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7 Attorneys for Defendants
8 IKEA California, LLC; IKEA Property, Inc.; IKEA
U.S. West, Inc.; IKEA U.S., Inc.; IKEA U.S. General
9 Partner, Inc.; IKEA North America Services, LLC; and
IKEA Wholesale, Inc.

10
11 SUPERIOR COURT OF CALIFORNIA
12 COUNTY OF ALAMEDA
13

14 Jennie Bakondi; Mandy Leigh,
15 Plaintiffs,
16 vs.

Case No. RG08366909

Judge: Hon. Robert Freedman

[PROPOSED] CONSENT JUDGMENT

17 IKEA Group; IKEA California, LLC; IKEA
Property, Inc.; IKEA U.S. West, Inc.; IKEA
18 U.S., Inc.; IKEA U.S. General Partner, Inc.;
IKEA North America Services, LLC; IKEA
19 Wholesale, Inc.; and DOES 1-150,
20 Defendants.

Complaint Filed: 01/22/2008

Trial Date: 08/03/2009

21
22 1. INTRODUCTION.

23 1.1 On September 27 and October 2, 2007, Jennie Bakondi and Mandy Leigh
24 (collectively, "Plaintiffs") served or purported to serve IKEA California, LLC, IKEA
25 Property, Inc., IKEA U.S. West, Inc., IKEA U.S., Inc., IKEA U.S. General Partner, Inc.,
26 IKEA North America Services, LLC, and IKEA Wholesale, Inc. (collectively, "Named
27 Defendants"), the Attorney General, and all other public prosecutors with two virtually-
28 identical 60-day notices (See Exhibits "A" and "B") (hereinafter, the "Notices"). The

1 Notices asserted certain alleged violations of California Health & Safety Code §25249.6 et
2 seq. ("Proposition 65") with respect to corded electrical products maintained for sale in
3 Defendants' California IKEA retail stores and recycling bins made available to customers in
4 Defendants' California IKEA retail stores.

5 1.2 On January 22, 2008, Plaintiffs filed a Complaint against Defendants, "on
6 behalf of the general public," in Alameda County Superior Court, entitled Jennie Bakondi;
7 Mandy Leigh, vs. IKEA Group; IKEA California, LLC; IKEA Property, Inc.; IKEA U.S.
8 West, Inc.; IKEA U.S., Inc., IKEA U.S. General Partner, Inc.; IKEA North America Ser-
9 vices, LLC; IKEA Wholesale, Inc.; et al., Alameda County Superior Court Case
10 No. RG08366909 (the "Complaint"), for civil penalties and injunctive relief pursuant to the
11 provisions of Proposition 65.

12 1.3 Plaintiffs and the following Named Defendants -- IKEA California, LLC,
13 IKEA Property, Inc., IKEA U.S. West, Inc., IKEA U.S. General Partner, Inc., and IKEA
14 Distribution Services, Inc., a Delaware corporation, formerly known as IKEA Wholesale,
15 Inc. (collectively, the "Defendants") -- are, for purposes of this Consent Judgment, collec-
16 tively referred to herein as the "Parties" and sometimes individually referred to herein as a
17 "Party."

18 1.4 For purposes of this Consent Judgment only, the Parties stipulate that this
19 Court has jurisdiction over the subject matter of the Complaint and personal jurisdiction
20 over Defendants as to the acts alleged in the Complaint, that venue is proper in the County
21 of Alameda, and that this Court has jurisdiction to enter this Consent Judgment as a full and
22 final resolution of all claims in the Notices or which were or could have been raised in the
23 Complaint, by any person or entity, based in whole or in part, directly or indirectly, against
24 the Defendants based on the facts alleged therein.

25 1.5 The Parties enter into this Consent Judgment as a full and final settlement of
26 all claims that were raised in the Notices and/or the Complaint, or which could have been
27 raised in the Complaint, based in whole or in part, directly or indirectly, arising out of the
28 facts alleged therein. By executing this Consent Judgment and agreeing to comply with its

1 terms, the Parties do not admit any facts or conclusions of law. Defendants deny the
2 material factual and legal allegations contained in Plaintiffs' Notices and Complaint and
3 maintain that all products that any one or more of them may display and sell in California
4 and the recycling bins that are maintained in IKEA stores for customer use ("Recycling
5 Bins") have been and are in compliance with all laws, including without limitation,
6 Proposition 65. This Consent Judgment is a compromise of disputed claims, and nothing in
7 this Consent Judgment shall be construed as an admission by the Parties of any fact,
8 conclusion of law, issue of law or violation of law, nor shall compliance with the Consent
9 Judgment constitute or be construed as an admission by Defendants of any fact, conclusion
10 of law, issue of law, or violation of law.

