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17 Attorneys for Defendants
18 FOURSTAR GROUP INC. (FORMERLY
19 KNOWN AS FOURSTAR INTERNATIONAL
20 TRADING COMPANY), and
21 FOURSTAR GROUP USA, INC.

22 SUPERIOR COURT OF THE STATE OF CALIFORNIA
23 FOR THE CITY AND COUNTY OF SAN FRANCISCO
24 UNLIMITED CIVIL JURISDICTION

25 ANTHONY HELD, Ph.D., P.E.,)

26 Plaintiff,)

27 v.)

28 FOURSTAR INTERNATIONAL TRADING)
COMPANY; FOURSTAR GROUP U.S.A.;)
and DOES 1 through 150, inclusive,)

Defendants.)
_____)

Case No. _____

**STIPULATION AND [PROPOSED]
ORDER RE: CONSENT JUDGMENT**

1 **1. INTRODUCTION**

2 **1.1 Anthony E. Held, Ph.D., P.E., and Fourstar**

3 This consent judgment is entered into by and between plaintiff Anthony E. Held, Ph.D., P.E.
4 ("Dr. Held" or "Plaintiff") and defendants Fourstar Group Inc. (formerly known as Fourstar
5 International Trading Company), and Fourstar Group Usa, Inc. (collectively, "Fourstar
6 Defendants") with Plaintiff Held and Fourstar Defendants collectively referred to as the "parties."

7 **1.2 Plaintiff Dr. Anthony Held**

8 Dr. Held is an individual residing in the County of Sacramento who seeks to promote
9 awareness of exposure to toxic chemicals and improve human health by reducing or eliminating
10 hazardous substances contained in consumer products.

11 **1.3 Defendants**

12 Fourstar Defendants employ ten or more persons and are persons in the course of doing
13 business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California
14 Health & Safety Code §25249.6 *et seq.* (Proposition 65).

15 **1.4 General Allegations**

16 Dr. Held alleges that Fourstar Defendants have manufactured, distributed and/or sold certain
17 children's products containing di(2-ethylhexyl)phthalate (hereinafter "DEHP") in the State of
18 California without the requisite health hazard warnings. DEHP is listed pursuant to Proposition 65,
19 and is known to cause birth defects and other reproductive harm. DEHP shall be referred to
20 hereinafter as the "listed chemical."

21 **1.5 Product Description**

22 The products that are covered by this consent judgment are defined as follows: inflatable
23 vinyl toys and other vinyl children's items containing the plasticizer phthalate DEHP, such as the
24 *Robbie Ducky Garden Collection Inflatable Arm Rings* (#0 49696 91946 3). All such inflatable
25 vinyl toys and other vinyl children's items containing DEHP are referred to hereinafter as the
26 "Products".

1 **1.6 Notice of Violation**

2 On June 5, 2008, Dr. Held served Fourstar Defendants and the Office of the California
3 Attorney General of the State of California, all California counties' District Attorneys and all City
4 Attorneys of California cities with populations exceeding 750,000, (collectively, "Public
5 Enforcers") with a document entitled "60-Day Notice of Violation" (the "Notice") that provided
6 Fourstar Defendants and Public Enforcers with notice of alleged violations of California Health &
7 Safety Code §25249.6 for failing to warn consumers that the Products that Fourstar Defendants sold
8 allegedly exposed users in California to the listed chemical, while the items were handled or
9 chewed. On October 3, 2008, Dr. Held served Defendants and Public Enforcers with a document
10 entitled "Supplemental 60-Day Notice of Violation" that provided Defendants and Public Enforcers
11 with notice of alleged violations of California Health & Safety Code §25249.6 which further
12 identified Products that Defendants allegedly sold and that allegedly exposed users in California to
13 the listed chemical, while the items were handled or chewed. To the best of parties' knowledge, no
14 Public Enforcer has diligently prosecuted any of the allegations set forth in the Notice, or
15 Supplemental Notice.

