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6	Attorneys for Plaintiff JOHN MOORE		
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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
10	FOR THE COUNTY OF SAN FRANCISCO		
11	UNLIMITED CIVIL JURISDICTION		
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13	JOHN MOORE,	Case No. CGC-10-501884	
14	Plaintiff,	[PROPOSED] CONSENT JUDGMENT	
15	V.		
16	PARIS BUSINESS PRODUCTS, INC.; et al.,	(Cal. Health & Safety Code § 25249.6 et seq.)	
17	Defendants.		
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	CONSENT JUDGMENT		

1. <u>INTRODUCTION</u>

1.1 John Moore and Paris Business Products, Inc.

This Consent Judgment is entered into by and between John Moore ("Moore") and Paris Business Products, Inc. ("Paris"), with Moore and Paris collectively referred to as the "Parties."

1.2 Plaintiff

Moore is an individual residing in California who has brought the instant action as a private enforcer under the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §25249.6 *et seq.* ("Proposition 65").

1.3 Defendant

Paris employs ten or more persons and is a person in the course of doing business for purposes of Proposition 65.

1.4 General Allegations

Moore alleges that Paris has manufactured, distributed, and/or sold in the State of California books with soft covers containing di(2-ethylhexyl)phthalate ("DEHP"). DEHP is listed pursuant to Proposition 65, as a chemical known to the State of California to cause birth defects and other reproductive harm. DEHP is referred to herein as the "Listed Chemical." Paris has denied specifically that it is a manufacturer of the product, and that exposure to DEHP from a reasonable use of the Products exceeds the safe harbor level established under Proposition 65 for this toxicant, or that it is liable in any way to Moore or the residents of the State of California.

1.5 Product Description

The products that are covered by this Consent Judgment are defined as books/padfolios and docket document organizers containing the Listed Chemical including, by way of example and without limitation, the *Reveal Refillable Padfolio*, #00754 (#7 60361 10754 0). All such items sold by Paris shall be referred to herein as the "Products."

1.6 Notice of Violation

On April 9, 2010, Moore served Paris and various public enforcement agencies with a document entitled "60-Day Notice of Violation" that provided Paris and such public enforcers with notice that Paris was alleged to be in violation of Proposition 65 for failing to warn

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consumers and customers that the Products exposed users in California to the Listed Chemical. Moore represents that he has complied with the statutory requirements for notice to the public enforcers and that no public enforcer has commenced or is diligently prosecuting the allegations set forth in the 60-Day Notice of Violation ("Notice").

1.7 Complaint

On July 23, 2010, Moore, by and through counsel pursuant to Health & Safety Code §25249.7(d), filed a complaint in the Superior Court in and for the City and County of San Francisco, Case No. CGC-10-501884, alleging that Paris violated Proposition 65 through its manufacture, distribution, and/or sale of the Products, without a clear and reasonable warning, to consumers in California ("Complaint").

1.8 No Admission

Paris denies the material, factual, and legal allegations contained in Moore's Notice and the Complaint and maintains that all products that it has sold in California, including the Products, have been, and are, in compliance with Proposition 65 and the regulations thereunder. Nothing in this Consent Judgment shall be construed as an admission by Paris or any party in privity with Paris of any fact, finding, conclusion, issue of law, or violation of law; nor shall compliance with this Consent Judgment constitute or be construed as an admission by Paris or any party in privity with Paris of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Paris.

1.9 Consent to Jurisdiction

For purposes of this Consent Judgment only, the parties stipulate that this Court has jurisdiction over Paris as it relates to this Consent Judgment, that venue is proper in the City and County of San Francisco, and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean December 15, 2010.

2. <u>INJUNCTIVE RELIEF</u>

2.1 Reformulated Products

As of April 1, 2011, Paris shall not sell or offer to sell any Products in California unless they are "Reformulated Products." For purposes of this Settlement Agreement, Reformulated Products shall mean Products that contain no more than 1,000 parts per million of the Listed Chemical, when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C, or equivalent methodologies utilized by federal or state agencies for the purpose of determining the presence of DEHP in a solid substance.

2.2 Requirements for Products Remaining in Inventory

(a) For its existing inventory of Products that Paris sells between the Effective Date and March 31, 2011 that are not Reformulated Products, Paris agrees that, prior to selling those Products, it will provide for the affixing of a warning to the packaging, labeling, or directly on each Product reasonably likely to be sold or resold in California that states:

WARNING: This product contains DEHP, a chemical known to the State of California to cause birth defects or other reproductive harm.

The label shall be prominently placed on the packaging, labeling, or directly on the Product exterior with such conspicuousness as compared with other words, statements, designs or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase.

- (b) For Products that are not Reformulated Products and that were shipped, distributed, or sold by Paris to a retailer or distributor customer prior to the Effective Date, that Paris believes remain in inventory with the customer and that are reasonably likely to be sold in California, Paris agrees that it will, within thirty days of the Effective Date, either:
- (i) Provide each of those retailer and/or distributor customers with a letter explaining in detail the customer's duty to provide clear and reasonable Proposition 65

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warnings for the Products. In addition, Paris shall include for those customers a sufficient number of warning stickers containing the following language:

WARNING: This product contains DEHP, a chemical known to the State of California to cause birth defects or other reproductive harm.

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The letter shall include instructions that the stickers be placed on the product packaging for those Products that remain on the sales floor of the retailer or are otherwise in inventory with the store or distribution facility. The instructions shall advise retailers and distributors that warning stickers issued for Products are to be prominently placed with such conspicuousness as compared with other words, statements, designs or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase; or

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(ii) Provide a letter permitting the retailer or distributor to return such Products, intended for distribution or sale in California, to Paris, or provide their own warning as provided above. Paris shall offer to pay the return shipping for the Products.

