

1 Yeroushalmi & Associates  
2 Reuben Yeroushalmi (State Bar No. 193981)  
3 3700 Wilshire Blvd., Suite 480  
4 Los Angeles, CA 90010  
5 Telephone: (213) 382-3183  
6 Facsimile: (213) 382-3430  
7 Email: lawfirm@yeroushalmi.com  
8 Attorneys for Plaintiff,  
9 Consumer Advocacy Group, Inc.

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

11 Consumer Advocacy Group, Inc., in the public  
12 interest,  
13 Plaintiff,  
14 v.  
15 Avis Rent A Car System, LLC et al.,  
16 Defendants.

Case No. BC 429131

[PROPOSED] CONSENT JUDGMENT

Department 36  
Hon. Gregory Alarcon

Complaint filed: December 31, 2009

1. INTRODUCTION

1.1 Plaintiff. Consumer Advocacy Group, Inc. (“Plaintiff” or “CAG”), on its own behalf and as a representative of the People of the State of California, is a non-profit public interest corporation.

1.2 Settling Defendants. Avis Rent A Car System, LLC and Budget Rent A Car System, Inc. are vehicle rental companies doing business in California at various locations throughout the state. Avis Budget Group, Inc. does not rent vehicles in the state of California but was named as a defendant because it is the ultimate parent company of Avis Rent A Car System, LLC and Budget Rent A Car System, Inc. (collectively, these three entities are the “Defendants”).

---

[Proposed] Stipulated Consent Judgment

1           1.3    Covered Activity. On December 31, 2009, Plaintiff filed a Complaint for Penalties,  
2 Injunction and Restitution alleging that Defendants, in their automobile rental operations in  
3 California during the relevant time frame, have allowed persons to smoke cigarettes and other  
4 tobacco products in their rental vehicles, thereby allegedly exposing their respective employees and  
5 customers, including the passengers of the vehicles they rented, to a workplace or other environment  
6 in which second-hand tobacco smoke and environmental tobacco smoke is present and causing the  
7 persons to inhale ambient air at the location or within the vehicles which air contained tobacco smoke  
8 and its constituent chemicals without first providing Proposition 65-compliant warnings to such  
9 exposed persons.

10           1.4    Proposition 65. The Safe Drinking Water and Toxic Enforcement Act, codified at  
11 Health and Safety Code sections 25249.5 et seq. ("Proposition 65"), prohibits, among other things, a  
12 company consisting of ten or more employees from knowingly and intentionally exposing an  
13 individual to chemicals known to the State of California to cause cancer, birth defects, or other  
14 reproductive harm without first providing a clear and reasonable warning to such individuals.  
15 Exposures can occur as a result of a consumer product exposure, an occupational exposure, or an  
16 environmental exposure.

17           1.5    Proposition 65 Chemicals. The State of California has officially listed various  
18 chemicals pursuant to Health and Safety Code section 25249.8 as chemicals known to the State of  
19 California to cause cancer and/or reproductive toxicity, including second-hand tobacco smoke,  
20 environmental tobacco smoke and various constituent chemicals in exhaust from vehicle engines.

21           1.6    The Consent Judgment. This Consent Judgment pertains to Plaintiff's claims against  
22 Defendants as set forth in *Consumer Advocacy Group, Inc. v. Avis Rent A Car System, LLC et al.*,  
23 Los Angeles Superior Court Case No BC429131 (the "Action") and the three sets of 60-Day Notices,  
24 described below, served by Plaintiff upon Defendants and their related entities.

25           1.6    The First Set of 60-Day Notices. On or about December 31, 2008, more than sixty  
26 days before filing suit in the Action, Plaintiff or its predecessors served Defendants with Notices of  
27 Intent to Sue Under Health & Safety Code Section 25249.6 (the "Second Hand Smoke Notices").