16 **1.7 Complaint**

17 On October 7, 2008, Dr. Held, who was and is acting in the interest of the general public in
18 California, filed a complaint ("Complaint" or "Action") in the Superior Court in and for the County
19 of San Francisco against Fourstar Defendants and Does 1 through 150, alleging violations of
20 California Health & Safety Code §25249.6 based on the alleged exposures to the listed chemical
21 contained in the Products sold by Fourstar Defendants.

22 **1.8 No Admission**

23 Fourstar Defendants deny the material, factual and legal allegations contained in Dr. Held's
24 Notice and Complaint and maintains that all Products that they have sold and distributed in
25 California have been and are in compliance with all laws. Nothing in this consent judgment shall
26 be construed as an admission by Fourstar Defendants of any fact, finding, issue of law, or violation
27 of law, nor shall compliance with this consent judgment constitute or be construed as an admission
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1 by Fourstar Defendants of any fact, finding, conclusion, issue of law, or violation of law, such being
2 specifically denied by Fourstar Defendants. In order to avoid the costs and expenses of litigation
3 and without admitting liability or wrongdoing, Fourstar Defendants have elected to resolve this
4 matter by settlement and on the terms set forth herein. However, this section shall not diminish or
5 otherwise affect Fourstar Defendants' obligations, responsibilities, and duties under this consent
6 judgment.

7 **1.9 Consent to Jurisdiction**

8 For purposes of this consent judgment only, the parties stipulate that this Court has
9 jurisdiction over Fourstar Defendants as to the allegations contained in the Complaint, that venue is
10 proper in the County of San Francisco and that that this Court has jurisdiction to enter and enforce
11 this consent judgment as a full and final binding resolution of all claims which were or could have
12 been raised in the Complaint against Fourstar Defendants based on the facts alleged therein and in
13 the Notice and Supplemental Notice.

14 **1.10 Effective Date**

15 For purposes of this consent judgment, the term "Effective Date" shall mean October 1,
16 2008.

17 **2. INJUNCTIVE RELIEF: WARNINGS AND REFORMULATION**

18 **2.1 Product Warnings**

19 After the Effective Date, Fourstar Defendants shall not sell, ship, or offer to be shipped for
20 sale in California any Products containing the listed chemical unless such Products are sold or
21 shipped with one of the clear and reasonable warnings set forth in subsections 2.1(a) and (b), are
22 otherwise exempt pursuant to Section 2.2, or comply with the reformulation standards set forth in
23 Section 2.3.

24 Each warning shall be prominently placed with such conspicuousness as compared with
25 other words, statements, designs, or devices as to render it likely to be read and understood by an
26 ordinary individual under customary conditions before purchase or use. Each warning shall be
27 provided in a manner such that the consumer or user understands to which specific Product the
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1 warning applies, so as to minimize if not eliminate the chance that an overwarning situation will
2 arise.

3 **(a) Retail Store Sales.**

4 **(i) Product Labeling.** Fourstar Defendants may perform its warning
5 obligation by ensuring that a warning is affixed to the packaging, labeling, or directly on each
6 Product sold in retail outlets by Fourstar Defendants or its agents, that states:

7 **WARNING:** This product contains DEHP, a phthalate
8 chemical known to the State of California
9 to cause birth defects and other
reproductive harm.

10 **(ii) Point-of-Sale Warnings.** Fourstar Defendants may perform its
11 warning obligations by ensuring that signs are posted at retail outlets in the State of California
12 where the Products are sold. Point-of-sale warnings shall be provided through one or more signs
13 posted in close proximity to the point of display of the Products that states:

14 **WARNING:** This product contains DEHP, a phthalate
15 chemical known to the State of California
to cause birth defects and other
reproductive harm.