11 **2. COMPLIANCE.**

12 The Parties agree to the following list of benefits to the interests of the People of the
13 State of California as part of this Consent Judgment.

14 **2.1 Warnings.**

15 **2.1.1 Lighting Recycle Bin Warning Signs.** On or before the Effective
16 Date (as defined in Section 13 below), Defendants shall post a warning on, or in
17 Reasonable Proximity To (as defined herein), each Fluorescent Light Bulb Recycling Bin
18 (as defined herein) it maintains for customer use within its retail establishments within the
19 State of California. For purposes of this Section 2.1.1, the term "Reasonable Proximity To"
20 includes, without limitation, (a) within four meters of a Fluorescent Light Bulb Recycling
21 Bin, or (b) at the entrance to, and exit of, the area within the Defendants' IKEA retail
22 establishment where the Fluorescent Light Bulb Recycling Bins are situated for customer
23 use. For purposes of this Section 2.1.1, "Fluorescent Light Bulb Recycling Bins" means
24 Recycling Bins at IKEA store locations that that are maintained for the collection of used
25 fluorescent light bulbs. The Parties agree that a warning sign that is no smaller than 210
26 millimeters by 297 millimeters that contains the following statement appearing in a
27 minimum of 16-point font shall meet the warning requirement of this Section 2.1.1.

28

1 **"WARNING: The contents of recycling bins contain**
2 **chemicals known to the State of California**
3 **to cause cancer, birth defects and**
4 **reproductive harm."**

5 **2.1.2 Corded Electrical Product Warning Signs.** On or before the
6 Effective Date, Defendants shall post a warning on, or in Reasonable Proximity To (as
7 defined herein), each of their Areas of Inventory for Sale (as defined herein) of Corded
8 Electrical Products (as defined herein) in their IKEA retail stores within the State of
9 California, but only where the lead content of the Cord of one or more of the Corded
10 Electrical Products displayed in that Area of Inventory for Sale exceeds lead content by
11 weight 0.03%, or 300 parts per million (hereinafter, the "Action Level"); provided,
12 however, that no such warning shall be required for "Infrequently Handled Products" (as
13 defined herein). Defendant may presume their products are below Action Level for
14 purposes of determining this posting requirement if Defendant relies on test results from
15 samples or examples similar to products for sale from similar manufacturing methods
16 showing that the lead is no more than the Action Level, using a method of sufficient
17 sensitivity to establish a limit of quantification (as distinguished from detection) of less
18 than the Action Level. Nothing in the foregoing shall preclude a Defendant from
19 establishing good faith Reliance by an alternative means.

20 For purposes of this Section 2.1.2, the term "Areas of Inventory for Sale" means the
21 areas in which Defendants have inventory of Corded Electrical Products available to
22 customers for possible sale; the term "Reasonable Proximity To" includes, without
23 limitation, (a) within four meters of an Area of Inventory for Sale in their IKEA retail
24 establishments, or (b) at the entrance to, and exit of, the area within the Defendants' IKEA
25 retail establishment where the Areas of Inventory for Sales are located, or (c) on the
26 physical tag that is connected to the display of Corded Electrical Products wherein the lead
27 content of the Cord of one or more of the Corded Electrical Products displayed on such
28 display exceeds the Action Level; "Cord" means thermoset/thermoplastic-coated wires,

1 cables and/or cords/cord sets, including polyvinyl chloride-coated wires, cables, cords/cord
2 sets, plugs and/or connectors. "Corded Electrical Products" means products which have a
3 Cord; and "Infrequently Handled Products" means Corded Electrical Products which,
4 because of their size, weight or function, have Cords, regardless of whether the lead
5 content of the Cord is above the Action Level, that are handled only infrequently, and
6 include the following products: ceiling lights, pendant lights, under-cabinet lighting, and
7 major kitchen appliances such as refrigerators, stoves, and microwaves. The Parties agree
8 that, for purposes of a warning meeting the proximity requirements of subparagraphs (a) or
9 (b) above, a warning sign that is no smaller than 210 millimeters by 297 millimeters that
10 contains the following statement appearing in a minimum of 16-point font shall meet the
11 warning requirement of this Section 2.1.2.

