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Attorney for Plaintiff
David Steinman

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

DAVID STEINMAN

Case No.

Plaintiff

**[PROPOSED] CONSENT
JUDGMENT**

v.

**THE CALDREA COMPANY and DOES
1-100**

Defendants.

I. INTRODUCTION

1.1 On September 17, 2009, Plaintiff David Steinman as a private attorney general and in the public interest filed a Complaint for Injunctive and Declaratory Relief and Civil Penalties against Defendant The Caldrea Company (“Caldrea”). The Complaint alleges that Caldrea violated Health and Safety Code section 25249.6 of the Safe Drinking Water and Toxic Enforcement Act of 1986 (also known as “Proposition 65,”) through the sale of Mrs. Meyer’s Clean Day Liquid Dish Soap by failing to provide a clear and reasonable warning.

1.2 The Complaint is based on allegations contained in a Notice of Violation dated March 19, 2009, served on the California Attorney General, other public enforcers and Caldrea. A true and correct copy of the Notice of Violation is attached hereto as Exhibit A.

1.3 Plaintiff David Steinman is an individual interested in the enforcement of Proposition 65.

1.4. Defendant The Caldrea Company is a business entity that manufactures, distributes and/or sells Mrs. Meyer's Clean Day Liquid Dish Soap. Caldrea is a company that employs ten or more persons.

1.5 The Parties enter into this Consent Judgment in order to achieve a full settlement of disputed claims between the Parties as alleged in the Complaint for the purpose of avoiding prolonged litigation. Plaintiff David Steinman has diligently prosecuted this matter and is settling this case in the public interest.

1.6 Nothing in the Consent Judgment shall be construed as an admission by Caldrea of any fact, issue of law or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by Caldrea of any fact, issue of law or violation of law, at any time, for any purpose. Nothing in the Consent Judgment shall prejudice, waive or impair any right, remedy or defense that Caldrea may have in any other or further legal proceedings. Nothing in the Consent Judgment or any document referred to herein, shall be construed as giving rise to any presumption or inference of admission or concession by Caldrea as to any fault, wrongdoing or liability whatsoever.

II. JURISDICTION AND VENUE

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the subject matter of this action and personal jurisdiction over the Parties, that

venue is proper in this Court, and that this Court has jurisdiction to enter a Consent Judgment pursuant to the terms set forth herein.

III. INJUNCTIVE RELIEF -REFORMULATION AND TESTING

3.1 Reformulation of Mrs. Meyer's Clean Day Liquid Dish Soap

Pursuant to the terms of this Consent Judgment, Caldrea shall reformulate Mrs. Meyer's Clean Day Liquid Dish Soap for sale in California (and for sale to a third party for retail sale in California) so that after September 1, 2009 it will be formulated so that it does not contain any detectable amount of 1,4-dioxane.

3.2 Clear and Reasonable Warning:

In the event that Caldrea obtains information that one or more lots of Mrs. Meyer's Clean Day Liquid Dish Soap manufactured after June 1, 2009 for sale in California or to a third party for retail sale in California contains more than 10 ppm of 1,4-dioxane, Caldrea shall immediately provide a clear and reasonable warning on any such lots in its possession with the following language:

WARNING: This product contains a chemical known to the State of California to cause cancer.

In the event that this warning is required, the warning shall be prominently affixed to or printed on the container of Mrs. Meyer's Clean Day Liquid Dish Soap so as to be clearly conspicuous, as compared with other statements or designs on the label as to render it likely to be read and understood by an ordinary purchaser or user of the product.

3.3 Testing

Commencing no later than thirty (30) days after the Notice of Entry of Judgment is served on Caldrea, the company shall undertake testing of Mrs. Meyer's Clean Day Liquid Dish Soap. The testing shall continue for a period of four consecutive quarters for a period of one-year. Caldrea shall (itself or through another) test at least one randomly selected sample of Mrs.

Meyer's Clean Day Liquid Dish Soap each quarter, to confirm that the levels of 1,4-dioxane are below 10 ppm.

All testing pursuant to this Consent Judgment shall be performed by a laboratory certified by the California Environmental Laboratory Accreditation Program for the analysis of volatile organics in water or a laboratory that is approved by, accredited by, or registered with the United State Food & Drug Administration for the analysis of volatile organics in water. The laboratory shall conduct the testing according to the protocol attached as Exhibit B hereto. Caldrea shall be required to conduct no further testing as long as both of the following conditions are satisfied:

- (1) No single quarterly sample tested pursuant to paragraph 3.3 contains a concentration of 1,4- dioxane in excess of 10 ppm;
- (2) The arithmetic mean of 1,4-dioxane concentrations in all samples tested pursuant to paragraph 3.3 does not exceed 4 ppm.

3.4 In the event that additional testing is required by the provisions of paragraph 3.3, Caldrea shall continue testing for a period of another one year after the tests set forth in paragraph 3. Caldrea may cease testing after the second year so long as no samples of Mrs. Meyer's Clean Day Liquid Dish Soap have tested in excess of 10 ppm 1,4-dioxane during the two year time period.