16 Where more than one Product is sold in proximity to other like items or to those that do not
17 require a warning (e.g., Reformulated Products as defined in Section 2.3), the following statement
18 must be used:

19 **WARNING:** The following products contain DEHP, a
20 phthalate chemical known to the State of
California to cause birth defects and other
21 reproductive harm.
[list products for which warning is required]

22 **(b) Mail Order Catalog and Internet Sales.** Fourstar Defendants shall satisfy
23 its warning obligations for Products sold via mail order catalog or the Internet to California
24 residents by providing a warning: (i) in the mail order catalog; or (ii) on the website. Warnings
25 given in the mail order catalog or on the website shall identify the specific Product to which the
26 warning applies as further specified in Sections 2.1(b)(i) and (ii).

1 (i) **Mail Order Catalog Warning.** Any warning provided in a mail
2 order catalog must be in the same type size or larger than the Product description text within the
3 catalog. The following warning shall be provided on the same page and in the same location as the
4 display and/or description of the Product:

5 **WARNING:** This product contains DEHP, a phthalate
6 chemical known to the State of California
7 to cause birth defects and other
reproductive harm.

8 Where it is impracticable to provide the warning on the same page and in the same location
9 as the display and/or description of the Product, Fourstar Defendants may utilize a designated
10 symbol to cross reference the applicable warning and shall define the term “designated symbol”
11 with the following language on the inside of the front cover of the catalog or on the same page as
12 any order form for the Product(s):

13 **WARNING:** Certain products identified with this
14 symbol ▼ and offered for sale in this
15 catalog contain DEHP, a phthalate
chemical known to the State of California
to cause birth defects and other
reproductive harm.

16 The designated symbol must appear on the same page and in close proximity to the display
17 and/or description of the Product. On each page where the designated symbol appears, Fourstar
18 Defendants must provide a header or footer directing the consumer to the warning language and
19 definition of the designated symbol.

20 If Fourstar Defendants elect to provide warnings in the mail order catalog, then the warnings
21 must be included in all catalogs offering to sell one or more Products printed after the date of entry
22 of this consent judgment.

23 (ii) **Internet Website Warning.** A warning may be given in conjunction
24 with the sale of the Product via the Internet, provided it appears either: (a) on the same web page
25 on which the Product is displayed; (b) on the same web page as the order form for the Product; (c)
26 on the same page as the price for any Product; or (d) on one or more web pages displayed to a
27 purchaser during the checkout process. The following warning statement shall be used and shall
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1 appear in any of the above instances adjacent to or immediately following the display, description,
2 or price of the Product for which it is given in the same type size or larger than the Product
3 description text:

4 **WARNING:** This product contains DEHP, a phthalate
5 chemical known to the State of California
6 to cause birth defects and other
reproductive harm.

7 Alternatively, the designated symbol may appear adjacent to or immediately following the
8 display, description, or price of the Product for which a warning is being given, provided that the
9 following warning statement also appears elsewhere on the same web page, as follows:

10 **WARNING:** Products identified on this page with the
11 following symbol contain DEHP, a
12 phthalate chemical known to the State of
California to cause birth defects and other
reproductive harm: ▼.

13 **(c) Use of Court Approved DEHP Warning Language**

14 Fourstar Defendants may alternatively use warning language for the Products that is
15 consistent with language Fourstar Defendants employ for products containing DEHP that are not
16 subject to this agreement and where the warning language to be used has been approved by the
17 California Superior Court in a Proposition 65 matter where Fourstar Defendants were a party to the
18 approved settlement. Fourstar Defendants shall provide Dr. Held with a copy of the prior approved
19 agreement in advance of using alternative language consistent with this provision.

20 **2.2 Exceptions To Warning Requirements**

21 The warning requirements set forth in Section 2.1 shall not apply to:

- 22 (i) Any Products shipped by Fourstar Defendants to a retail location in
23 California before July 31, 2008; or
24 (ii) Reformulated Products (as defined in Section 2.3 below).

25 **2.3 Reformulation Standards**

26 Reformulated Products are defined as those containing less than 1,000 ppm of
27 phthalate chemical, as measured by Environmental Protection Agency (“EPA”) testing
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1 methodologies 3580A and 8270C. The warnings required pursuant to Section 2.1 above shall not
2 be required for such Reformulated Products.

