and/or finish coat. The pieces will also be rinsed between
plating tanks. Finish decorative coatings include brass, bronze, copper, gold, gun metal, hematite,
imitation rhodium, matt finish, palladium, platinum, rhodium, or silver. If desired, plated pieces
can be treated to produce other finishes such as matt, oxidized, or smut black finishes.

Mechanical, functional (e.g., lobster claws, spacers, mechanical closures, connectors), or
fine pieces such as prongs and fine chains may be plated to cover the exposed surface consistent
with good manufacturing practices for appearance and function. Components that articulate
closely together such as snake chain and tight hinges or that need to be manipulated into position
will be plated to prevent binding, stiffness, and cracking of plating.

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#### **EXHIBIT C (TESTING PROTOCOLS)**

The following test methods must be used to determine compliance with the lead standards set forth in this Consent Judgment. A material shall not meet the applicable lead standard if the mean lead level of: (1) one or two samples exceeds 300% of the component specification limit; (2) three samples exceeds 200% of the component specification limit; or (3) four or more samples exceeds the component specification limit.

7 Laboratory sample preparation protocols specific for testing the lead content of jewelry 8 components are not readily available. The sample preparation method used in USEPA Method 9 3050B or Method 3051 shall be followed, as modified in the following table for use with jewelry 10 samples. The laboratory should make every effort to assure that samples removed from jewelry 11 pieces are representative of the component to be tested, and are free of contamination from 12 extraneous dirt and material not related to the jewelry component to be tested. All jewelry 13 component samples shall be washed prior to testing using standard laboratory detergent, rinsed 14 with laboratory reagent grade deionized water, and dried in a clean ambient environment. If 15 components must be cut or scraped to obtain a sample, then metal snips, scissors, or other cutting 16 tools used must be made of stainless steel and washed and rinsed before each use and between 17 samples.

Samples should be digested in containers that are known to be free of lead using acids that are not contaminated by lead. Analytical Reagent grade digestion acids and reagent grade deionized water are required. Method Blanks, consisting of all reagents used in sample preparation handled, digested and made to volume in the same exact manner and in the same container type as samples, shall be tested with each group of 20 or fewer samples tested. The results for the Method Blank shall be reported with each group of sample results, and shall be below the stated reporting limit for sample results to be considered valid.

All jewelry components samples shall be prepared for testing in accordance with USEPA
 Method 3050B or 3051, with the following additional notes and exceptions:

| COMPONENT  | NOTES AND EXCEPTIONS   |
|--|--|
|  |  |
| Metals plated with suitable<br>undercoats and finish coats | Digestion using hot concentrated nitric acid with optional<br>hydrochloric acid and optional hydrogen peroxide. Sample size  |
| undercoats and minist coats                                | should be 0.050 g to 1 g. Digested samples may require dilution<br>prior to analysis. Digestion and analysis should achieve a  |
|  | reported detection limit no greater than 0.1% for samples. Any necessary dilutions shall be made to assure that measurements   |
|  | are made within the calibrated range of the analytical instrument.   |
| Unplated metal and metal substrates not defined as         | Digestion using hot concentrated nitric acid with optional<br>hydrochloric acid and optional hydrogen peroxide. Sample size  |
| lass 1 Components.   | should be 0.050 g to 1 g. Digested samples may require dilution  |
|  | prior to analysis. Digestion and analysis should achieve a reported detection limit no greater than 0.01% for samples. Any   |
|  | necessary dilutions shall be made to assure that measurements<br>are made within the calibrated range of the analytical instrument.  |
| Polyvinyl chloride (PVC)                                   | Digestion using hot concentrated nitric acid with optional   |
| · · · · ·  | hydrochloric acid and optional hydrogen peroxide. Sample size should be a minimum of 0.05 g if using microwave digestion or  |
|  | 0.5 if using hot plate digestion, and should be chopped or   |
|  | comminuted prior to digestion. Digested samples may require<br>dilution prior to analysis. Digestion and analysis should achieve   |
|  | a reported detection limit no greater than 0.001% (10 ppm) for<br>samples. Any necessary dilutions shall be made to assure that  |
|  | measurements are made within the calibrated range of the analytical instrument.  |
| Non-PVC Plastic/Rubber                                     | Digestion using hot concentrated nitric acid with optional   |
| (e.g., acrylic, polystyrene, plastic beads/stones).        | hydrochloric acid and optional hydrogen peroxide. Sample size<br>should be a minimum of 0.05 g if using microwave digestion or   |
|  | 0.5 if using hot plate digestion and should be chopped or comminuted prior to digestion. Plastic beads or stones should be   |
|  | crushed prior to digestion. This is beaus of stones should be<br>dilution prior to analysis. Digestion and analysis should achieve   |
|  | a reported detection limit no greater than 0.001% (10 ppm) for samples. Any necessary dilutions shall be made to assure that   |
|  | measurements are made within the calibrated range of the<br>analytical instrument.   |
| Contings on Class and                                      |  |
| Coatings on Glass and Plastic Pearls.                      | The coating of glass or plastic beads should be scraped onto a surface free of dust, such as a clean weighing paper or pan, using  |
|  | a clean stainless steel razor blade or other clean sharp instrument<br>that will not contaminate the sample with lead. The razor blade<br>or sharp instrument should be rinsed with deionized water, wiped |
|  | to remove particulate matter, rinsed again, and dried between<br>samples. Weigh the scrapings. A minimum of 50 mg of scraped   |