In the event that, after testing has ceased, Caldrea changes the formulation or processing of Mrs. Meyer's Clean Day Liquid Dish Soap in any manner likely to affect the levels of 1,4-dioxane, Caldrea shall test a randomly selected sample from three uniform batches of the product used for the production of three different runs of the product in accordance with the protocol set forth in paragraph 3.3. If no single sample contains a concentration of 1,4-dioxane in excess of 4 ppm, no further testing shall be required as long as the product formulation and processing

remains the same. If a single sample tests above 4 ppm of 1,4-dioxane, Caldrea shall resume the testing process described in paragraph 3.3 above.

3.5 Caldrea shall retain copies of its test data for a period of three years from the date testing commenced and shall provide all test data to David Steinman upon written request and consummation of a satisfactory confidentiality agreement that permits enforcement of this Consent Judgment and protects the information shared from non-mandatory public disclosure.

IV. PAYMENT

In full and final satisfaction of David Steinman's costs of litigation, attorney's fees and all other expenses, Caldrea shall make a total payment of \$50,000.00, payable within fifteen (15) business days of receiving the Notice of Entry of Consent Judgment. Said payments shall be for the following:

A. \$ 26,725.00 payable to Freedom Press which includes:

a) further testing of consumer products for 1,4-dioxane, formaldehyde and other toxic chemicals; and research into alternatives to the use of toxic chemicals, the promotion of those alternatives; and b) reimbursement of out of pocket expenses of \$20,750.00. The Tax Identification No. for Freedom Press is 95-4736088.

C. \$23,275.00 payable to Michael Freund as reimbursement of David Steinman's attorney's fees.

Caldrea's payments shall be mailed to the Law Office of Michael Freund.

V. RELEASE AND CLAIMS COVERED

This Consent Judgment entered by the Court is a final and binding resolution between and among, David Steinman, his agents, employees, attorneys, successors and assigns, acting on behalf of the general public and the public interest pursuant to H&S Code section 25249.7(d),

and Caldrea, its parents, subsidiaries, affiliates, divisions, subdivisions, officers, directors, shareholders, employees, agents, attorneys, successors and assigns, of any and all claims, known or unknown, that have been or could have been asserted by David Steinman against Caldrea in the Complaint in regard to Mrs. Meyer's Clean Day Liquid Dish Soap, up to and including the date of entry of Consent Judgment arising from the presence of 1,4-dioxane in Mrs. Meyers Clean Day Liquid Dish Soap. Except for such rights and obligations as have been created under this Consent Judgment, Plaintiff David Steinman, on his own behalf and in bringing an action "in the public interest" pursuant to California Health and Safety Code Section 25249.7 (d) with respect to the matters alleged in the this lawsuit, does hereby fully, completely, finally and forever release, relinquish and discharge Caldrea and its respective parents, subsidiaries, affiliates, divisions, subdivisions, officers, directors, shareholders, employees, agents, attorneys, suppliers, manufacturers, distributors, retailers, successors and assigns ("released parties") from any and all claims, actions, causes of action, demands, rights, debts, agreements, promises, liabilities, damages, accountings, costs and expenses, whether known or unknown, suspected or unsuspected, of every nature whatsoever which Plaintiff David Steinman has or may have against the said released parties, arising directly or indirectly out of any fact or circumstance occurring prior to the date upon which the Consent Judgment becomes final, relating to Mrs. Meyer's Clean Day Liquid Dish Soap, including Proposition 65.

It is the intention of the Parties to this release that, upon entry of this Consent Judgment by the Court, this Consent Judgment shall be effective as a full and final accord and satisfaction and Release of every released claim up to and including the date of entry of the Consent Judgment. In furtherance of this intention, Plaintiff acknowledges that he is familiar with California Civil Code section 1542, which provides as follows:

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

David Steinman hereby waives and relinquishes all of the rights and benefits that Plaintiff has, or may have, under California Civil Code section 1542 (as well as any similar rights and benefits which they may have by virtue of any statute or rule of law in any other state or territory of the United States). David Steinman hereby acknowledges that he may hereafter discover facts in addition to, or different from, those which he now knows or believes to be true with respect to the subject matter of this Consent Judgment and the Consent Judgment entered by the Court and the released claims, but that notwithstanding the foregoing, it is David Steinman's intention hereby to fully, finally, completely and forever settle and release each, every and all released claims, and that in furtherance of such intention, the release herein given shall be and remain in effect as a full and complete general release, notwithstanding the discovery or existence of any such additional or different facts. David Steinman hereby warrants and represents to Caldrea that (a) he has not previously assigned any released claim, and (b) he has the right, ability and power to release each released claim.

VI. CONTINUING OBLIGATIONS

Nothing herein shall be construed as diminishing Caldrea's continuing obligations to comply with Proposition 65.