12 **"WARNING: Corded electrical products contain chemicals**
13 **known to the State of California to cause**
14 **cancer, birth defects and reproductive**
15 **harm."**

16 The Parties further agree that, for purposes of a warning on a physical tag attached to a
17 display pursuant to the requirements of subparagraph (c) above, a warning sign that is no
18 smaller than 148 millimeters by 52.5 millimeters containing the following statement printed
19 on either side of the tag appearing in a minimum of 12-point font shall meet the warning
20 requirement of this Section 2.1.2.

21 **"WARNING: Corded electrical products contain chemicals known to the**
22 **State of California to cause cancer, birth defects and**
23 **reproductive harm."**

24 **2.1.3 Combined Warnings.** In addition to any of the method(s) of
25 providing warning(s) in the manners specified in Sections 2.1.1 and 2.1.2 above,
26 Defendants may comply with the requirements of such provisions by combining any
27 warning sign with Proposition 65 warning signs they provide for other products, such as
28 food, beverages and/or other environmental conditions.

1 That address is:

2 Daniel Bakondi, Esq.
3 Jay T. Jambeck, Esq.
4 Law Office of Daniel Bakondi
5 870 Market Street, Suite 1161
6 San Francisco, California 94102

6 4. MODIFICATION OF CONSENT JUDGMENT.

7 4.1 This Consent Judgment may be modified only by written agreement among
8 the Parties and upon entry of a modified amended Consent Judgment by the Court, or upon
9 motion of any Party as provided by law and upon entry of a modified amended Consent
10 Judgment by the Court.

11 4.2 Notwithstanding Section 4.1 above or any other term or provision of this
12 Consent Judgment, if Plaintiffs or any affiliated entity or the California Attorney General,
13 are or otherwise become bound by injunctive relief terms or provisions relating to the
14 provision of Proposition 65 warnings for Corded Electrical Products, which, taken together,
15 are more favorable to Defendants than the terms or provisions of this Consent Judgment,
16 the terms of this Consent Judgment shall automatically be deemed to have been modified
17 according to such more favorable terms or provisions.

18 5. ENFORCEMENT OF CONSENT JUDGMENT.

19 5.1 In the event Plaintiffs or Defendants believe in good faith that the other Party
20 is not in compliance with the terms of this Consent Judgment, Plaintiffs or Defendants shall
21 provide written notice to that Party, pursuant to Paragraph 12 below, setting forth its belief
22 and specifying the reasons therefor. The Party receiving such notice shall meet and confer
23 with the noticing party within sixty -(60) days of receiving the written notice to attempt to
24 address the concerns raised in the notice. If the noticing party does not meet and confer
25 within such sixty (60) day period, the non-noticing party's position shall be deemed to
26 prevail. If the Parties are unable to resolve the concerns raised in the notice within the sixty
27 (60) day period, Plaintiffs or Defendants may, by motion or application for an order to
28 show cause before the Superior Court of the County of Alameda, enforce the terms and

1 conditions contained in this Consent Judgment. The terms of this Consent Judgment shall
2 be enforced exclusively by the Parties hereto, by means of noticed motion or order to show
3 cause before the Superior Court of Alameda County.

4 **6. APPLICATION OF CONSENT JUDGMENT.**

5 **6.1** This Consent Judgment shall apply to, inure to the benefit of, and be binding
6 upon the Parties hereto, their divisions, subdivisions, parents, subsidiaries and affiliates,
7 and the successors or assigns of any of them, and shall supersede any and all prior or con-
8 temporaneous agreements or stipulations of the Parties, or orders of the Court in connection
9 with the Complaint. For purposes of this Consent Judgment, the term "Defendants" shall
10 include the Defendants, as defined in Section 1.1 above, and each of their past, present, and
11 future parents, divisions, subdivisions, subsidiaries and affiliates and the predecessors,
12 successors, and assigns of any of them, as well as their past, present, and future officers,
13 directors, employees, agents, attorneys, representatives, shareholders and assigns. The term
14 "Defendant" shall also be deemed to include each of the Defendants' suppliers of Corded
15 Electrical Products, but only with respect to the Corded Electrical Products that such
16 suppliers manufacture or provide for the Defendants.

