Brian Gaffney, Esq. (CBN 168778) Celeste Langille, Esq. (CBN 185302) LAW OFFICES OF BRIAN GAFFNEY 2 605 Market Street, Suite 505 3 San Francisco, CA 94105 Telephone: (415) 442-0711 Facsimile: (415) 442-0713 4 5 Attorney for Plaintiff As You Sow 6 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 **COUNTY OF ALAMEDA** 10 (Unlimited Jurisdiction) 11 AS YOU SOW, CASE NO. RG 08-396643 12 Plaintiff, 13 **CONSENT JUDGMENT** 14 SHEFFIELD BRONZE PAINT 15 CORPORATION; TRUE VALUE COMPANY; and DOES 1 through 100 INCLUSIVE. 16 17 Defendants. 18 19 This Consent Judgment is entered into by and between Plaintiff AS YOU SOW("AYS") and 20 Defendant SHEFFIELD BRONZE PAINT CORPORATION ("Sheffield") to resolve all claims 21 raised in the plaintiff's complaint filed in the above-captioned action. This Consent Judgment shall 22 be effective upon entry. AYS and Sheffield (collectively "the Parties") agree to the terms and 23 conditions set forth below. 24 1. INTRODUCTION 25 1.1 AYS is a non-profit foundation dedicated to, among other causes, the protection of 26 the environment, the promotion of human health, the improvement of worker and consumer rights, 27 environmental education, and corporate accountability. AYS is based in San Francisco, California 28 and incorporated under the laws of the State of California.

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- 1.2 Sheffield manufactures and distributes paints for sale in California stores. Sheffield's paints contain ethylbenzene, a chemical regulated by the State of California as known to cause cancer pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), California Health and Safety Code §25249.5 et seq.; Title 22, California Code of Regulations, §12000 et seq.
- 1.3 On April 24, 2008 AYS sent a 60-day Notice of Violation to Sheffield, True Value Company and to public enforcers as required by Health & Safety Code Section 25249.7 alleging that Sheffield violated Proposition 65 by failing to provide clear and reasonable warning before exposing users to ethylbenzene in paints (specifically Deep Gold Leaf Finishes 2 oz., Pale Gold Leaf Finishes 2 oz., and Rich Gold Leaf Finishes 2 oz. products).
- 1.4 On June 23, 2008 AYS sent a 60-day Notice of Violation to Sheffield, True Value Company and to public enforcers as required by Health & Safety Code Section 25249.7 alleging that Sheffield violated Proposition 65 by failing to provide clear and reasonable warning before exposing users to ethylbenzene in paints (specifically Porcelain Touch Up 1 oz., Gold Leaf Finish Statutory Bronze 2 oz., Gold Leaf Finish Copper 2 oz., Gold Leaf Finish Antique 2 oz., Gold Leaf Finish Pale 8 oz.).
- 1.5 The Sheffield paints included in AYS' April 24, 2008 Notice letter, AYS' June 23, 2008 Notice letter, as well as Sheffield's Gold Leaf (all hues 1 quart), Sheffield's Clear Lacquer (8 oz.), and Sheffield's Clear Lacquer (1 quart) shall be referred to collectively as "the Covered Products."
- 1.6 On July 3, 2008, AYS filed a Complaint against Sheffield in the Alameda Superior Court, No. RG08-396643, alleging that Defendants violated Proposition 65 due to the alleged failure to provide clear and reasonable warning that users of the products identified in the April 24, 2008 60-day Notice were exposed to ethylbenzene, a chemical known to the state of California to cause cancer.
- 1.7 Sheffield has represented that as of August, 2008, in response to AYS Notice letters and Complaint, it removed all inventory of the Covered Products without Proposition 65 warnings from the California marketplace.

- 1.8 To the extent that the allegations in the June 23, 2008 60-Day Notice are not otherwise subsumed within the allegations of the April 24, 2008 60-Day Notice, and upon the expiration of 60 days if no public prosecutor has commenced and is diligently prosecuting the violations alleged in the June 23, 2008 60-Day Notice, the Complaint shall be deemed amended to include allegations against Defendants based on the June 23, 2008 60-Day Notice.
- 1.9 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendants as to the allegations contained in the Complaint, that venue is proper in Alameda County, that this Court has jurisdiction to enter this Consent Judgment as a resolution of all claims that were alleged in the Complaint, and that the Court shall retain jurisdiction to implement the Consent Judgment.
- 1.10 The Parties enter into this agreement to settle certain disputed claims as alleged in the complaint, and to avoid prolonged and costly litigation. By executing and complying with this agreement, neither Party admits any facts or conclusions of law including, but not limited to, any facts or conclusions of law regarding any violations of Proposition 65, or any other statutory, common law or equitable claim or requirement relating to or arising from the sale of Sheffield in California. Neither shall this Consent Judgment be construed as an admission that any act provided for herein, or any warnings regarding exposure to the Chemicals from the Products are required under Proposition 65 or any other statute, regulation, or common law requirement. Nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, or defense that Plaintiff and Defendants may have in any other or in future legal proceedings unrelated to these proceedings. However, this paragraph shall not diminish or otherwise affect the obligation, responsibilities, and duties of the Parties under this Consent Judgment.
 - 1.11 The term "Effective Date" means the date of entry of this Consent Judgment.

