| 1  | Clifford A. Chanler, State Bar No. 135534<br>Christopher M. Martin, State Bar No. 186021 |                             |  |
|----|--|-----------------------------|--|
| 2  | Troy C. Bailey, State Bar No. 277424 THE CHANLER GROUP                                   |                             |  |
| 3  | 2560 Ninth Street, Suite 214<br>Berkeley, CA 94710                                       |                             |  |
| 4  | Telephone: (510) 848-8880<br>Facsimile: (510) 848-8118                                   |                             |  |
| 5  | Attorneys for Plaintiff  |                             |  |
| 6  | JOHN MOORE   |                             |  |
| 7  | SUPERIOR COURT OF T  | THE STATE OF CALIFORNIA     |  |
| 8  | COUNTY OF ALAMEDA  |                             |  |
| 9  | UNLIMITED CIVIL JURISDICTION   |                             |  |
| 10 |  |                             |  |
| 11 | JOHN MOORE,  | Case No. HG12644848         |  |
| 12 | Plaintiff,   |                             |  |
| 13 | V.   | [PROPOSED] CONSENT JUDGMENT |  |
| 14 | FISKARS BRANDS, INC.; and DOES 1-150,  |                             |  |
| 15 | inclusive,   |                             |  |
| 16 | Defendants.  |                             |  |
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|    | [PROPOSED] CONSENT JUDGMENT  |                             |  |

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#### 1. <u>INTRODUCTION</u>

#### 1.1 John Moore and Fiskars Brands, Inc.

This Consent Judgment is entered into by and between plaintiff John Moore ("Moore" or "Plaintiff") and defendant Fiskars Brands, Inc. ("Fiskars" or "Defendant"), with Plaintiff and Defendant collectively referred to as the "Parties" and each individually referred to as a "Party."

#### 1.2 Plaintiff

Moore is an individual residing in California who seeks to promote awareness of exposure to toxic chemicals and improve human health by reducing or eliminating hazardous substances in consumer products.

#### 1.3 Defendant

Fiskars employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.6 *et seq.* ("Proposition 65").

#### 1.4 **General Allegations**

Moore alleges that Fiskars manufactured, imported, distributed, sold and/or offered for sale tools with grips containing di(2-ethylhexyl)phthalate ("DEHP") in the State of California without the requisite Proposition 65 health hazard warnings. DEHP is listed pursuant to Proposition 65 as known to the state of California to cause birth defects and other reproductive harm.

#### 1.5 Product Description

The products that are covered by this Consent Judgment are defined as tools with grips containing DEHP including, but not limited to, *Craftsman Grass Shears*, *No. 71.85258 (#0 46561 27820 5)*, which Fiskars manufactured, imported, distributed, sold and/or offered for sale in the State of California, hereinafter referred to as the "Noticed Products." In addition to the above, this Consent Judgment also covers the *Fiskars 7-Piece Ultra ShapeXpress Starter Set*, #148020-1001 (#0 78484 04802 3) and the *Fiskars Zig Zag Tear Edger*, #12-9186, #04-004821-A (#0 78484 09186 9) which contain DEHP and which Fiskars manufactured, imported,

distributed, sold and/or offered for sale in the State of California, hereinafter referred to as the "Additional Products." Noticed Products and Additional Products are hereinafter referred to as the "Products."

#### 1.6 **Notice of Violation**

On October 28, 2011, Moore served Fiskars and various public enforcement agencies with a document entitled "60-Day Notice of Violation" ("Notice") that provided the recipients with notice of alleged violations of Proposition 65 for failing to warn consumers that the Noticed Products exposed users in California to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

#### 1.7 Complaint

On or about August 23, 2012, Moore, who was and is acting in the interest of the general public in California, filed a complaint ("Complaint" or "Action") in the Superior Court in and for the County of Alameda against Fiskars and Does 1 through 150, alleging, inter alia, for violations of Proposition 65 based on the alleged exposures to DEHP contained in the Noticed Products.

#### 1.8 No Admission

Fiskars denies the material factual and legal allegations contained in Moore's Notice and Complaint and maintains that all Products sold and distributed in California have been and are in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission by Fiskars of any fact, finding, issue of law, or violation of law; nor shall compliance with this Consent Judgment constitute or be construed as an admission by Fiskars of any fact, finding, issue of law, or violation of law, such being specifically denied by Fiskars. However, this section shall not diminish or otherwise affect Fiskars' obligations, responsibilities, and duties under this Consent Judgment.