17 **7. MATTERS COVERED BY THIS CONSENT JUDGMENT.**

18 **7.1** For purposes of this Consent Judgment, the term "Covered Products" means
19 any and all Corded Electrical Products that are or have been marketed or sold by the
20 Defendants, and that are themselves, or that incorporate, utilize, or have appended to them,
21 any type of Cord, including but not limited to Cords used for power, as well as products
22 that are in the future to be distributed, marketed or sold by the Defendants consistent with
23 the provisions of this Consent Judgment. The term "Covered Products" also includes
24 Corded Electrical Products which are or are in the future to be marketed and/or sold by the
25 Defendants either under their own name or brand or under the name or brand of another.

26 **7.2** This Consent Judgment is a full, final and binding resolution between Plain-
27 tiffs, acting on behalf of themselves and the general public, and Defendants, and their
28 divisions, subdivisions, parents, subsidiaries and affiliates, of any violation of Proposition

1 65 or any other statutory or common law claims that have been or could have been asserted
2 in the public interest or on behalf of the general public against Defendants in the Notices
3 and/or the Complaint regarding the failure to warn about exposure to Proposition 65 chemi-
4 cals arising in connection with the display, sale, use or offering for sale by Defendants of
5 Corded Electrical Products and/or Recycling Bins, and is intended by the Parties to have
6 preclusive effect with respect to: (i) any violation of Proposition 65 alleged in the Com-
7 plaint, or that could have been brought, pursuant to the Notices or (ii) any other statutory or
8 common law claim, to the fullest extent allowable by law that such claims arise out of or
9 relate to the operative facts or violations alleged in the Complaint or the Notices.
10 Compliance with the terms of this Consent Judgment constitutes compliance with
11 Proposition 65 for purposes of exposures to Proposition 65 chemicals from the Recycling
12 Bins and/or the Covered Products.

13 7.3 In further consideration of the promises and agreement herein contained, and
14 for the payment(s) to be made pursuant to Section 3, Plaintiffs, on their own behalf, their
15 past and current agents, representatives, attorneys, successor and/or assignees, and in the
16 interest of the general public (collectively, "Releasors"), hereby waive all rights to institute
17 or participate in, directly or indirectly, any form of legal action arising under or derived
18 from Proposition 65, related to Defendants' alleged failure to warn about exposures to any
19 or all of the Recycling Bins and/or the Covered Products, specifically or generally referred
20 to in the Notices and the Complaint. Further, Releasors release all claims, including, with-
21 out limitation, all actions, causes of action, in law or in equity, suits, liabilities, demands,
22 obligations (including, but not limited to, investigation fees, expert fees and attorney's fees)
23 of any nature whatsoever ("Claims"), against each Defendant, their divisions, subdivisions,
24 parents, subsidiaries and affiliates, and its and their respective officers, directors, attorneys,
25 representatives, shareholders, agents and employees arising under or derived from Proposi-
26 tion 65, related to Defendants' alleged failure to warn about exposures to Recycling Bins
27 and/or the Covered Products specifically or generally referred to in the Notices and the

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1 Complaint. This release does not limit or affect the obligations of any Party created under
2 this Consent Judgment.

3 In furtherance of the foregoing, Relcasors waive any and all rights and benefits
4 which they now have, or in the future may have, conferred upon them by virtue of the
5 provisions of Section 1542 of the California Civil Code, which provides as follows:

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

12 This Consent Judgment is a final and binding resolution between Defendants and
13 Plaintiffs, acting on behalf of Plaintiffs themselves, and/or in the public interest pursuant to
14 Health and Safety Code Section 25249.7(d), regarding claims described in the Notices
15 and/or the Complaint of: (a) any violation of Proposition 65; or (b) with respect to expo-
16 sures to the Proposition 65 chemicals associated with the use of Covered Products and/or
17 the Recycling Bins, any other statutory or common law claims, to the fullest extent that any
18 such claims were or could have been asserted by any person or entity against the Defen-
19 dants based on its or their exposure of persons to chemicals contained in or otherwise
20 associated with the use of the Recycling Bins and/or Covered Products sold by, for or on
21 behalf of the Defendants and/or their alleged failure to provide a clear and reasonable
22 warning of such exposures to such individuals; or (c) as to exposures to chemicals con-
23 tained in or otherwise associated with the use of the Recycling Bins and/or Covered
24 Products, any other claim based in whole or part on the facts or violations alleged in the
25 Complaint or Notices.