1 The Second Hand Smoke Notices stated, among other things, that Plaintiff believed that Defendants  
2 had violated Proposition 65 by knowingly and intentionally exposing consumers, customers, and  
3 employees in California, as well as the public, to the Proposition 65-listed chemicals found in tobacco  
4 products, tobacco smoke, cigars and smokeless tobacco. Among the Proposition 65 chemicals  
5 identified by Plaintiff in the Second Hand Smoke Notices were tobacco products, tobacco smoke,  
6 cigars and smokeless tobacco (and their constituent chemicals, including Acetaldehyde, Acetamide,  
7 Acrylonitrile, 4-Aminobiphenyl, (4-Aminodiphenyl), Aniline, Ortho-Anisidine, Arsenic (inorganic  
8 arsenic compounds), Benz[a]anthracene, Benzene, Benzo[a]pyrene, Benzo[b]fluoranthene,  
9 Benzo[j]fluoranthene, Benzo[k]fluoranthene, 1,3-Butadiene, Cadmium, Captan, Chromium  
10 (hexavalent compounds), Chrysene, Dichlorodiphenyltrichloroethane (DDT), Dibenz[a,h]acridine,  
11 Dibenz[a,j]acridine, Dibenz[a,h]anthracene, 7H-Dibenzo[c,g]carbazole, Dibenzo[a,e]pyrene,  
12 Dibenzo[a,h]pyrene, Dibenzo[a,i]pyrene, Dibenzo[a,l]pyrene, 1,1-Dimethylhydrazine (UDMH),  
13 Formaldehyde (gas), Hydrazine, Lead and lead compounds, 1-Naphthylamine, 2-Naphthylamine,  
14 Nickel and certain nickel compounds, 2-Nitropropane, N-Nitrosodi-n-butylamine, N-  
15 Nitrosodiethanolamine, N-Nitrosodiethylamine, N-Nitrosomethylethylamine, N-Nitrosomorpholine,  
16 N-Nitrosornicotine, N-Nitrosopiperidine, N-Nitrosopyrrolidine, Ortho-Toluidine, Tobacco Smoke,  
17 Urethane (Ethyl carbamate), Arsenic (inorganic Oxides), Cadmium, Carbon disulfide, Carbon  
18 monoxide, Nicotine, and Toluene.

19 1.7 The Second Set of 60-Day Notices. On or about April 23, 2010, Plaintiff served the  
20 Defendants with additional Notices of Intent to Sue Under Health & Safety Code Section 25249.6  
21 (the "Engine Exhaust Notices"). The Engine Exhaust Notices stated, among other things, that  
22 Plaintiff believed that Defendants had violated Proposition 65 by knowingly and intentionally  
23 exposing consumers, customers, and employees in California, as well as the public, to the Proposition  
24 65-listed chemicals found in exhaust from gasoline and diesel engine vehicles. Among the  
25 Proposition 65 chemicals identified by Plaintiff in the Engine Exhaust Notices were Acetaldehyde,  
26 Acrylonitrile, Arsenic (inorganic oxides and arsenic compounds), Asbestos, Benz[a]anthracene,  
27 Benzene, Benzo[a]pyrene, Benzo[b]fluoranthene, Benzo[j]fluoranthene, Benzo[k]fluoranthene,

1 Beryllium and beryllium compounds, Bitumens (extracts of steam-refined and air-refined), 1,3-  
2 Butadiene, Cadmium and cadmium compounds, Carbazole, Chromium (hexavalent compounds),  
3 Chrysene, Cobalt Sulfate Heptahydrate, Dibenz[a,h]acridine, Dibenz[a,j]acridine, 7H-  
4 Dibenzo[c,g]carbazole, Dibenzo[a,e]pyrene, Dibenzo[a,l]pyrene, Dichloromethane (Methylene  
5 Chloride), Diesel Engine Exhaust, 1,1-Dimethylhydrazine (UDMH), Ethylbenzene, Formaldehyde  
6 (gas), Hiberna[a,h]anthracene, Hydrazine, Indeno[1,2,3,4-cd]pyrene, Lead and lead compounds, 3-  
7 Methylcholanthrene, 5-Methylchrysene, Naphthalene, Nickel and certain nickel compounds, 1-  
8 Nitropropane, N-Nitrosodiethanolamine, N-Nitrosornicotine, N-Nitrosopyrrolidine, Quinoline and  
9 its strong acid salts, Silica, Crystalline (airborne particles of respirable size), Soots, Tars and Mineral  
10 Oils (untreated and mildly treated oils and used engine oils), Tetrachloroethylene (Perchloroethylene)  
11 Ortho-Toluidine, Trichloroethylene, Urethane (Ethyl carbamate), Benzene, Cadmium, Carbon  
12 Disulfide, Carbon Monoxide, Lead, Mercury and mercury compounds, Methyl Chloride, and  
13 Toluene. The Proposition 65-listed chemicals identified in both the Second-Hand Smoke Notices and  
14 the Engine Exhaust Notices shall collectively be referred to herein as the "Noticed Chemicals."