2. **INJUNCTIVE RELIEF**

2.1 If, at any time after the Effective Date, Sheffield sells, distributes or manufactures any Covered Products for sale or use in the State of California, it shall provide the following warning statement:

"WARNING: This product contains a chemical known to the State of California to

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cause cancer."

If, at any time after the Effective Date, Sheffield sells, distributes or manufactures 2.2 any Covered Products for sale or use in the State of California which contains a chemical listed under Proposition 65 as a reproductive toxin, the following warning shall also be provided:

WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects and other reproductive harm."

- The warning statements required in Section 2.1 and Section 2.2 shall be prominently 2.3 affixed to or printed on the Covered Product's packaging and labeling by Sheffield and shall be displayed with such conspicuousness, as compared with other words, statements, designs, or devices on the Covered Product, or its packaging or labeling, as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. For purposes of this Section, a warning may be contained in the same section of the packaging and labeling that contains other safety warnings, if any, concerning the use of the Covered Product. The type size of the warning must be legible, but need not be any larger than any other warning provided for the Covered Product, and its relative size may take into account the nature, immediacy, and acuteness of the risks for which other warnings are provided.
- No later than 30 days following the parties' execution of this Consent Judgment, 2.4 Sheffield shall cause all Covered Products without Proposition 65 warnings to be removed from the California marketplace and to be returned to Sheffield for a full refund. Sheffield shall no longer offer the Covered Products for sale in California, unless they contain Proposition 65 warnings as required in Sections 2.1, 2.2 and 2.3 above. Within 60 days of the Effective Date of this Consent Judgment, Sheffield will notify Plaintiff in writing of Sheffield's efforts to remove Covered Products without Proposition 65 warnings from California, and to no longer offer the Covered Products

without Proposition 65 warnings for sale in California.

3. <u>SETTLEMENT PAYMENT</u>

- 3.1 Within 15 days following the parties' execution of this Consent Judgment, Sheffield shall pay \$17,000.00 in the form of a check made payable to "Brian Gaffney, Attorney Client Trust Account."
- 3.2 Within 45 days following the parties' execution of this Consent Judgment, Sheffield shall pay \$1,900.00 in the form of a check made payable to "Brian Gaffney, Attorney Client Trust Account." For each of the nine (9) months thereafter, no later than the first day of each month, Sheffield shall pay \$1,900.00 in the form of a check made payable to "Brian Gaffney, Attorney Client Trust Account.
- 3.3 Each of the checks mandated by this Consent Judgment shall be delivered by overnight delivery to Brian Gaffney, LAW OFFICES OF BRIAN GAFFNEY, 605 Market St., Suite 505, San Francisco, CA 94105. In the event this Consent Judgment becomes null and void under Paragraph 8 infra, Plaintiff shall, within fifteen days, return the payment(s) made under this section to Sheffield.
- 3.4 Of the \$36,000 total settlement monies paid pursuant to this Consent Judgment, \$21,782.00 shall be reimbursement for plaintiff's attorneys fees and reasonable litigation costs (\$7,564.00 costs).
- 3.5 Of the settlement monies paid pursuant to this Consent Judgment, \$2,500.00 shall be a Civil Penalty pursuant to Health and Safety Code Section 25249.7(b). As You Sow shall remit 75% of this amount to the State of California pursuant to Health and Safety Code Section 25249.12(b).
 - 3.6 Of the settlement monies paid pursuant to this Consent Judgment, \$11,718.00 shall

be payments to be made in lieu of additional civil penalties. These funds shall be used by As You Sow to reduce or remediate exposures to toxic chemicals and to increase consumer, worker and community awareness of the health hazards posed by toxic chemicals in California via its program work, but primarily through grants to other 501(c)(3) non-profit organizations working in toxics reduction, remediation and/or environmental education. In deciding among the grantee proposals, the As You Sow Board of Directors ("Board") takes into consideration a number of important factors, including: (1) the nexus between the harm done in the underlying case(s), and the grant program work; (2) the potential for toxics reduction, prevention, remediation or education benefits to California citizens from the proposal; (3) the budget requirements of the proposed grantee and the alternate funding sources available to it for its project; and (4) the Board's assessment of the grantee's chances for success in its program work. AYS shall ensure that all funds will be disbursed and used in accordance with AYS' mission statement, articles of incorporation, and bylaws and applicable state and federal laws and regulations. These payments shall not be construed as a credit against the personal claims of absent third parties for restitution against Defendants.

4. <u>ENFORCEMENT OF CONSENT JUDGMENT</u>

4.1 The Parties may, by motion or order to show cause before the Superior Court of the County of Alameda, enforce the terms and conditions of this Consent Judgment. In the event that a dispute arises with respect to any of the provisions of this Consent Judgment, the Parties shall meet and confer within 10 days after either Party receives written notice of an alleged violation of this Agreement. The prevailing party in any dispute regarding compliance with the terms of this Consent Judgment shall be awarded any fines, costs, penalties, or remedies provided by law. Additionally, the prevailing party shall be awarded its reasonable attorney's fees and costs.