3 **2.4 Reformulation Commitment**

4 Fourstar Defendants hereby commit that one hundred percent (100%) of the Products that
5 they offer for sale in California after the Effective Date shall qualify as Reformulated Products or
6 shall otherwise be exempt from the warning requirements of Section 2.1. Fourstar Defendants also
7 represent that, as a direct result of Dr. Held's Notice issued on June 5, 2008, they began to
8 immediately implement a process for the reformulation of the Products. In addition, as of July 31,
9 2008, they had discontinued the sale of Robbie Duckie Garden Collection Inflatable Arm Rings as a
10 result of the Dr. Held's Notice.

11 **3. MONETARY PAYMENTS**

12 **3.1 Payments Pursuant to Health & Safety Code §25249.7(b)**

13 Pursuant to Health & Safety Code §25249.7(b), the total civil penalty assessed shall be
14 \$50,000 (fifty thousand). Fourstar Defendants shall pay \$16,000 (sixteen thousand) in civil
15 penalties and receive a credit of \$34,000 (thirty-four thousand) against this amount in light of its
16 prompt cooperation with Dr. Held in resolving this matter, and its commitments to sell only
17 Reformulated Products in California after the Effective Date pursuant to Section 2.4 above.

18 Civil penalties are to be apportioned in accordance with California Health & Safety Code
19 §25192, with 75% of these funds remitted to the State of California's Office of Environmental
20 Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to Anthony
21 Held as provided by California Health & Safety Code §25249.12(d). Fourstar Defendants shall
22 issue two separate checks for the penalty payment: (a) one check made payable to "Hirst & Chanler
23 LLP in Trust For OEHHA" in the amount of \$12,000 (twelve thousand) representing 75% of the
24 total penalty; and (b) one check to "Hirst & Chanler LLP in Trust for Anthony Held" in the
25 amount of \$4,000 (four thousand) representing 25% of the total penalty. Two separate 1099s shall
26 be issued for the above payments: (a) OEHHA, P.O. Box 4010, Sacramento, CA, 95814 (EIN: 68-
27 0284486); and (b) Anthony Held, whose information shall be provided five calendar days before the
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1 payment is due. Payment shall be delivered to Dr. Held's counsel on or before October 15, 2008, at
2 the following address:

3 HIRST & CHANLER LLP
4 Attn: Proposition 65 Controller
5 455 Capitol Mall, Suite 605
6 Sacramento, CA 95814

7 **4. REIMBURSEMENT OF FEES AND COSTS**

8 **4.1 Attorney Fees and Costs.**

9 The parties acknowledge that Dr. Held and his counsel offered to resolve this dispute
10 without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving
11 this fee issue to be resolved after the material terms of the agreement had been settled. Fourstar
12 Defendants then expressed a desire to resolve the fee and cost issue shortly after the other
13 settlement terms had been finalized. The parties then attempted to (and did) reach an accord on the
14 compensation due to Dr. Held and his counsel under general contract principles and the private
15 attorney general doctrine codified at California Code of Civil Procedure (CCP) §1021.5, for all
16 work performed through the mutual execution of this agreement. Fourstar Defendants shall
17 reimburse Dr. Held and his counsel the total of \$36,000 (thirty-six thousand) for fees and costs
18 incurred as a result of investigating, bringing this matter to Fourstar Defendants' attention, and
19 litigating and negotiating a settlement in the public interest. Fourstar Defendants shall issue a
20 separate 1099 for fees and costs (EIN: 20-3929984) and shall make the check payable to "Hirst &
21 Chanler LLP" and shall be delivered on or before October 15, 2008, to the following address:

22 HIRST & CHANLER LLP
23 Attn: Proposition 65 Controller
24 455 Capitol Mall, Suite 605
25 Sacramento, CA 95814

26 **4.2 Additional Attorney Fees and Costs in Seeking Judicial Approval.**

27 Pursuant to CCP §§1021 and 1021.5, the parties further agree that Fourstar Defendants will
28 reimburse Dr. Held and his counsel for their reasonable fees and costs incurred in seeking judicial
approval of this settlement agreement in the trial court and fulfilling other necessary tasks in an

1 amount not to exceed \$ 8,000 (eight thousand). Such additional fees and costs, exclusive of fees
2 and costs that may be incurred in the event of an appeal include, but are not limited to, drafting and
3 filing of the motion to approve papers, fulfilling the reporting requirements referenced in Health &
4 Safety Code §25249.7(f), responding to any third party objections, filing notice of entry of the
5 Court's approval, corresponding with opposing counsel and appearing before the Court related to
6 the approval process.

7 Reimbursement of such additional fees and costs shall be due within ten calendar days after
8 receipt of a billing statement from Dr. Held ("Additional Fee Claim"). Payment of the Additional
9 Fee Claim shall be made to "Hirst & Chanler LLP," and the payment shall be delivered, at the
10 following address:

11
12 HIRST & CHANLER LLP
13 Attn: Proposition 65 Controller
14 455 Capitol Mall, Suite 605
15 Sacramento, CA 95814

16 Fourstar Defendants have the right to object to such reimbursement and may submit the
17 resolution of this issue to the American Arbitration Association (AAA) in Northern California to
18 determine the reasonableness of the additional fees and costs sought, provided that an arbitration
19 notice, notice of objection, or decision to arbitrate is received by Dr. Held by the end of the ten
20 calendar days. If an arbitration notice is not filed with AAA in a timely manner, Dr. Held may file
21 a motion with the Court pursuant to both CCP §1021.5 and this consent judgment to recover
22 additional attorney fees and costs incurred as set forth in this paragraph. In the event Fourstar
23 Defendants submit the matter to arbitration, Dr. Held may seek, pursuant to CCP §1021.5,
24 reasonable attorney fees and costs incurred for the arbitration.

25 **5. RELEASE OF ALL CLAIMS**

26 **5.1 Effect of Consent Judgment**

27 As to the Products, this consent judgment is a full, final, and binding resolution between the
28 Plaintiff, acting on behalf of itself and, as to those matters raised in Plaintiff's Notice and
Supplemental Notice, on behalf of the general public in the public interest pursuant to Health and

1 Safety Code section 25249.7(d), and Fourstar Defendants and Defendant Releasees (as that term is
2 defined in Section 5.2 below) for their alleged failure to provide clear, reasonable, and lawful
3 warnings of exposure to DEHP contained in the Products with respect to inflatable swim rings, bath
4 animal figures and children's watches. As to the Products, compliance with the terms of this
5 consent judgment resolves any issue, now and in the future, concerning compliance by Fourstar
6 Defendants and Defendant Releasees with existing requirements of Proposition 65 to provide clear
7 and reasonable warning about exposure to DEHP in the Products with respect to inflatable swim
8 rings, bath animal figures and children's watches distributed or sold by Fourstar Defendants.