15 1.8 The Third Set of 60-Day Notices. On or about October 4, 2010, Plaintiff served two  
16 additional Notices of Intent to Sue Under Health & Safety Code Section 25249.6 on defendants Avis  
17 Budget Group, Inc. and Budget Rent A Car System, LLC (the "Budget Truck Notices"). The Budget  
18 Truck Notices purport to provide notice of Proposition 65 violations in connection with "a truck  
19 rental company located in California, which does business as 'Budget Truck Rental.'" The locations  
20 of alleged violations described in the Budget Truck Notices are operations affiliated with Budget  
21 Truck Rental, LLC, an independent legal entity and subsidiary of defendant Avis Budget Group, Inc.,  
22 improperly named in the Notices as "Budget Rent A Car System, *dba* 'Budget Truck Rental'"  
23 (emphasis added). Budget Truck Rental, LLC is not a named defendant in the Action, and as stated  
24 above, defendant Avis Budget Group, Inc. rents no vehicles in the State of California.

25 The Budget Truck Notices stated, among other things, that Plaintiff believed that defendants  
26 Avis Budget Group, Inc. and Budget Rent A Car System, LLC had violated Proposition 65 by  
27 knowingly and intentionally exposing consumers, customers, and employees at "Budget Truck



1 take, violates Proposition 65 or any other statute, regulation, or principal of common law.

2 Defendants expressly deny any alleged violations of Proposition 65 or any other statute, regulation,  
3 or principle of common law.

4 1.10 Effective Upon Final Determination. Defendants' willingness to enter into this  
5 Consent Judgment is based upon the understanding that this Consent Judgment will fully and finally  
6 resolve all claims related to the Noticed Chemicals present in tobacco products, tobacco smoke,  
7 cigars, smokeless tobacco, secondhand tobacco smoke and environmental tobacco smoke and exhaust  
8 from gasoline and diesel engine vehicles (and each of their constituent chemicals), and that this  
9 Consent Judgment will have *res judicata* and/or collateral estoppel effect to the fullest extent allowed  
10 by law with regards to alleged violations of Proposition 65 by Defendants.

## 11 2. JURISDICTION

12 2.1 Subject Matter Jurisdiction. For purposes of this Consent Judgment only, the Parties  
13 stipulate that this Court has jurisdiction over the allegations of violations contained in the Action, and  
14 would have jurisdiction over the allegations of violation contained in the Notices if raised before this  
15 Court.

16 2.2 Personal Jurisdiction. For purposes of this Consent Judgment only, the Parties  
17 stipulate that this Court has personal jurisdiction over the Defendants as to the acts alleged in the  
18 Notices and the Action.

19 2.3 Venue. For purposes of this Consent Judgment only, the Parties stipulate that venue is  
20 proper in the County of Los Angeles for resolution of any and all allegations made and claims  
21 asserted in the Notices and the Action.

22 2.4 Jurisdiction to Enter Consent Judgment. The Parties stipulate that this Court has  
23 jurisdiction to enter this Consent Judgment as a full and final settlement and resolution of the  
24 allegations contained in the Notices and the Action, and of all claims that were or could have been  
25 raised based on the facts alleged therein or arising therefrom by any person or entity, other than the  
26 Attorney General of the State of California, in whole or in part, directly or indirectly, against the  
27 Defendants and Released Parties, as defined in paragraph 4.2 below.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**3. INJUNCTIVE RELIEF:**

3.1 No-Smoking Policy. Avis Rent A Car System, LLC and Budget Rent A Car System, Inc. agree, if they have not already done so, to: (a) discourage customers from smoking tobacco products inside rental vehicles through the use of written signs posted at all facilities in California that they respectively own, manage, or operate, and (b) require rental customers, pursuant to written provisions in the rental agreement or in any addendum thereto or by means of any other form of memorialized consent, including without limitation electronic signature capture, to agree to reimburse them for all reasonable costs and damages which the Parties agree may include costs incurred in the cleaning of the interior portions of any rental vehicle to remove residual tobacco or tobacco smoke odors or other damage caused by the rental customer and arising out of the use of tobacco products (collectively, a "No-Smoking Policy"). Defendants may further discourage customers from smoking in vehicles by the placement of decals within their rental vehicles or by the removal of lighters and ashtrays from same, but this Consent Judgment does not require that they do so.

The parties understand and acknowledge that Defendants employ workers who are part of a union or unions. Nothing in this agreement is intended to change Defendants obligations under their union agreement(s).