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#### 1.9 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Fiskars as to the allegations contained in the Complaint, that venue is proper in the County of Alameda, 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 February 15, 2013.

#### 2. <u>INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS</u>

#### 2.1 Reformulation Standard and Obligation

No more than 30 days after the Effective Date, Fiskars shall provide the reformulation standards for DEHP in Reformulated Products to its then-current Vendors of the Products that will be sold or offered for sale to California consumers and shall instruct each Vendor to use reasonable efforts to provide Reformulated Products expeditiously. As used herein, the term "Reformulated Products" shall mean Products containing less than 1,000 parts per million (0.1%) of DEHP when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C, CPSC-CH-C1001-09.3 Standard Operating Procedure for Determination of Phthalates, or any method utilized by state or federal agencies for the purposes of determining DEHP content in a solid substance. Additionally, as used herein the term "Vendor" means a person or entity that manufactures, imports, distributes, or otherwise supplies Products to Fiskars. In addressing the obligation set forth in this Section, Fiskars shall not employ statements that will encourage a Vendor to delay compliance with the reformulation standards. Upon request, Fiskars shall provide Plaintiff with copies of such Vendor notification and Plaintiff shall regard such copies as confidential business information.

2.1.1 Commencing on July 1, 2013, Fiskars shall not purchase, manufacture or cause to be manufactured any Product, that will be sold or offered for sale to California

consumers unless it is a Reformulated Product, or, alternatively, unless the Product contains clear and reasonable warnings as set forth herein.

2.1.2 Provided that Fiskars has complied with the Reformulation Obligation set forth in Section 2.1 above, sales of Noticed Products that were purchased or manufactured before July 1, 2013 shall not be separately actionable in another case brought pursuant to Section 25249.7(d) of the Health & Safety Code alleging a failure to warn under Proposition 65 with respect to DEHP in the Noticed Products.

#### 2.2 Warnings Commitment

Fiskars shall, for all Products, other than Reformulated Products, purchased, manufactured, or caused to be manufactured after July 1, 2013, for distribution and sale in California, provide clear and reasonable warnings as set forth in subsections 2.2(a) and (b). Each warning shall 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 use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Product the warning applies, so as to minimize the risk of consumer confusion.

#### (a) Retail Store Sales.

(i) **Product Labeling.** Fiskars shall affix a warning to the packaging, labeling, or directly on each Product sold in retail outlets in California by Fiskars or any person selling the Products, that states:

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

(ii) Point-of-Sale Warnings. Alternatively, Fiskars may provide warning signs in the form below to its customers in California with instructions to post the warnings in close proximity to the point of display of the Products. Such instruction sent to Fiskars' customers shall be sent by certified mail, return receipt requested.

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

Where more than one Product is sold in proximity to other like items or to those that do not require a warning (*e.g.*, Reformulated Products as defined in Section 2.1), the following statement shall be used:<sup>1</sup>

**WARNING:** The following products contain DEHP, a phthalate chemical known to the State of California to cause birth defects and other reproductive harm:

[list products for which warning is required]

#### (b) Mail Order Catalog and Internet Sales.

In the event that Fiskars sells Products via mail order catalog and/or the internet, to customers located in California, after the Effective Date, that are not Reformulated Products, Fiskars shall provide warnings for such Products sold via mail order catalog or the internet to California residents. Warnings given in the mail order catalog or on the internet shall identify the *specific* Product to which the warning applies as further specified in Sections 2.2(b)(i) and (ii).

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

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

Where it is impracticable to provide the warning on the same page and in the same location as the display and/or description of the Product, Fiskars may utilize a designated symbol to cross reference the applicable warning and shall define the term "designated symbol"

<sup>&</sup>lt;sup>1</sup> For purposes of the Consent Judgment, "sold in proximity" shall mean that the Product and another similar product are offered for sale close enough to each other that the consumer, under customary conditions of purchase, could not reasonably determine which of the two products is subject to the warning sign.

with the following language on the inside of the front cover of the catalog or on the same page as any order form for the Product(s):

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

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

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

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

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

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

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#### 3. MONETARY PAYMENTS

#### 3.1 <u>Initial Civil Penalty Pursuant to Health & Safety Code § 25249.7 (b)</u>

Fiskars shall pay an initial civil penalty in the amount of \$22,000 and which shall be apportioned in accordance with California Health & Safety Code § 25249.12, subdivisions (c)(1) and (d), with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to Moore.