9 **5.2 Dr. Held's Release of Fourstar Defendants**

10 In further consideration of the promises and agreements herein contained, and for the
11 payments to be made pursuant to Sections 3 and 4, Dr. Held on behalf of himself, his past and
12 current agents, representatives, attorneys, successors, and/or assignees, and as to inflatable swim
13 rings, bath animal figures and children's watches only, and in the interest of the general public,
14 hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action
15 and releases all claims, including, without limitation, all actions, and causes of action, in law or in
16 equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses
17 (including, but not limited to, investigation fees, expert fees, and attorneys' fees) of any nature
18 whatsoever, whether known or unknown, fixed or contingent (collectively "claims"), against
19 Fourstar Defendants and each of its downstream wholesalers, licensors, licensees, auctioneers,
20 retailers (including specifically Jo-Ann Stores, Inc.), franchisees, dealers, customers, owners,
21 purchasers, users, parent companies, corporate affiliates, subsidiaries, and their respective officers,
22 directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent
23 entities (collectively "Defendant Releasees"). This release is limited to those claims that arise
24 under Proposition 65 that were or could have been asserted in the Complaint against Fourstar
25 Defendants (including any claims that could be asserted in connection with any of the Products
26 covered by this consent judgment) or Defendant Releasees, based on failure to warn about alleged
27 exposures to the listed chemical contained in the Products, with respect to any Products distributed
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1 or sold by Fourstar Defendants. The parties further understand and agree that this release shall not
2 extend upstream to any entities that manufactured the Products or any component parts thereof, or
3 any distributors or suppliers who sold the Products or any component parts thereof to Fourstar
4 Defendants. Dr. Held in his individual capacity and *not* his representative capacity hereby releases
5 all claims which he now has or may have in the future against Fourstar Defendants, irrespective of
6 the subject matter, of all character, kind and nature, whether said claims are known or unknown or
7 are suspected or unsuspected and Dr. Held expressly waives any and all rights and benefits which
8 he now has, or in the future may have, under California Civil Code Section 1542, which provides as
9 follows:

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

13 **5.3 Fourstar Defendants' Release of Dr. Held**

14 Fourstar Defendants waive any and all claims against Dr. Held, his attorneys, and other
15 representatives for any and all actions taken or statements made (or those that could have been
16 taken or made) by Dr. Held and his attorneys and other representatives, whether in the course of
17 investigating claims or otherwise seeking enforcement of Proposition 65 against them in this matter,
18 and/or with respect to the Products.

19 **6. COURT APPROVAL**

20 This consent judgment is not effective until it is approved and entered by the Court and shall
21 be null and void if, for any reason, it is not approved and entered by the Court within one year after
22 it has been fully executed by all parties. If the Court does not approve the consent judgment, the
23 parties shall meet and confer as to (and jointly agree on) whether to modify the language or appeal
24 the ruling. If the parties do not jointly agree on a course of action to take, then the case shall
25 proceed in its normal course on the trial court's calendar. In the event that this consent judgment is
26 entered by the Court and subsequently overturned by any appellate court or the motion to approve is
27 not ultimately granted, any monies that have been provided to Plaintiff, or his counsel pursuant to
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1 Section 3 and/or Section 4 above, shall be refunded within fifteen days of the appellate decision
2 becoming final. If the Court's approval is ultimately overturned by an appellate court, the parties
3 shall meet and confer as to (and jointly agree on) whether to modify the terms of the consent
4 judgment. If the parties do not jointly agree on a course of action to take, then the case shall
5 proceed in its normal course on the trial court's calendar.

6 **7. SEVERABILITY**

7 If, subsequent to the execution of this consent judgment, any of the provisions of this
8 consent judgment are held by a court to be unenforceable, the validity of the enforceable provisions
9 remaining shall not be adversely affected.

10 **8. ENTIRE AGREEMENT**

11 This consent judgment contains the sole and entire agreement and understanding of the
12 parties with respect to the entire subject matter hereof, and any and all prior discussions,
13 negotiations, commitments, and understandings related hereto. No representations, oral or
14 otherwise, express or implied, other than those contained herein have been made by any party
15 hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed
16 to exist or to bind any of the parties.

17 **9. GOVERNING LAW**

18 The terms of this consent judgment shall be governed by the laws of the State of California
19 and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise
20 rendered inapplicable by reason of law generally, or as to the Products, then Fourstar Defendants
21 shall provide written notice to Dr. Held of any asserted change in the law, and shall have no further
22 obligations pursuant to this consent judgment with respect to, and to the extent that, the Products
23 are so affected.