3.2 Proposition 65 Warning. At any rental facilities in California owned, managed, or operated by Avis Rent A Car System, LLC and Budget Rent A Car System, Inc. as of the date of this Consent Judgment, the Defendants agree to post warnings regarding potential Proposition 65 exposures, if they have not already done so. The following warning shall be prominently displayed at or near the point of sale where vehicle rental transactions take place:

**WARNING:**

**Vehicle Exhaust Fumes are Present and Contain Chemicals Known to the State of California to Cause Cancer and Birth Defects or Other Reproductive Harm.**

**Tobacco Smoke Is Not Permitted in Rental Vehicles, Though It May Be Present Near Rental Facilities. Tobacco Smoke Contains Chemicals**



1 **Tobacco Smoke may be Present in Rental Vehicles and Near Rental**  
2 **Facilities. Tobacco Smoke Contains Chemicals Known to the State of**  
3 **California to Cause Cancer and Birth Defects or Other Reproductive**  
4 **Harm.**

5 3.4 Compliance. Defendants' compliance with paragraphs 3.1 and 3.2 and Budget  
6 Truck's compliance with paragraphs 3.3 and 5.3 will be deemed to fully satisfy Defendants' and  
7 Budget Truck's respective obligations under Proposition 65 with respect to any exposures and  
8 potential exposures to Noticed Chemicals in all respects and to any and all persons and entities.

9 3.4 Future Laws or Regulations. In lieu of complying with the requirements of paragraphs  
10 3.1, 3.2 and 3.3, if: (a) any future federal law or regulation that governs the warning provided for here  
11 preempts state authority with respect to said warning, or (b) any future warning requirements with  
12 respect to the subject matter of said paragraphs are proposed by any industry association and  
13 approved by the State of California, or (c) any future new state law or regulation specifying a specific  
14 warning for car rental companies with respect to the subject matter of said paragraphs, Defendants  
15 and Budget Truck Rental may comply with the warning obligations set forth in paragraphs 3.1, 3.2  
16 and 3.3 of this Judgment by complying with such future federal or state law or regulation or such  
17 future warning requirement upon notice to Plaintiff.

18 3.5 Statutory Amendment to Proposition 65. If there is a statutory or other amendment to  
19 Proposition 65, or regulations are adopted pursuant to Proposition 65, which would exempt  
20 paragraphs 3.1, 3.2 and 3.3 of this Judgment, Defendants, Budget Truck and/or the "Released  
21 Parties," as defined in paragraph 4.2 below, or the class to which Defendants belong, from providing  
22 the warnings described here, then, upon the adoption of such statutory amendment or regulation, and  
23 to the extent provided for in such statutory amendment or regulation, Defendants and Budget Truck  
24 shall be relieved from their obligation to provide the warnings set forth here.

25 3.6 Former Facilities. Should Defendants or Budget Truck cease to own, manage, or  
26 operate any rental facility in California after the effective date of this Consent Judgment, then  
27

1 Defendants or Budget Truck shall be relieved of their obligation to post warnings as detailed under  
2 paragraphs 3.1, 3.2 and 3.3 of this Consent Judgment with respect to such facility.

#### 3 4. RELEASE AND CLAIMS COVERED

4 4.1 Effect of Judgment. The Judgment is a full and final judgment with respect to any  
5 claims regarding the Noticed Chemicals that were asserted or could have been asserted in the Action  
6 (or a separate action) against the Released Parties (as defined in paragraph 4.2 below) and each of  
7 them, and with respect to the Notices issued to Defendants regarding any rental facilities in California  
8 under their ownership, management, or operation, including, but not limited to: (a) claims for any  
9 violations of Proposition 65 by the Released Parties and each of them including, but not limited to,  
10 claims arising from consumer product, environmental, and occupational exposures to the Noticed  
11 Chemicals, wherever occurring and to whomever occurring, through and including the date upon  
12 which the Consent Judgment becomes final; and (b) the Released Parties' continuing responsibility to  
13 provide the warnings mandated by Proposition 65 with respect to the Noticed Chemicals.

#### 14 4.2 Releases.

15 (a) Release by Plaintiff in the Public Interest. Except for such rights and  
16 obligations as have been created under this Consent Judgment, Plaintiff, "in the public interest" as  
17 that phrase is understood pursuant to Health and Safety Code section 25249.7, subd. (d), with respect  
18 to the matters regarding the Noticed Chemicals alleged in the Notices and the Action, does hereby  
19 fully, completely, finally and forever release, relinquish and discharge (a) each of the Defendants and  
20 Budget Truck Rental, LLC, (b) the past, present, and future owners, lessors, sublessors, managers and  
21 operators of, and any others with any interest in, any rental facilities in California under the complete  
22 or partial ownership, management, or operation of any of the Defendants or Budget Truck Rental,  
23 LLC, (c) the past, present, and future owners, lessors, sublessors, managers and operators of, and any  
24 others with any interest in, any rental facilities in California that franchise from but are not owned,  
25 managed, or operated by any of the Defendants or Budget Truck Rental, LLC and that voluntarily  
26 comply with the obligations in sections 3.1 and 3.2 of this Consent Judgment; and (d) any past,  
27 present, and future officers, directors, shareholders, affiliates, agents, principals, employees,

