1	Stephen S. Sayad, State Bar No. 104866 Clifford A. Chanler, State Bar No. 135534			
2	THE CHANLER GROUP 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565			
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4	Berkeley, CA 94710-2565 Telephone:(510) 848-8880 Facsimile: (510) 848-8118			
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6	GURERIOR COURT OF A			
7	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
8	COUNTY OF ALAMEDA			
9	UNLIMITED CIVIL JURISDICTION			
10				
11	RUSSELL BRIMER,	Case No. RG10543922		
12	Plaintiff,	[PROPOSED]		
13	V.	CONSENT JUDGMENT		
14	TEST-RITE PRODUCTS CORP.; and DOES 1-150, inclusive,			
15	Defendants.			
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	CONSENT JUDGMENT			

1. INTRODUCTION

1.1 The Parties

This Consent Judgment is entered into by and between plaintiff, Russell Brimer ("Brimer"), and defendant, Test-Rite Products Corp. ("Test-Rite" or "Defendant"), with Brimer and Test-Rite collectively referred to as the "Parties," and individually referred to as a "Party."

1.2 Brimer

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

1.3 Defendant

Defendant Test-Rite employs ten or more individuals 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 and Product Description

Brimer alleges that Test-Rite has manufactured, distributed and/or sold in California trolley jack handles with grips that expose users to lead, and tools with grips that expose users to lead and/or di(2-ethylhexyl)phthalate ("DEHP"), without first providing a "clear and reasonable warning," as required by Proposition 65. Lead and DEHP are listed pursuant to Proposition 65 as chemicals known to the State of California to cause birth defects and other reproductive harm. All such trolley jack handles with grips containing lead and tools with grips containing lead and/or DEHP including, but not limited to, the products listed in Exhibit A, are referred to collectively hereinafter as "Products."

1.5 Notices of Violation

On or about June 17, 2010, Brimer served Test-Rite and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (the "Notice") that provided the public enforcers and Test-Rite with notice of alleged violations of Proposition 65 for failing to warn consumers that certain trolley jack handles with grips manufactured, distributed and/or sold by Test-Rite exposed users in California to lead. On January 19, 2012, Brimer served Test-Rite,

Sears Roebuck Co., Sears Holdings Corporation, O'Reilly Automotive, Inc. and various public enforcement agencies with a document entitled "Supplemental 60-Day Notice of Violation" (the "Supplemental Notice") that realleged the allegations in the Notice and provided the public enforcers and Test-Rite with notice of alleged violations of Proposition 65 for failing to warn consumers that certain tools with grips manufactured, distributed and/or sold by Test-Rite exposed users in California to lead and/or DEHP. The Notice and Supplemental Notice are collectively referred to hereinafter as the "Notices."

1.6 Complaint

On October 27, 2010, Brimer, acting in a representative capacity in the interest of the general public in California, filed the instant action in the Superior Court for the County of Alameda alleging violations of Proposition 65 based on the exposures to lead contained in the trolley jack handles with grips manufactured, distributed and/or sold by Test-Rite ("Complaint"). On or about June 1, 2012, Brimer filed a First Amended Complaint in the action adding the allegations set forth in the Supplemental Notice. The Complaint and First Amended Complaint are collectively referred to hereinafter as the "Complaints" or "First Action."

On October 1, 2012, Brimer filed a separate action in the Superior Court for the County of Alameda against Sears, Roebuck and Co., Sears Holdings Corporation, O'Reilly Automotive, Inc., and Does 1 through 150, *Brimer v. Sears, et al.*, Case No. RG12650009, alleging violations of Proposition 65 based on the exposures to lead and/or DEHP contained in trolley jack handles with grips sold by the named defendants ("Second Action"). Within forty-eight business hours of the Execution Date, Brimer shall file a dismissal without prejudice of the Second Action.

1.7 No Admission

This Consent Judgment resolves claims that are denied and disputed by Test-Rite. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties concerning the lead and/or DEHP in the Products for the purpose of avoiding prolonged litigation. Test-Rite denies the material, factual and legal allegations contained in the Notices and Complaints, maintains that it did not knowingly or intentionally expose California consumers to lead and/or DEHP through the reasonably foreseeable use of the

Products, and otherwise contends that all of the products it has manufactured, distributed and/or sold in California including the Products, have been, and are, in compliance with all applicable laws. Nothing in this Consent Judgment shall be construed as an admission by Test-Rite 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 Test-Rite of any fact, finding, conclusion, issue of law or violation of law, the same being specifically denied by Test-Rite. However, this Section shall not diminish or otherwise affect the Parties' obligations, responsibilities and/or duties under this Consent Judgment.

1.8 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Test-Rite 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 pursuant to California Code of Civil Procedure § 664.6.

1.9 Execution Date

For purposes of this Consent Judgment, the term "Execution Date" shall mean the date this Consent Judgment is signed by both Parties.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date that the Court approves the terms of this Consent Judgment.