24 **10. NOTICES**

25 Unless specified herein, all correspondence and notices required to be provided pursuant to
26 this consent judgment shall be in writing and personally delivered or sent by: (i) first-class,
27 (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the
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1 other party at the following addresses:

2 To Fourstar Defendants:

3 Ann G. Grimaldi, Esq.
4 MCKENNA, LONG & ALDRIDGE, LLP
5 101 California Street, 41st Floor
6 San Francisco, CA 94111

7 To Dr. Held:

8 Proposition 65 Coordinator
9 HIRST & CHANLER, LLP
10 2560 Ninth Street
11 Parker Plaza, Suite 214
12 Berkeley, CA 94710-2565

13 Any party, from time to time, may specify in writing to the other party a change of address
14 to which all notices and other communications shall be sent.

15 **11. COUNTERPARTS; FACSIMILE SIGNATURES**

16 This consent judgment may be executed in counterparts and by facsimile, each of which
17 shall be deemed an original, and all of which, when taken together, shall constitute one and the
18 same document.

19 **12. COMPLIANCE WITH HEALTH & SAFETY CODE §25249.7(f)**

20 Dr. Held agrees to comply with the reporting form requirements referenced in California
21 Health & Safety Code §25249.7(f).

22 **13. ADDITIONAL POST EXECUTION ACTIVITIES**

23 Dr. Held and Fourstar Defendants agree to mutually employ their best efforts to support the
24 entry of this agreement as a consent judgment by the trial court and defend the agreement against
25 any appellate review. The Parties acknowledge that, pursuant to California Health & Safety Code
26 §25249.7, a noticed motion is required to obtain judicial approval of this consent judgment.
27 Accordingly, Dr. Held agrees to file a motion to approve the consent judgment, and Fourstar
28 Defendants agree to support it.

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14. MODIFICATION

This consent judgment may be modified only: (1) by written agreement of the parties and upon entry of a modified consent judgment by the Court thereon; or (2) upon a successful motion of any party and entry of a modified consent judgment by the Court.

15. AUTHORIZATION

The undersigned are authorized to execute this consent judgment on behalf of their respective parties and have read, understood, and agree to all of the terms and conditions of this consent judgment.

<p>AGREED TO:</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <p>APPROVED By Anthony E Held at 12:24 pm, 10/7/08</p> </div> <p>Date: _____</p> <p>By: <u>Anthony E Held</u> Plaintiff, ANTHONY E. HELD, Ph.D., P.E.</p>	<p>AGREED TO:</p> <p>Date: _____</p> <p>By: _____ Defendant, FOURSTAR GROUP INC. (FORMERLY KNOWN AS FOURSTAR INTERNATIONAL TRADING COMPANY), andFOURSTAR GROUP USA, INC.</p>
<p>APPROVED AS TO FORM:</p> <p>Date: _____</p> <p style="text-align: center;">HIRST & CHANLER LLP</p> <p>By: _____ David R. Bush Attorneys for Plaintiff ANTHONY E. HELD, Ph.D., P.E.</p>	<p>APPROVED AS TO FORM:</p> <p>Date: _____</p> <p style="text-align: center;">MCKENNA, LONG & ALDRIDGE LLP</p> <p>By: _____ Ann G. Grimaldi Attorneys for Defendants FOURSTAR GROUP INC. (FORMERLY KNOWN AS FOURSTAR INTERNATIONAL TRADING COMPANY), and FOURSTAR GROUP USA, INC.</p>

IT IS SO ORDERED.

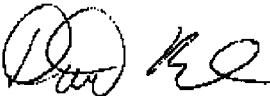
Date: _____ JUDGE OF THE SUPERIOR COURT

1 **14. MODIFICATION**

2 This consent judgment may be modified only: (1) by written agreement of the parties and
3 upon entry of a modified consent judgment by the Court thereon; or (2) upon a successful motion of
4 any party and entry of a modified consent judgment by the Court.

5 **15. AUTHORIZATION**

6 The undersigned are authorized to execute this consent judgment on behalf of their
7 respective parties and have read, understood, and agree to all of the terms and conditions of this
8 consent judgment.