1 attorneys, insurers, parents, subsidiaries, owners, sister- or other related entities, and successors and  
2 assigns of the persons and entities described in subsection (a), (b), or (c) of this subsection  
3 (collectively (a), (b), (c) and (d) are the "Released Parties") of and from all claims, actions, causes of  
4 action, demands, rights, debts, agreements, promises, liabilities, damages, accountings, costs and  
5 expenses, that were or could have been asserted in the public interest in the Complaint against the  
6 Released Parties, arising in whole or in part, directly or indirectly, out of any fact or circumstance  
7 that was or could have been asserted in the public interest in the Complaint occurring prior to the date  
8 upon which the Consent Judgment becomes final, relating to alleged violations of Proposition 65 by  
9 the Released Parties and their respective agents, servants and employees, being hereinafter referred to  
10 as the "Released Claims." Notwithstanding the foregoing, this Consent Judgment does not provide a  
11 release for any of the other corporations or entities that received a sixty-day notice regarding alleged  
12 violations of Proposition 65 for exposure to second-hand smoke as issued by Plaintiff in or around  
13 December 2008. The Released Claims include all allegations made, or that could have been made, by  
14 Plaintiff in the public interest with respect to the Noticed Chemicals relating to Proposition 65.

15 (b) Release by Plaintiff. Except for such rights and obligations as have been  
16 created under this Consent Judgment, Plaintiff, for and on its own behalf, with respect to the matters  
17 regarding the Noticed Chemicals alleged in the Notices and the Action, does further hereby fully,  
18 completely, finally and forever release, relinquish and discharge the Released Parties of and from all  
19 claims, actions, causes of action, demands, rights, debts, agreements, promises, liabilities, damages,  
20 accountings, costs and expenses, whether known or unknown, suspected or unsuspected, of every  
21 nature whatsoever that Plaintiff has or may have against the Released Parties, arising in whole or in  
22 part, directly or indirectly, out of any fact or circumstance occurring prior to the date upon which the  
23 Consent Judgment becomes final, relating to alleged violations of Proposition 65 or any other  
24 violation by the Released Parties and their respective agents, servants and employees, being  
25 hereinafter referred to as the "Released Claims." Notwithstanding the foregoing, this Consent  
26 Judgment does not provide a release for any of the other corporations or entities that received a sixty-  
27 day notice regarding alleged violations of Proposition 65 for exposure to second-hand smoke as

1 issued by Plaintiff in or around December 2008. The Released Claims include all allegations made,  
2 or that could have been made, by Plaintiff with respect to the Noticed Chemicals relating to  
3 Proposition 65 or otherwise.

4 4.3 Intent of Parties. The Parties intend that this release, upon entry of judgment, shall be  
5 effective as a full and final accord and satisfaction and release of each Released Claim as to each of  
6 the Released Parties. In furtherance of this intention, Plaintiff acknowledges that it is familiar with  
7 California Civil Code section 1542, which provides as follows:

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

11 Plaintiff waives and relinquishes all of the rights and benefits that Plaintiff has, or may have,  
12 under Civil Code section 1542 (as well as any similar rights and benefits which it may have by virtue  
13 of any statute or rule of law in any other state or territory of the United States). Plaintiff  
14 acknowledges that it may hereafter discover facts in addition to, or different from, those which it now  
15 knows or believes to be true with respect to the subject matter of this Consent Judgment and the  
16 Released Claims, but that notwithstanding the foregoing, it is Plaintiff's intention to fully, finally,  
17 completely and forever settle and release all Released Claims, and that in furtherance of such  
18 intention, the release here given shall be and remain in effect as a full and complete general release,  
19 notwithstanding the discovery or existence of any such additional or different facts.

20 4.4 Plaintiff's Ability to Represent Public. Plaintiff hereby warrants and represents to  
21 Defendants and the Released Parties that (a) Plaintiff has not previously assigned any Released  
22 Claim, and (b) Plaintiff has the right, ability and power to release each Released Claim.

23 Plaintiff further represents and warrants that it is a public benefit corporation formed for the  
24 specific purposes of (a) protecting and educating the public as to harmful products and activities; (b)  
25 encouraging members of the public to become involved in issues affecting the environment and the  
26 enforcement of environmental statutes and regulations including, but not limited to, Proposition 65;  
27 and (c) instituting litigation to enforce the provisions of Proposition 65.