| 1                                      |  | coating should be used for analysis. If less than 50 mg of scraped   |
|--|--|--|
| 2                                      |  | coating is obtained from an individual pearl, then multiple pearls<br>from that sample must be scraped and composited to obtain a  |
| 3                                      |  | sufficient sample amount. The number of pearls used to make the composite must be noted. Avoid inclusion of the substrate pearl  |
| 4                                      |  | material in the scrapings. Digest the scrapings according to   |
| 5                                      |  | USEPA Method 3050B or 3051 or equivalent procedure for hot acid digestion in preparation for trace lead analysis. Dilute the   |
| 6                                      |  | digestate in the minimum volume practical for analysis. Analyze<br>the digested sample according to specification of Exhibit C   |
| 7                                      |  | (approved, validated methodology for inductively-coupled plasma mass spectrometry). A reporting limit of 0.001% (10  |
| 8                                      |  | ppm) in the coating must be obtained for the analysis. The sample result must be reported within the calibrated range of the   |
| 9                                      |  | instrument. If the initial test of the sample is above the highest   |
| 10                                     |  | calibration standard, then the sample must be diluted and re-<br>analyzed within the calibrated range of the instrument.   |
| 11                                     | Dyes, paints, coatings,                        | Digestion using hot concentrated nitric acid with optional   |
| 12                                     | varnish, printing inks, ceramic glazes, glass, | hydrochloric acid and optional hydrogen peroxide. Sample size should be a minimum of 0.050 g, and should be chopped or   |
| 13                                     | crystal  | comminuted prior to digestion.   |
| 14                                     |  | Digested samples may require dilution prior to analysis.   |
| 15                                     |  | Digestion and analysis should achieve a reported detection limit<br>no greater than 0.001% (10 ppm) for samples. Any necessary   |
| 16                                     |  | dilutions shall be made to assure that measurements are made<br>within the calibrated range of the analytical instrument.  |
| 17                                     | Glass and crystal used in                      | The components should be free of any extraneous material such  |
| 18                                     | Children's Products (for weight)               | as adhesive before they are weighed. The scale used to weigh<br>these components should be calibrated using NIST certified (S-<br>class) weights of 1 and 2 grams immediately before the |
| 19                                     |  | components are weighed. The calibration should be accurate to  |
| 20                                     |  | within 0.01 gram.  |
| 21                                     |  |  |
| 22                                     |  |  |
| 23                                     |  |  |
| 24                                     |  |  |
| 25                                     |  |  |
| 26                                     |  |  |
| 27                                     |  |  |
| 28                                     |  | - 3 -  |
| DOCUMENT PREPARED<br>ON RECYCLED PAPER |  | EXHIBIT C<br>(TESTING PROTOCOLS)   |