<p>9 AGREED TO:</p> <p>10 Date: _____</p> <p>11</p> <p>12 By: _____</p> <p>13 Plaintiff, ANTHONY E. HELD, Ph.D., P.E.</p>	<p>AGREED TO:</p> <p>Date: _____</p> <p>By: _____</p> <p>Defendant, FOURSTAR GROUP INC. (FORMERLY KNOWN AS FOURSTAR INTERNATIONAL TRADING COMPANY), and FOURSTAR GROUP USA, INC.</p>
<p>16 APPROVED AS TO FORM:</p> <p>17 Date: <u>Oct. 7, 2008</u></p> <p>18 HIRST & CHANLER LLP</p> <p>19 </p> <p>20 By: _____</p> <p>21 David R. Bush 22 Attorneys for Plaintiff 23 ANTHONY E. HELD, Ph.D., P.E.</p>	<p>APPROVED AS TO FORM:</p> <p>Date: _____</p> <p>MCKENNA, LONG & ALDRIDGE LLP</p> <p>By: _____</p> <p>Ann G. Grimaldi Attorneys for Defendants FOURSTAR GROUP INC. (FORMERLY KNOWN AS FOURSTAR INTERNATIONAL TRADING COMPANY), and FOURSTAR GROUP USA, INC.</p>

25 **IT IS SO ORDERED.**

26 Date: _____

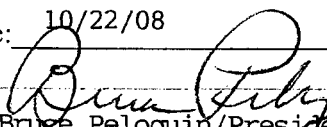
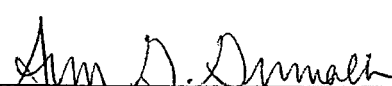
27 _____
JUDGE OF THE SUPERIOR COURT

1 **14. MODIFICATION**

2 This consent judgment may be modified only: (1) by written agreement of the parties and
3 upon entry of a modified consent judgment by the Court thereon; or (2) upon a successful motion of
4 any party and entry of a modified consent judgment by the Court.

5 **15. AUTHORIZATION**

6 The undersigned are authorized to execute this consent judgment on behalf of their
7 respective parties and have read, understood, and agree to all of the terms and conditions of this
8 consent judgment.

<p>9 AGREED TO:</p> <p>10 Date: _____</p> <p>11</p> <p>12 By: _____</p> <p>13 Plaintiff, ANTHONY E. HELD, Ph.D., P.E.</p>	<p>9 AGREED TO:</p> <p>10 Date: <u>10/22/08</u></p> <p>11 </p> <p>12 By: <u>Bruce Peloquin/President-U.S.A.</u></p> <p>13 Defendant, FOURSTAR GROUP INC.</p> <p>14 (FORMERLY KNOWN AS FOURSTAR</p> <p>15 INTERNATIONAL TRADING COMPANY),</p> <p>16 and FOURSTAR GROUP USA, INC.</p>
<p>16 APPROVED AS TO FORM:</p> <p>17 Date: _____</p> <p>18 HIRST & CHANLER LLP</p> <p>19</p> <p>20 By: _____</p> <p>21 David R. Bush</p> <p>22 Attorneys for Plaintiff</p> <p>23 ANTHONY E. HELD, Ph.D., P.E.</p>	<p>16 APPROVED AS TO FORM:</p> <p>17 Date: <u>10/27/08</u></p> <p>18 MCKENNA, LONG & ALDRIDGE LLP</p> <p>19</p> <p>20 By: </p> <p>21 Ann G. Grimaldi</p> <p>22 Attorneys for Defendants</p> <p>23 FOURSTAR GROUP INC. (FORMERLY</p> <p>24 KNOWN AS FOURSTAR INTERNATIONAL</p> <p>25 TRADING COMPANY), and</p> <p>26 FOURSTAR GROUP USA, INC.</p>

25 **IT IS SO ORDERED.**

26 Date: _____

27 _____
28 JUDGE OF THE SUPERIOR COURT