1 Truck decides not to implement a No-Smoking Policy, Budget Truck shall post the warnings defined  
2 in paragraph 3.3 of this Agreement and also separately pay \$40,000 in lieu of civil penalties to CAG  
3 to conclude its obligations under this Agreement and to obtain a full release.

#### 4 6. PRECLUSIVE EFFECT OF CONSENT JUDGMENT

5 6.1 Entry of Judgment. It is the parties' intent that entry of judgment by the Court  
6 pursuant to this Consent Judgment, *inter alia*:

7 (a) Constitutes full and fair adjudication of all claims against the Defendants,  
8 including, but not limited to, all claims set forth in the Action, based upon alleged violations of  
9 Proposition 65, as well as any other statute, provision of common law or any theory or issue that has  
10 been or could have been asserted in the public interest or on behalf of the general public against  
11 Defendants which arose from Defendants' alleged failure to provide warnings regarding exposure to  
12 tobacco products, tobacco smoke, cigars, smokeless tobacco, secondhand tobacco smoke,  
13 environmental tobacco smoke and exhaust from gasoline and diesel engine vehicles (and each of their  
14 constituent chemicals), which may be present in, on or around any facilities or rental vehicles in  
15 California under Defendants' ownership, management, or operation, and which are known to the  
16 State of California to cause cancer, birth defects, and/or other reproductive harm;

17 (b) Bars Plaintiff in its own capacity or in the interests of the public and any  
18 entities in privity with Plaintiff, on the basis of res judicata, the doctrine of mootness and/or the  
19 doctrine of collateral estoppel, from prosecuting against any Released Party any claim with respect to  
20 the Noticed Chemicals alleged in the Action or the Notices, and based upon alleged violations of (i)  
21 Proposition 65, or (ii) any other statute, provision of common law or any theory or issue that was  
22 alleged or that could have been alleged in the Action which arose or arises from the alleged failure to  
23 provide warning of exposure to tobacco products, tobacco smoke, cigars, smokeless tobacco,  
24 secondhand tobacco smoke and environmental tobacco smoke (and each of their constituent  
25 chemicals), which may be present in, on or around any facilities or rental vehicles in California under  
26 Defendants' ownership, management, or operation, and which are known to the State of California to  
27 cause cancer, birth defects, and/or other reproductive harm.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**7. DISPUTES UNDER THE CONSENT JUDGMENT**

7.1 Disputes. In the event that a dispute arises with respect to either party's compliance with the terms of this Consent Judgment, the Parties shall meet, either in person or by telephone, and endeavor to resolve the dispute in an amicable manner. No action may be taken to enforce the provisions of the Consent Judgment absent such a good faith effort to resolve the dispute prior to the taking of such action. In the event that legal proceedings are initiated to enforce the provisions of the Consent Judgment, however, the prevailing party in such proceeding may seek to recover its costs and reasonable attorneys' 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 indicated it was amenable to providing during the Parties' good faith attempt to resolve the dispute that is the subject of such enforcement action.

7.2 Notice of Violation. In the event that CAG identifies what it believes is a violation of paragraph 3.2 or 3.3 at any of the California facilities owned, managed or operated by Defendants or Budget Truck Rental, CAG shall issue a notice of violation pursuant to this paragraph. The notice of violation shall be sent to the persons identified in Section 9 hereof, and shall, at minimum, set forth for each of the affected Parties: (a) the date(s) the alleged violation(s) was observed; (b) the facility or vehicle where the alleged violation(s) occurred; (c) a description of the circumstances or conditions giving rise to the alleged violation(s), including the specific location of the alleged violation within the relevant facility or vehicle and any affected party(ies); and (d) a description of any warnings that were provided within the relevant facility or vehicle relating to the relevant exposure, whether such warning was posted or provided otherwise. CAG shall promptly make available for inspection and/or copying, upon request, all supporting documentation or other information related to the alleged violation asserted in the notice of violation. The Parties shall meet and confer in good faith in an effort to resolve the allegations in the notice of violation. Only after the passage of sixty (60) days after service of the violation, and only to the extent the Parties have not resolved their dispute, may CAG seek enforcement of this Consent Judgment pursuant to paragraph 7.1.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

## 8. THIRD-PARTY LITIGATION

8.1 Duty to Cooperate. In the event of any litigation, including but not limited to opposition to entry of the Consent Judgment by this Court, instituted by a third party or governmental entity or official, the Parties agree to cooperate affirmatively in all good-faith efforts to defend against any such litigation.