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1 8. SEVERABILITY.

2 8.1 In the event that any of the provisions of this Consent Judgment are held by a
3 court to be unenforceable, the validity of the enforceable provisions shall not be adversely
4 affected so long as the intent of the Parties is preserved.

5 9. EXECUTION AND COUNTERPARTS.

6 9.1 The stipulations to this Consent Judgment may be executed in counterparts
7 and by means of facsimile, which taken together shall be deemed to constitute one
8 document.

9 10. GOVERNING LAW.

10 10.1 The terms of this Consent Judgment shall be governed by the laws of the
11 State of California.

12 11. RETENTION OF JURISDICTION.

13 11.1 This Court shall retain jurisdiction of this matter to implement and enforce
14 the terms this Consent Judgment.

15 12. PROVISION OF NOTICE.

16 12.1 All notices required pursuant to this Consent Judgment and correspondence
17 shall be sent to the following:

18

19 For Plaintiffs: Daniel Bakondi, Esq.
20 Jay T. Jambeck, Esq.
21 Law Office of Daniel Bakondi
22 870 Market Street, Suite 1161
23 San Francisco, California 94102

24 For Defendants: Stephen R. Thames, Esq.
25 Allen Matkins Leck Gamble Mallory & Natsis, LLP
26 1900 Main Street, Suite 500
27 Irvine, California 92614

28 13. COURT APPROVAL.

13.1 The Parties waive any and all rights they may have to seek findings of
facts and conclusions of law, to move for a new trial, or to appeal from or otherwise

1 contest the Judgment entered pursuant hereto. This Consent Judgment shall become
2 effective thirty (30) calendar days after entry by the Court (the "Effective Date").

3 13.2 If this Consent Judgment is not approved by the Court, it shall be of no
4 further force or effect.

5 14. AUTHORIZATION.

6 14.1 Each signatory to this Consent Judgment certifies that he or she is fully
7 authorized by the Party he or she represents to stipulate to this Consent Judgment and to
8 enter into and execute the Consent Judgment on behalf of the Party represented and legally
9 bind that Party. The undersigned have read, understand and agree to all of the terms and
10 conditions of this Consent Judgment. Except as explicitly provided herein, each Party is to
11 bear its own fees and costs.

12
13 **IT IS SO STIPULATED:**

14 DATED: _____, 2009

JENNIE BAKONDI

15
16 DATED: _____, 2009

MANDY LEIGH

17
18 DATED: Nov. 11, 2009

IKEA CALIFORNIA, LLC
a Delaware limited liability company

By: Rob Olson

Name: Rob Olson

Its: Vice President

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22 DATED: Nov 16, 2009

IKEA PROPERTY, INC.
a Delaware corporation

By: Gary Terives

Name: GARY TERIVES

Its: PRESIDENT

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1 DATED: Nov. 11, 2009

IKEA U.S. WEST, INC.
a Delaware corporation

2
3 By: [Signature]
4 Name: Rob Olson
5 Its: Vice president

6 DATED: Nov. 11, 2009

IKEA U.S. GENERAL PARTNER, INC.
a Delaware corporation

7 By: [Signature]
8 Name: Rob Olson
9 Its: Vice president

10 DATED: Nov 23, 2009

IKEA DISTRIBUTION SERVICES, INC., a
Delaware corporation, formerly known as
IKEA WHOLESALE, INC.

11
12 By: [Signature]
13 Name: Kelvin Keller
14 Its: President

15 AGREED TO:

16 ORDER AND JUDGMENT

17 Based upon the stipulated Consent Judgment between JENNIE BAKONDI;
18 MANDY LEIGH and IKEA CALIFORNIA, LLC; IKEA PROPERTY, INC.; IKEA U.S.
19 WEST, INC.; IKEA U.S. GENERAL PARTNER, INC.; and IKEA DISTRIBUTION
20 SERVICES, INC., a Delaware corporation, formerly known as IKEA WHOLESALE,
21 INC., the settlement is approved and the clerk is hereby directed to enter judgment in
22 accordance with the terms herein.

23 DATED: _____

24 _____
25 JUDGE, SUPERIOR COURT OF
26 THE STATE OF CALIFORNIA,
27 COUNTY OF ALAMEDA
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Exhibit A
SEPTEMBER 27, 2007 NOTICE

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Exhibit B

OCTOBER 2, 2007 NOTICE