#### 3.2 Payment in Lieu of Civil Penalty

Fiskars shall pay the sum of \$8,000 to Silent Spring Institute ("Silent Spring"), a not-for-profit institution, in lieu of further civil fines pursuant to Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 3202(b). Silent Spring will use such funds to continue its work identifying the links between exposure to environmental chemicals, including DEHP, and reproductive and developmental harm, as well as educating the public about such potential exposures. Silent Spring will conduct exposure- and risk-based prioritization of chemicals listed under Proposition 65, or chemicals OEHHA has identified as candidates for listing, in order to identify exposures of potential public health significance. Silent Spring may also use a portion of such funds to monitor compliance with the reformulation and warnings requirements of this and other similar consent judgments addressing Proposition 65-listed chemical exposures, as well as to conduct additional exposure measurements that evaluate the levels of chemical exposures to users of products that contain phthalate chemicals and lead.

#### 3.3 Final Civil Penalty Pursuant to Health & Safety Code § 25249.7 (b)

Fiskars shall pay a final civil penalty of \$60,000 on or before July 30, 2013, which shall be apportioned in accordance with Health & Safety Code § 25249.12, subdivisions (c)(1) and (d), with 75% of these funds earmarked for OEHHA and the remaining 25% of these penalty monies earmarked for Moore. As incentive to reformulate the Products, however, the final civil penalty identified in this Section shall be waived in its entirety if an Officer of Fiskars or its

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designee certifies in writing that as of July 15, 2013, and continuing on into the future, 75% or more of the Noticed Products purchased, manufactured and/or imported by Fiskars for distribution and sale in California are Reformulated Products pursuant to Section 2.1 above.

Such certification must be received by The Chanler Group on or before July 15, 2013.

#### 3.4 Payment Procedures

Fiskars shall put the initial civil penalty payment amount and the payment in lieu amount into escrow in Foley & Lardner LLP's client trust account on or before ten days after the Effective Date, and written notice shall timely be provided by Foley & Lardner LLP to counsel for Plaintiff that the funds have been received and have cleared. Within ten days of the hearing approving this Consent Judgment by the Court, three separate checks shall be issued from the escrow: (a) one check made payable to "The Chanler Group in Trust for OEHHA" in the amount of \$16,500 representing 75% of the total initial penalty; (b) one check to "The Chanler Group in Trust for John Moore" in the amount of \$5,500 representing 25% of the total initial penalty; and (c) one check in the amount of \$8,000 made payable to "The Chanler Group in Trust for Silent Spring Institute." Three separate 1099s shall be issued for the above payments as follows: (a) OEHHA, P.O. Box 4010, Sacramento, CA, 95814 (EIN: 68-0284486); (b) John Moore, whose information shall be provided by email or other means within five (5) calendar days of Fiskars' execution and delivery of this Consent Judgment document to Moore's counsel; and (c) Silent Spring Institute, 29 Crafts Street, Newton, Massachusetts 02458, whose information shall be provided by email or other means within five (5) calendar days of final execution of this agreement.

By no later than July 30, 2013, Fiskars, if required, shall also directly issue two separate checks for the final civil penalty payment: (a) one check made payable to "The Chanler Group in Trust for OEHHA" in the amount of \$45,000, representing 75% of the total final penalty; and (b) one check to "The Chanler Group in Trust for John Moore" in the amount of \$15,000, representing 25% of the total final penalty. Two corresponding separate 1099s shall also be issued by Fiskars for the above payments.