## 9. NOTICES

9.1 Written Notice Required. All notices between the Parties provided for or permitted under this Consent Judgment or by law shall be in writing and shall be deemed duly served:

- (i) When personally delivered to a party, on the date of such delivery; or
- (ii) When sent via facsimile to a party at the facsimile number set forth below, or to such other or further facsimile number provided in a notice sent under the terms of this paragraph, on the date of the transmission of that facsimile; or
- (iii) When deposited in the United States mail, certified, postage prepaid, addressed to such party at the address set forth below, or to such other or further address provided in a notice sent under the terms of this paragraph, three days following the deposit of such notice in the mails.
- (iv) Notices pursuant to this paragraph shall be sent to the Parties at the addresses identified below, or to such other place as may from time to time be specified in a notice to each of the Parties hereto given pursuant to this paragraph as the address for service of notice on such party.

The addresses for notices are as follows:

(a) If to Avis Rent A Car System, LLC, Budget Rent A Car System, Inc., Budget Truck Rental, LLC and/or Avis Budget Group, Inc. then notices shall be given to:

Robert E. Muhs, Esq.  
Vice President  
Avis Budget Group, Inc.  
6 Sylvan Way, Parsippany, N.J. 07054

With a copy to:

William P. Donovan, Jr.  
DLA Piper LLP (US)  
1999 Avenue of the Stars, Suite 400  
Los Angeles, CA 90067-6023

1 Fax: (310) 595-3346

2 (b) If to CAG, then notices shall be given to:  
3  
4

5  
6 With a copy to:

7 Reuben Yeroushalmi  
8 Yeroushalmi & Associates  
9 3700 Wilshire Blvd., Suite 480  
10 Los Angeles, CA 90010  
11 Fax: (213) 382-3430

## 10. INTEGRATION

11 10.1 Integrated Writing. This Consent Judgment constitutes the final and complete  
12 agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior or  
13 contemporaneous negotiations, promises, covenants, agreements or representations concerning any  
14 matters directly, indirectly or collaterally related to the subject matter of this Consent Judgment. The  
15 Parties hereto have expressly and intentionally included in this Consent Judgment all collateral or  
16 additional agreements that may, in any manner, touch or relate to any portion of the subject matter of  
17 this Consent Judgment and, therefore, all promises, covenants and agreements, collateral or  
18 otherwise, are included herein. The Parties intend that this Consent Judgment shall constitute an  
19 integration of all their agreements, and each understands that in the event of any subsequent  
20 litigation, controversy or dispute concerning any of its terms, conditions or provisions, no party  
21 hereto shall be permitted to offer or introduce any oral or extrinsic evidence concerning any other  
22 collateral or oral agreement between or among the Parties not included herein.  
23

## 11. COMPLIANCE WITH REPORTING REQUIREMENTS

24 11.1 Reporting Forms; Presentation to Attorney General. The Parties agree to comply with  
25 the reporting form requirements referenced in Health and Safety Code section 25249.7, subdivision  
26  
27

1 (f). Therefore, Plaintiff shall present this Consent Judgment to the California Attorney General's  
2 office upon receiving all necessary signatures.

### 3 **12. COUNTERPARTS**

4 12.1 Counterparts. This Consent Judgment may be signed in counterparts and shall be  
5 binding upon the Parties hereto as if all of said Parties executed the original hereof. A facsimile or  
6 PDF signature shall be as valid as the original.

### 7 **13. WAIVER**

8 13.1 No Waiver. No waiver by any party hereto of any provision hereof shall be deemed to  
9 be a waiver of any other provision hereof or of any subsequent breach of the same or any other  
10 provision hereof.

### 11 **14. AMENDMENT**

12 14.1 In Writing. This Consent Judgment cannot be amended or modified except by a  
13 writing executed by the Parties hereto that expresses, by its terms, an intention to modify this Consent  
14 Judgment.

### 15 **15. SUCCESSORS**

16 15.1 Binding upon Successors. This Consent Judgment shall be binding upon and inure to  
17 the benefit of, and be enforceable by, the Parties hereto and their respective administrators, trustees,  
18 executors, personal representatives, successors and permitted assigns.

### 19 **16. CHOICE OF LAWS**

20 16.1 California Law Applies. Any dispute regarding the interpretation of this Consent  
21 Judgment, the performance of the Parties pursuant to the terms of this Consent Judgment, or the  
22 damages accruing to a Party by reason of any breach of this Consent Judgment shall be determined  
23 under the laws of the State of California, without reference to choice of law principles.