VII. SEVERABILITY OF UNENFORCEABLE PROVISIONS

In the event that, after entry of this Consent Judgment in its entirety, any of the provisions hereof are subsequently held by a court to be unenforceable, the validity of the enforceable

provisions shall not be adversely affected.

VIII. ENFORCEMENT OF CONSENT JUDGMENT

David Steinman may, by motion or as otherwise provided for enforcement of Judgments, seek relief from this Superior Court of the State of California to enforce the terms and conditions contained in this Consent Judgment after its entry by the Court.

IX. APPLICATION OF CONSENT JUDGMENT

This Consent Judgment entered by the Court shall apply to, be binding upon and inure to the benefit of Caldrea, its parents, subsidiaries, affiliates, divisions, subdivisions, officers, directors, shareholders, employees, agents, attorneys, suppliers, manufacturers, successors and assigns, and upon David Steinman on his own behalf and on behalf of the general public and the public interest, as well as Mr. Steinman's, employees, agents, successors, attorneys and assigns.

X. MODIFICATION OF CONSENT JUDGMENT

This Consent Judgment entered by the Court may be modified only upon written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon a regularly-noticed motion of any Party to the Consent Judgment as provided by law and upon entry of a modified Consent Judgment by the Court.

XI. RETENTION OF JURISDICTION

This Court shall retain jurisdiction of this matter to enforce, modify or terminate the Consent Judgment.

XII. AUTHORITY TO STIPULATE TO THIS CONSENT JUDGMENT

Each signatory to this Consent Judgment certifies that he or she is fully authorized by the Party he or she represents to enter into this Consent Judgment and to execute it on behalf of the party represented and legally to bind that party.

XIII. COURT APPROVAL

This Consent Judgment shall be effective only after it has been executed by the Court.

Otherwise, it shall be of no force or effect and cannot be used in any proceeding for any purpose.

XIV. EXECUTION IN COUNTERPARTS

This Consent Judgment may be executed in counterparts and/or by facsimile, which taken together shall be deemed to constitute one document.

XV. NOTICES

All notices required to be given to either Party to this Consent Judgment by the other shall be sent to the following agents:

FOR DAVID STEINMAN:

David Steinman
Freedom Press, Inc.
1801 Chart Trail
Topanga, CA 90290

Michael Bruce Freund
Law Offices of Michael Freund
1915 Addison Street
Berkeley, CA 94704
Telephone: (510) 540-1992
Facsimile: (510) 540-5543

FOR THE CALDREA COMPANY:

Monica Nassif, CEO
The Caldrea Company
420 N. 5th Street
Suite 600
Minneapolis, MN 55401-2251

Gary Roberts
Sonnenschein, Nath & Rosenthal, LLP
601 S. Figueroa Street, 25th Floor
Los Angeles, CA 90017
Telephone: (213) 623-9300
Facsimile: (213) 623-9924

XVI. GOVERNING LAW

The validity, construction and performance of this Consent Judgment shall be governed by the laws of the State of California.

XVII. DRAFTING

The terms of this Consent Judgment have been reviewed by the respective counsel for the Parties to this Settlement prior to its signing, and each Party has had an opportunity to fully discuss the terms with counsel. The Parties agree that, in any subsequent interpretation and construction of this Consent Judgment entered thereon, the terms and provisions shall not be construed against either Party.

XVIII. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

In the event a dispute arises with respect to either party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet either in person or by telephone and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand. In the event an action or motion is filed, however, the prevailing party may seek to recover costs and reasonable attorney's fees. As used in the preceding sentence, the term "prevailing party" means a party who is successful in obtaining relief more favorable to it than the relief that the other party was amenable to providing during the parties' good faith attempt to resolve the dispute that is the subject of such enforcement action.

XIX. ENTIRE AGREEMENT

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions,

negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties.

XX. REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT AND ENTRY OF CONSENT JUDGMENT

This settlement has come before the Court upon the request of the Parties. The Parties request the Court to fully review this settlement and, being fully informed regarding the matters which are the subject of this action, to:

(1) Find that the terms and provisions of this Consent Judgment represent a fair and equitable settlement of all matters raised by the allegations of the Complaint, that the matter has been diligently prosecuted, and that the public interest is served by such settlement; and

(2) Make the findings pursuant to Health & Safety Code § 25249.7 (f) (4), approve the Settlement and approve this Consent Judgment.

IT IS SO STIPULATED:

THE CALDREA COMPANY

Dated: _____, 2009

Monica Nassif, Chief Executive Officer.

Dated: _____, 2009

David Steinman

APPROVED AS TO FORM:

Dated: _____, 2009

SONNENSCHNEIN, NATH & ROSENTHAL, LLP

Gary Roberts
Attorney for Defendant
The Caldrea Company

Dated: _____, 2009

LAW OFFICE OF MICHAEL FREUND

Michael Freund
Attorney for Plaintiff
David Steinman

IT IS SO ORDERED:

Dated: _____, 2009

JUDGE, SUPERIOR COURT