5. <u>CLAIMS COVERED AND RELEASE</u>

As to the Covered Products, this Consent Judgment is a full, final, and binding resolution between AYS and Sheffield and its parents, shareholders, divisions, subdivisions, subsidiaries, partners, sister companies and their successors and assigns ("Defendant Releasees"), and all entities to whom they distribute or sell Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("Downstream Defendant Releasees"), of any actual and potential claims that were or could have been brought by AYS for the alleged failure to provide clear, reasonable, and lawful warnings of exposure to ethylbenzene used or contained in the Covered Products manufactured, distributed, and/or sold by Sheffield.

- 5.2 As to the Covered Products, compliance with the terms of this Consent Judgment by Sheffield resolves any issue from the date of entry of this Consent Judgment into the future concerning compliance by Sheffield, Defendant Releasees and Downstream Defendant Releasees with regard to Proposition 65 as to the presence of, or exposure to, ethylbenzene in the Covered Products. manufactured, distributed or sold by Sheffield.
- 5.3 Upon entry of the Consent Judgment, the Parties waive their respective rights to a hearing or trial on the allegations of the complaint,.

6. GOVERNING LAW AND CONSTRUCTION

- 6.1 This agreement shall be governed by the laws of the State of California.
- 6.2 The Parties, including their counsel, have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties as achieved through formal mediation. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall

not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code section 1654.

7. MODIFICATION OF CONSENT JUDGMENT

7.1 This Consent Judgment may be modified only upon written agreement of the Parties, with approval of the Court, or pursuant to court order issued upon noticed motion of a Party for good cause shown, and upon entry of a modified Consent Judgment by this Court. Any Party seeking to modify this Consent Judgment shall meet and confer with all affected Parties prior to filing a motion to modify the Consent Judgment in a good faith to attempt to resolve any differences.

8. <u>COURT APPROVAL</u>

- 8.1 The Court shall either approve or disapprove of this Consent Judgment in its entirety, without alteration, deletion or amendment, unless otherwise so stipulated by the Parties and their counsel. Defendants agree not to oppose this Consent Judgment.
- 8.2 In the event that the Court fails to approve and order entry of the Consent Judgment without any change whatsoever (unless otherwise so stipulated by the Parties), this Consent Judgment shall become null and void upon the election of either Party and upon written notice to all of the Parties to the Action pursuant to the notice provisions herein, and shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

9. ENTIRE AGREEMENT

9.1 The Parties declare and represent that no promise, inducement or other agreement has been made conferring any benefit upon any Party except those contained herein and that this

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agreement contains the entire agreement pertaining to the subject matter hereof. This agreement supersedes any prior or contemporaneous negotiations, representations, agreements and understandings of the Parties with respect to such matters, whether written or oral. Parol evidence shall be inadmissible to show agreement by, between, or among the Parties to any term or condition contrary to or in addition to the terms and conditions contained in this Consent Judgment. The Parties acknowledge that each has not relied on any promise, representation or warranty, expressed or implied, not contained in this agreement.

10. <u>APPLICATION OF CONSENT JUDGMENT</u>

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

11. <u>ATTORNEYS' FEES</u>

11.1 Except as specifically provided in this Consent Judgment, each Party shall bear its own attorney's fees and costs incurred in connection with the 60-day Notices of Violation and Plaintiff's complaint.

12. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7.

12.1 Plaintiff shall comply with the reporting requirements referred to in Health and Safety Code section 25249.7(f) (and established in Title 11 of the California Code of Regulations sections 3000-3008), and shall move for approval of this consent judgment pursuant to the terms thereof.

13. PROVISION OF NOTICE

All correspondence and notices required by this Consent Judgment to the Parties shall be sent as follows:

1	APPROVED AS TO FORM:	
3	Dated:, 2008	LAW OFFICES OF BRIAN GAFFNEY
		By:
4		By: Brian Gaffney
5		Attorney for Plaintiff As You Sow
6 7	Dated:, 2008	CLINTON & CLINTON
8		Bv.
9		By: Maria Solomon-Williams
10		Attorney for Defendants Sheffield Bronze Paint Corporation;
11		True Value Company
12	IT IS SO STIPULATED:	
13	Dated:, 2008	AS YOU SOW
14		By:
15		
16	Dated: 9/25/08, 2008	Its:
17		SHEFFIELD BRONZE PAINT CORPORATION
18		By: May have
19		Its: Prosident
20	IT IS SO ORDERED, ADJUDGED AND DECREED: The Court hereby incorporates the terms of the Consent Judgment into this Order. If a party	
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23	violates the provisions of this Consent Judgment, this Court retains jurisdiction over this matter.	
24	Dated:, 2008	
25		JUDGE OF THE SUPERIOR COURT
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27		
28		
and the second		