### 24 **17. NO ADMISSIONS**

25 17.1 Settlement Cannot Be Used as Evidence. This Consent Judgment has been reached by  
26 the Parties to avoid the costs of prolonged litigation. By entering into this Consent Judgment, neither  
27 Plaintiff nor Defendants admit any issue of fact or law, including any violations of Proposition 65 or

1 any other law. The settlement of claims herein shall not be deemed to be an admission or concession  
2 of liability or culpability by any Party, at any time, for any purpose. Neither this Consent Judgment,  
3 nor any document referred to herein, nor any action taken to carry out this Consent Judgment, shall  
4 be construed as giving rise to any presumption or inference of admission or concession by  
5 Defendants as to any fault, wrongdoing or liability whatsoever. Neither this Consent Judgment, nor  
6 any of its terms or provisions, nor any of the negotiations or other proceedings connected with it, nor  
7 any other action taken to carry out this Consent Judgment, by any of the Parties hereto, shall be  
8 referred to, offered as evidence, or received in evidence in any pending or future civil, criminal or  
9 administrative action or proceeding, except in a proceeding to enforce this Consent Judgment, to  
10 defend against the assertion of the Released Claims or as otherwise required by law.

11 **18. REPRESENTATION**

12 18.1 Construction of Consent Judgment. Plaintiff and Defendants each acknowledge and  
13 warrant that they have been represented by independent counsel of their own selection in connection  
14 with the prosecution and defense of the Action, the negotiations leading to this Consent Judgment  
15 and the drafting of this Consent Judgment; and that in interpreting this Consent Judgment, the terms  
16 of this Consent Judgment will not be construed either in favor of or against any Party hereto.

17 **19. AUTHORIZATION**

18 19.1 Authority to Enter Consent Judgment. Each of the signatories hereto certifies that he  
19 or she is authorized by the Party he or she represents to enter into this Consent Judgment, to stipulate  
20 to the Judgment, and to execute and approve the Judgment on behalf of the Party represented.

21  
22 Dated: <sup>May</sup> ~~April~~ 3<sup>rd</sup>, 2011

23 CONSUMER ADVOCACY GROUP, INC.

24 By

  
Consumer Advocacy Group, Inc.

Name: MICHEL SARSOON

Its: Executive Director

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

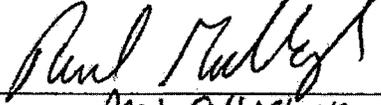
Dated: April 29, 2011

AVIS RENT A CAR SYSTEM, LLC

By   
Name: ROBERT E. MUHS  
Its: VP + ASSISTANT SECRETARY

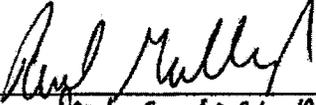
Dated: April 29, 2011

BUDGET RENT A CAR SYSTEM, INC.

By   
Name: PAUL GALLAHAN  
Its: ASSISTANT SECRETARY

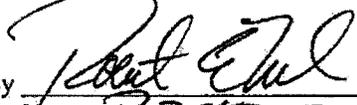
Dated: April 29, 2011

BUDGET TRUCK RENTAL, LLC

By   
Name: PAUL GALLAHAN  
Its: ASSISTANT SECRETARY

Dated: April 29, 2011

AVIS BUDGET GROUP, INC.

By   
Name: ROBERT E. MUHS  
Its: VP + ASSISTANT SECRETARY

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

1 Approved as to form:

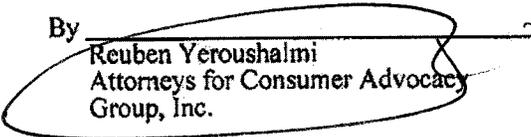
2

3 Dated: <sup>May</sup> April 3, 2011

YEROUSHALMI & ASSOCIATES

4

5

By   
Reuben Yeroushalmi  
Attorneys for Consumer Advocacy  
Group, Inc.

6

7

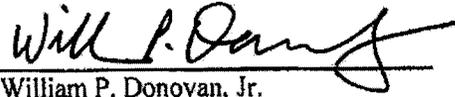
8

9 Dated: April 29, 2011

DLA PIPER LLP (US)

10

11

By   
William P. Donovan, Jr.  
Matthew S. Covington  
Attorneys for Avis Rent A Car System, LLC,  
Budget Rent A Car System, Inc., Budget Truck  
Rental, LLC and Avis Budget Group, Inc

12

13

14

15

16

REVIEWED AND APPROVED AS A JUDGMENT OF THE SUPERIOR COURT. IT IS  
SO ORDERED.

17

18

19

Dated: \_\_\_\_\_, 2011

\_\_\_\_\_  
THE HONORABLE  
JUDGE OF THE SUPERIOR COURT

20

21

22

23

24

25

26

27

28