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6 Attorneys for Plaintiff  
CENTER FOR ENVIRONMENTAL HEALTH  
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9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 COUNTY OF SAN FRANCISCO  
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12 CENTER FOR ENVIRONMENTAL HEALTH, )  
13 )  
Plaintiff, )

14 v. )  
15 )

16 ACME UNITED CORPORATION; ADENNA )  
INC.; BECTON, DICKINSON & COMPANY; )  
17 BETTY DAIN CREATIONS, INC.; )  
DURASAFÉ INC.; IMPACT PRODUCTS, )  
18 LLC; INVACARE CORPORATION; )  
MICROFLEX CORPORATION; SHELBY )  
19 GROUP INTERNATIONAL DBA MCR )  
SAFETY; UNITED STATIONERS SUPPLY )  
20 CO.; and Defendant DOES 1 through 200, )  
inclusive, )  
21 )

22 Defendants. )  
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Case No. CGC-08-482792

**[PROPOSED] CONSENT JUDGMENT  
AS TO DEFENDANT MICROFLEX  
CORPORATION**

1           **1. INTRODUCTION**

2           **1.1** On December 9, 2008, Plaintiff the Center for Environmental Health  
3 (“CEH”), a non-profit corporation acting in the public interest, filed a complaint entitled *Center*  
4 *for Environmental Health v. Acme United Corporation, et al.*, San Francisco County Superior  
5 Court Case Number CGC-08-482792 (the “CEH Action”), for civil penalties and injunctive relief  
6 pursuant to the provisions of Cal. Health & Safety Code § 25249.5, *et seq.* (“Proposition 65”).  
7 The Complaint in the CEH Action named Microflex Corporation (“Defendant”) as a defendant.

8           **1.2** Defendant is a corporation that employs 10 or more persons and  
9 manufactured, distributed and/or sold vinyl gloves (the “Products”) in the State of California.

10           **1.3** On or about August 26, 2008, CEH served Defendant and the appropriate  
11 public enforcement agencies with the requisite 60-day Notice (the “Notice”) alleging that  
12 Defendant was in violation of Proposition 65. CEH’s Notice and the Complaint in the CEH  
13 Action allege that Defendant exposes people who use or otherwise handle the Products to di(2-  
14 ethylhexyl) phthalate (“DEHP”), a chemical known to the State of California to cause cancer,  
15 birth defects and other reproductive harm, without first providing clear and reasonable warning  
16 to such persons regarding the carcinogenicity and reproductive toxicity of DEHP. The Notice  
17 and Complaint allege that Defendant’s conduct violates Health & Safety Code § 25249.6, the  
18 warning provision of Proposition 65. Defendant disputes such allegations and asserts that all of  
19 its products are safe and comply with all applicable laws.

20           **1.4** For purposes of this Consent Judgment only, the Parties stipulate that this  
21 Court has jurisdiction over the subject matter of the violations alleged in the Complaint and  
22 personal jurisdiction over Defendant as to the acts alleged in the Complaint, that venue is proper  
23 in the County of San Francisco, and that this Court has jurisdiction to enter this Consent  
24 Judgment as a full and final resolution of all claims which were or could have been raised in the  
25 Complaint against Defendant based on the facts alleged therein.

26           **1.5** The Parties enter into this Consent Judgment pursuant to a settlement of  
27 certain disputed claims between the Parties as alleged in the Complaint. By executing this  
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1 Consent Judgment, the Parties do not admit any facts or conclusions of law. It is the Parties'  
2 intent that nothing in this Consent Judgment shall be construed as an admission by the Parties of  
3 any fact, conclusion of law, issue of law or violation of law, nor shall compliance with the  
4 Consent Judgment constitute or be construed as an admission by the Parties of any fact,  
5 conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall  
6 prejudice, waive or impair any right, remedy, argument or defense the Parties may have in this or  
7 any other or future legal proceedings.

## 8 2. COMPLIANCE

9 2.1 WARNINGS. After 90-days following the entry of this Consent  
10 Judgment (the "Compliance Date"), Defendant shall not distribute, ship, or sell, or cause to be  
11 distributed, shipped or sold, any Product that contain any Listed Phthalate in excess of trace  
12 amounts unless such Product bears a label containing the warning language set forth herein. For  
13 purposes of this Consent Judgment: (1) "Listed Phthalates" means DEHP, butyl benzyl phthalate  
14 ("BBP"), di-n-hexyl phthalate ("DnHP"), di-n-butyl phthalate ("DBP") and di-isodecyl phthalate  
15 ("DIDP"); and (2) "in excess of trace amounts" means more than 600 parts per million.

16 **"WARNING: These vinyl gloves contain a chemical known to the State of**  
17 **California to cause cancer, birth defects and other**  
18 **reproductive harm."**

19 The warning statement shall be prominently displayed in at least 14 point font on the front of the  
20 outside of the packaging, and shall be displayed in a separate outlined box set apart from any  
21 other print and that contains no other language. The warning must be displayed with such  
22 conspicuousness, as compared with other words, statements, or designs as to render it likely to be  
23 read and understood by an ordinary individual. The warning statement shall not be preceded,  
24 followed, or surrounded by words, symbols, or other matter that reduces its conspicuousness or  
25 that introduces, modifies, qualifies, or explains the required text, such as "legal notice required  
26 by law." Defendant shall not provide the warning described in this paragraph for Products that  
27 do not contain Listed Phthalates in excess of trace amounts. Defendant shall maintain  
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1 documentation demonstrating its compliance with this Section 2.1, which shall be made available  
2 to CEH upon request.