| 1          |                               | EXHIBIT D   |  |
|------------|-------------------------------|---|--|
| 2          | (LIST OF ENTITIES NOT SUBJECT |   |  |
| 3          |                               | TO DOWNSTREAM DEFENDANT RELEASE)                          |  |
| 4          | 1.                            | Albertson's LLC; Albertson's, Inc.; New Albertson's, Inc. |  |
| 5          | 2.                            | A-List, Inc. dba Kitson                                   |  |
| 6          | 3.                            | Amiee Lynn, Inc.  |  |
| 7          | 4.                            | Aminco International (USA), Inc.                          |  |
|            | 5.                            | Amscan Holdings, Inc.                                     |  |
| 8          | 6.                            | Amscan Inc.   |  |
| 9          | 7.                            | AZ3, Inc.   |  |
| 10         | 8.                            | BCBG Max Azria Group, Inc.                                |  |
| 11         | 9.                            | Beena Beauty Holding, Inc.                                |  |
| 12         | 10.                           | Big A Drug Stores, Inc.                                   |  |
| 13         | 11.                           | Busch Entertainment Corporation                           |  |
| 14         | 12.                           | Charms By the Bay   |  |
| 15         | 13.                           | Chuck Gantt and Monti Gantt dba Country Clutter           |  |
| 16         | 14.                           | Conair Corporation  |  |
| 17         | 15.                           | Cousin Corporation of America                             |  |
| 18         | 16.                           | Creative Visions, Inc. dba Country Clutter                |  |
| 10         | 17.                           | Elite Distributing Company dba Edco                       |  |
|            | 18.                           | Estée Lauder Inc.; The Estée Lauder Companies Inc.        |  |
| 20         | 19.                           | Furla (U.S.A.) Incorporated                               |  |
| 21         | 20.                           | Georgiou Studio, Inc.                                     |  |
| 22         | 21.                           | Goody Products, Inc.                                      |  |
| 23         | 22.                           | Hand & Mind, Inc.   |  |
| 24         | 23.                           | Hayun Fashion Investments Corporation dba Planet Funk     |  |
| 25         | 24.                           | I Love Bracelets, Inc.                                    |  |
| 26         | 25.                           | Ivorette-Texas, Inc. dba Upstart Crow Trading Company     |  |
| 27         | 26.                           | Jacadi USA, Inc.  |  |
| 28         | 27.                           | La-Kontra   |  |
| f Prepared |                               | - 1 -<br>EXHIBIT D  |  |
| LED PAPER  |                               | EARIDIL D<br>(ENTITIES NOT SIDIECT TO DOWNSTDEAM DELEASE) |  |

| 1                       | 28.  | Learning Express, Inc.  |
|-------------------------|------|---|
| 2                       | 29.  | Legoland California LLC                                       |
| 3                       | 30.  | Lisa Kline, Inc.  |
| 4                       | 31.  | Long Rap, Inc   |
| 5                       | 32.  | Mango   |
| 6                       | 33.  | Marin Beauty Company  |
| 7                       | 34.  | Max Rave, LLC   |
|                         | 35.  | Maxfield, Inc.  |
| 8                       | 36.  | PA Acquisition Corp.  |
| 9                       | 37.  | Party City Corporation  |
| 10                      | 38.  | Peninsula Beauty Supply, Inc.                                 |
| 11                      | 39.  | Peter David, Inc.   |
| 12                      | 40.  | Planet Beauty, Inc.   |
| 13                      | 41.  | Raley's   |
| 14                      | 42.  | Rite Aid Corporation  |
| 15                      | 43.  | Safeway Inc.  |
| 16                      | 44.  | Save Mart Supermarkets  |
| 10                      | 45.  | Scünci International, Inc.                                    |
|                         | 46.  | Sea World, Inc.   |
| 18                      | 47.  | Shoe Pavilion Corporation; Shoe Pavilion, Inc.                |
| 19                      | 48.  | Six Flags Theme Parks, Inc.                                   |
| 20                      | 49.  | Urban Outfitters West LLC; Urban Outfitters, Inc.             |
| 21                      | 50.  | Venus Fashion Jewelry   |
| 22                      | 51.  | Whole Foods Market California, Inc.; Whole Foods Market, Inc. |
| 23                      | 52.  | WinCraft, Inc.  |
| 24                      |      |   |
| 25                      |      |   |
| 26                      |      |   |
| 20                      |      |   |
|                         |      |   |
| 28<br>Document Prepared | <br> | - 2 -   |
| ON RECYCLED PAPER       |      | EXHIBIT D<br>(ENTITIES NOT SUBJECT TO DOWNSTREAM RELEASE)     |
| I                       |      |   |