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(c) Any letter provided under subsections 2.2(b) (i) or (ii) shall specify the product name, product number, and/or shop keeping unit ("SKU") number, if available, for each Product covered by the letter.

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MONETARY PAYMENTS 3.

("OEHHA") and the remaining 25% paid to Moore.

19 20 3.1 Payments Pursuant to Health & Safety Code §25249.7(b) Pursuant to Health & Safety Code §25249.7(b), Paris Business Products shall pay \$4,000

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with California Health & Safety Code §§25249.12(c)(1) & (d)., with 75% of the penalty amount

in civil penalties in settlement of this claim. This payment shall be apportioned in accordance

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remitted to the State of California's Office of Environmental Health Hazard Assessment

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Paris Business Products shall issue two separate checks for each of these payments as

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follows: (a) one check made payable to "The Chanler Group in Trust for the OEHHA" in the

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amount of \$3,000; and (b) one check made payable to "The Chanler Group in Trust for John Moore," in the amount of \$1,000. Two separate 1099s shall be issued for the above payments:

The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486). The second 1099 shall be issued to Moore, whose address and tax identification number shall be furnished five calendar days prior to the date of payment. The payments shall be delivered within ten days of the Effective Date to the following address:

The Chanler Group Attn: Proposition 65 Controller 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

4. REIMBURSEMENT OF FEES AND COSTS

4.1 Attorney Fees and Costs

The Parties acknowledge that Moore and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee issue to be resolved after the material terms of the agreement had been settled. Paris then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The Parties then attempted to (and did) reach an accord on the compensation due to Moore and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5, for all work performed before and in this action through the mutual execution of this agreement. Paris, on behalf of itself and those in its chain of distribution, agrees to pay Moore and his counsel a total of \$29,000 for fees and costs incurred as a result of investigating, bringing this matter to Paris' attention, and litigating and negotiating a settlement in the public interest. Moore and his counsel shall not seek to recover any fees or costs from any other source in connection with this action. Paris shall issue a separate 1099 for fees and costs (EIN: 94-3171522) and shall make the check payable to "The Chanler Group." Payment shall be delivered within ten days of the Effective Date to the following address:

The Chanler Group Attn: Proposition 65 Controller 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710

5. <u>RELEASE OF ALL CLAIMS</u>

5.1 Moore 's Release of Paris

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4 above, Moore on behalf of himself, his past and current agents, representatives, consultants, investigators, attorneys, successors, and/or assignees, and in the interest of the general public, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), that were brought or could have been brought against Paris or any of its parents, subsidiaries or affiliates, and all of its customers (including, without limitation, Kmart Corporation), distributors, wholesalers, retailers, licensors, licensees, employees, officers, agents, or any other person in the course of doing business, and the successors and assigns of any of them, who may use, maintain, manufacture, distribute, advertise, market or sell Products, and the officers, directors, managers, employees, members, shareholders,

Moore also, on behalf of himself and his agents, attorneys, representatives, successors and assigns, in his individual capacity only and *not* in his representative capacity, provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, expenses, costs, attorneys' fees, damages, losses, claims, liabilities and demands of Moore of any nature, character or kind, known or unknown, suspected or unsuspected, arising out of the subject matter of this dispute.

agents, insurers and representatives of each of them (collectively "Releasees") with respect to the

5.2 Paris' Release of Moore

Products and the claims alleged in the Notice and Complaint.

Paris waives any and all claims against Moore, his attorneys, and other representatives for any and all actions taken or statements made (or those that could have been taken or made) by Moore and his attorneys and other representatives, whether in the course of investigating claims

respect to the Products.

6. COURT APPROVAL; DISMISSAL OF KMART

This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered by the Court within one year after it has been fully executed by all parties, in which event any monies that have been provided to Moore, or his counsel pursuant to Sections 3.1 and/or 4.1 above shall be refunded within fifteen days after receiving written notice from Paris that the one-year period has expired. The Parties further agree and understand that, on the Court's approval and entry of this Consent Judgment, Moore will file a request for dismissal as to defendant Kmart Corporation.

or otherwise seeking enforcement of Proposition 65 against them in this matter, and/or with

7. <u>SEVERABILITY</u>

If, subsequent to the execution of this Consent Judgment, any of the provisions of this Consent Judgment are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

8. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products specifically, then Paris shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Paris from any obligation to comply with any pertinent state or federal toxics control laws.

9. NOTICES

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

For Paris:

Edmond M. George, Esq. Obermayer, Rebmann, Maxwell & Hippel, LLP One Penn Center, 19th Floor 1617 John F. Kennedy Boulevard Philadelphia, PA 19103-1895

For Moore:

Proposition 65 Coordinator The Chanler Group 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710

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

10. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>

This Consent Judgment may be executed in counterparts and by facsimile, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

11. COMPLIANCE WITH HEALTH & SAFETY CODE §25249.7(f)

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

12. ADDITIONAL POST EXECUTION ACTIVITIES

The parties acknowledge that, pursuant to Health & Safety Code §25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment. In furtherance of obtaining such approval, Moore and Paris and their respective counsel agree to mutually employ their "best efforts" to support the entry of this agreement as a Consent Judgment and obtain approval of the Consent Judgment by the Court in a timely manner. For purposes of this paragraph, best efforts shall include, at a minimum, cooperating on the drafting and filing of any papers in support of the requisite motion for judicial approval.

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13. 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.

14. <u>AUTHORIZATION</u>

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 hereof.

1	AGREED IV:	AGREED TO:
10	JOHN MOORE	PARIS BUSINESS PRODUCTS, INC.
11	ph E. afan	By: W. Joman
12		Its:UCFO
13	Date: December 16, 2010	Date: 12/15/10

CONSENT JUDGMENT