3 **3. SETTLEMENT PAYMENTS**

4 **3.1 Penalty.** Defendant shall pay \$1,000 as a civil penalty pursuant to Health  
5 and Safety Code §25249.7(b). The penalty shall be made payable to CEH, which will apportion  
6 the penalty in accordance with Health and Safety Code §25249.12.

7 **3.2 Payment in lieu of additional penalty.** Defendant shall pay to CEH  
8 \$9,500 in lieu of any additional penalty pursuant to Health and Safety Code § 25249.7(b). CEH  
9 shall use such funds to continue its work protecting people from exposures to toxic chemicals.  
10 The payment required under this section shall be made payable to CEH.

11 **3.3 Attorneys' Fees and Costs.** Defendant shall pay \$19,500 to reimburse  
12 CEH and its attorneys for their reasonable investigation fees and costs, attorneys' fees, and any  
13 other costs incurred as a result of investigating, bringing this matter to Defendant's attention,  
14 litigating and negotiating a settlement in the public interest. The payment required under this  
15 section shall be made payable to Lexington Law Group.

16 **3.4 Delivery of Payments.** All payments made pursuant to this Section 4  
17 shall be delivered to the Lexington Law Group at the address set forth in Section 11.1 and shall  
18 be delivered within 10 days of entry of this Consent Judgment.

19 **4. MODIFICATION OF CONSENT JUDGMENT**

20 **4.1** This Consent Judgment may be modified by written agreement of CEH  
21 and Defendant, or upon motion of CEH or Defendant as provided by law.

22 **5. ENFORCEMENT OF CONSENT JUDGMENT**

23 **5.1** CEH may, by motion or application for an order to show cause before the  
24 Superior Court of the County of San Francisco, enforce the terms and conditions contained in  
25 this Consent Judgment. Should CEH prevail on any motion or application under this section,  
26 CEH shall be entitled to its reasonable attorneys' fees and costs associated with such motion or  
27 application.

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**6. APPLICATION OF CONSENT JUDGMENT**

6.1 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.

**7. CLAIMS COVERED**

7.1 This Consent Judgment is a full, final and binding resolution between CEH and Defendant of any violation of Proposition 65 that was or could have been asserted in the Complaint against Defendant (including any claims that could be asserted in connection with any of the Products covered by this Consent Judgment) or its parents, subsidiaries, affiliates, directors, officers, employees, agents, attorneys, distributors, customers or retailers (collectively, "Defendant Releasees") based on failure to warn about alleged exposures to DEHP resulting from any Products manufactured, distributed or sold by Defendant ("Covered Claims") on or prior to the date of entry of this Consent Judgment. CEH, its directors, officers, employees and attorneys hereby release all Covered Claims against Defendant Releasees. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 for purposes of exposures to Listed Phthalates from the Products.

**8. SEVERABILITY**

8.1 In the event that any of the provisions of this Consent Judgment are held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

**9. GOVERNING LAW**

9.1 The terms of this Consent Judgment shall be governed by the laws of the State of California.

**10. PROVISION OF NOTICE**

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

1 For CEH:

2 Mark N. Todzo  
3 Lexington Law Group  
4 1627 Irving Street  
San Francisco, CA 94122

5 For Defendant:

6 Walter J. Lipsman  
7 Morris Polich & Purdy LLP  
8 1055 West 7th Street, 24th Floor  
Los Angeles, CA 90017

9 And

10 Steven Olechny, Esq.  
11 Vice President and General Counsel  
12 Microflex Corp.  
13 2301 Robb Drive  
Reno, NV 89523-1901

14 **11. RETENTION OF JURISDICTION**

15 **11.1** This Court shall retain jurisdiction of this matter to implement and enforce  
16 the terms this Consent Judgment.

17 **12. COURT APPROVAL**

18 **12.1** If this Consent Judgment is not approved by the Court, it shall be of no  
19 further force or effect.

20 **13. EXECUTION AND COUNTERPARTS**

21 **13.1** The stipulations to this Consent Judgment may be executed in counterparts  
22 and by means of facsimile, which taken together shall be deemed to constitute one document.


23 **14. AUTHORIZATION**

24 **14.1** Each signatory to this Consent Judgment certifies that he or she is fully  
25 authorized by the party he or she represents to stipulate to this Consent Judgment and to enter  
26 into and execute the Consent Judgment on behalf of the party represented and legally bind that  
27 party. The undersigned have read, understand and agree to all of the terms and conditions of this  
28 Consent Judgment. Except as explicitly provided herein, each party is to bear its own fees and

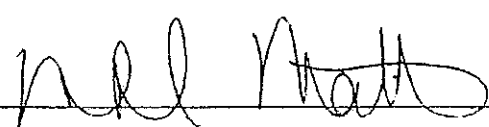
1 costs.

2 **AGREED TO:**

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4 CENTER FOR ENVIRONMENTAL HEALTH

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6 \_\_\_\_\_ Dated: 9/4/09  
7 Michael Green, Executive Director  
8 Center for Environmental Health

9 MICROFLEX CORPORATION

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12 \_\_\_\_\_ Dated: 9/3/09

13 Michael Mattos  
14 Printed Name

15 President & CEO  
16 Title

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**ORDER AND JUDGMENT**

Based upon the stipulated Consent Judgment between CEH and Microflex Corporation, the settlement is approved and judgment is hereby entered according to the terms herein.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Judge, Superior Court of the State of California