All payments due under this Consent Judgment shall be delivered to Moore's counsel at the following address:

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

#### 3.5 Reimbursement of Fees and Costs

The Parties reached an accord on the compensation due to Moore and his counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Fiskars shall reimburse Moore's counsel for fees and costs incurred as a result of investigating, bringing this matter to their attention, and negotiating a settlement and obtaining approval and entry of this Consent Judgment. Fiskars shall pay Moore and his counsel \$65,000 for all attorneys' fees, expert and investigation fees, and related costs, including the fees and costs associated with negotiating, drafting, and implementing the provisions of this Consent Judgment addressing the Products. Fiskars shall put the payment required by this paragraph into escrow in Foley & Lardner LLP's client trust account on or before ten days after the Effective Date, and Foley & Lardner LLP shall provide timely written notice to counsel for Plaintiff that the funds have been received and have cleared. Within ten days of the hearing approving this Consent Judgment, the payment required by this paragraph shall be provided from escrow to "The Chanler Group" and a separate 1099 shall be issued for The Chanler Group, 2560 Ninth Street, Parker Plaza, Suite 214, Berkeley, California 94710 (EIN: 94-3171522). This payment shall be delivered to Moore's counsel at the address shown for payments above.

#### 4. <u>CLAIMS COVERED AND RELEASED</u>

#### 4.1 Moore's Public Release of Proposition 65 Claims

In consideration of the promises and commitments herein contained, Moore on behalf of himself and his past and current agents, representatives, attorneys, successors, and/or assignees, and in the public interest, hereby waive and release Fiskars, all of its parents, subsidiaries, affiliated entities that are under common ownership or control, directors, officers, employees,

and attorneys ("Releasees") and each entity to whom they directly or indirectly distribute or sell Noticed Products, including but not limited to Sears Holdings Corporation, Sears Brands Management Corporation and all distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Downstream Releasees"), from all claims for violations of Proposition 65 based on exposure to DEHP from Noticed Products arising up through the date on which the Court enters this Consent Judgment. This waiver and release is limited to those claims that arise under Proposition 65 with respect to DEHP in the Noticed Products associated with Fiskars, as such claims relate to the alleged failure to warn under Health & Safety Code § 25249.6 and apply only as to Noticed Products. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DEHP from the Noticed Products as set forth in the Notice.

#### 4.2 Moore's Individual Release of Claims

Moore also, in his individual capacity only and *not* in his representative capacity, provides a release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of plaintiff of any nature, character or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of alleged or actual exposures to DEHP in the Products manufactured, imported, distributed, sold and/or offered for sale by Fiskars.

#### 4.3 Fiskars's Release of Moore

Fiskars on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby 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 or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the Products.

#### 5. COURT APPROVAL

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 Section 3 above, shall be refunded within fifteen (15) days after receiving written notice from Fiskars that the one-year period has expired.

#### 6. <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.

#### 7. **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 or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Fiskars shall provide written notice to Moore of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Products are so affected.

#### 8. 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:

To Fiskars: To Moore:

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

With a copy to:

Michael E. Delehunt, Esq. Foley & Lardner LLP 555 California Street, Suite 1700 San Francisco, CA 94104

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.

#### 9. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>

This Consent Judgment may be executed in counterparts and by facsimile or portable document format (".pdf"), each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document. A facsimile or .pdf signature shall be as valid as the original.

#### 10. 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).

#### 11. ADDITIONAL POST EXECUTION ACTIVITIES

The Parties agree to mutually employ their, and their counsel's, reasonable 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. The Parties acknowledge that, pursuant to California Health & Safety Code § 25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment, which Moore shall file, and which Fiskars shall not oppose. If any third party objection to the noticed motion is filed, Moore and Fiskars shall work together to file a joint reply and appear at any hearing before the Court. If the Court does not approve the motion to approve this Consent Judgment, and the Parties choose not to pursue a modified Consent Judgment within 30 days of said denial, or in the event that the Court approve this Consent Judgment and any person successfully appeals that approval, all payments made pursuant to this Consent Judgment will be returned to Fiskars.

#### 12. 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.

#### 13. 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.

#### 14. <u>AUTHORIZATION</u>

ACREED TO

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.

ACDEED TO.

| AGREED 10.     | AGREED TO:               |
|----------------|--------------------------|
| Date: 2-20-13  | Date:                    |
| By: John Moore | By: Fiskars Brands, Inc. |

#### 12. 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.

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#### 14. **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.

| AGREED TO:     | AGREED TO:               |
|----------------|--------------------------|
| Date:          | Date: February 15, 2013  |
| By: John Moore | By: Fiskars Brands, Inc. |