2. INJUNCTIVE RELIEF: WARNINGS AND/OR REFORMULATION

2.1 Product Warnings

Commencing on the Execution Date, Test-Rite shall only sell, ship or offer for sale in California Products that are: (1) sold or shipped with one of the clear and reasonable warnings set forth in subsections 2.1(a) and (b); or (2) exempt pursuant to Section 2.2 as Reformulated Products as defined in Section 2.3.

This Section describes Test-Rite's options for satisfying the warning obligations required by this Section, depending, in part, on the manner of sale. For purposes of Proposition 65, a warning provided in accordance with this Section is clear and reasonable when provided with or

for Products sold or offered for sale to an individual in California. Test-Rite shall not provide, nor require or request that any other party provide, a warning for any product it knows, or should know, does not contain chemical reproductive toxicants listed pursuant to Proposition 65.

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 ordinary consumer exercising reasonable behavior or use understands to which specific Product(s) the warning applies, so as to minimize the risk of consumer confusion.

(a) Retail Store Sales

(i) **Product Labeling**. Test-Rite may affix a warning to the packaging, labeling or directly on any Products sold in California that states:

WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.

(ii) **Point-of-Sale Warnings**. Alternatively, Test-Rite may provide warning signs in the form below to its retailers in California with instructions to post the signs in close proximity to the point of display of any such Products for the benefit of its retailers' customers.

WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.

Where any such Products are sold in proximity to other like items or to those that do not require a warning (e.g., Reformulated Products as defined in Section 2.3), the following statement must be used:

WARNING: The following product(s) contain chemicals known to the State of California to cause cancer and birth defects or other reproductive harm:

[list product(s) for which warning is required]

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Mail Order Catalog and Internet Sales. In the event that Test-Rite sells (b) any Products that are not Reformulated Products via mail order catalog or the Internet to customers located in California on or after the Execution Date, Test-Rite shall provide a warning for such Products sold via mail order catalog or the Internet to California residents pursuant to section 2.1(a)(i) above, in the mail order catalog or on the website. Warnings given in the mail order catalog or on the website shall identify the specific Product(s) to which the warning applies as further specified in Sections 2.1(b)(i), (ii) and (iii).

Mail Order Catalog Warning. Any warning provided in a mail order catalog must be in the same type size or larger than the Product(s) 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(s):

> WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects or 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(s), Test-Rite may utilize a designated symbol to cross reference the applicable warning and shall define the term "designated symbol" with the following language on the inside of the front or back cover of the catalog or on the same page as any order form for the Product(s):

> Certain products identified with this symbol \checkmark and offered for sale in this WARNING: catalog contain chemicals known to the State of California to cause cancer and birth defects or 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(s). On each page where the designated symbol appears, Test-Rite must provide a header or footer directing the consumer to the warning language and definition of the designated symbol.

¹ The symbol "▼" is to appear in the color red.

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(ii) Internet Website Warning. A warning may be given in conjunction with the sale of the Products via the Internet, provided it is displayed to a purchaser during the checkout process and appears either: (a) on the same web page on which any Product(s) is displayed and/or described; (b) on the same web page as the order form for any Product(s); or (c) on the same page as the price for any Product(s).

provided with the Product(s) when shipped directly to a consumer in California, by (a) product labeling pursuant to Section 2.1(a)(i) above, (b) inserting a card or slip of paper measuring at least 4" x 6" in the shipping carton, or (c) placing the warning on the packing slip or customer invoice identifying the Product(s) in lettering of the same size as the description of the Product(s). The warning shall include the language appearing in Section 2.1(a)(i) and shall inform the consumer that he or she may return the Product(s) for a full refund within 30 days of receipt.

2.2 Exceptions to Warning Requirements

The warning requirements set forth in Section 2.1 shall not apply to: (a) Reformulated Products (as defined in Section 2.3 below); and (b) Products shipped by Test-Rite to a third party before the Execution Date.

2.3 Reformulation Standards

As of the Effective Date, and as an alternative to providing the warnings as set forth in Section 2.1, Test-Rite shall use its best efforts to manufacture, produce, assemble, import, distribute, ship, sell or offer for sale in California Reformulated Products. Reformulated Products are defined as Products which (1) yield less than 100 parts per million ("ppm") of lead when analyzed pursuant to EPA testing methodologies 3050B and 6010B, or equivalent methodologies utilized by federal or state agencies for the purpose of determining lead content in a solid substance, and which components yield a result of no more than 1.0 microgram ("µg") of lead when analyzed pursuant to NIOSH Test Method 9100; and (2) contain less than or equal to 1000 ppm of DEHP when analyzed pursuant to EPA testing methodologies 3580A and 8270C, or equivalent methodologies utilized by federal or state agencies for the purpose of determining DEHP content in a solid substance. By entering into this Consent Judgment, the Parties do not

intend to expand or restrict any obligations or responsibilities that may be imposed upon Test-Rite by laws other than Proposition 65, nor do the Parties intend this Consent Judgment to affect any defenses available to Test-Rite under laws other than Proposition 65.

3. MONETARY PAYMENTS

3.1 Civil Penalty Payment Pursuant to Health & Safety Code § 25249.7(b)

Test-Rite shall pay \$98,000 under this section, as follows:

- 3.1.1 Initial Civil Penalty. Test-Rite shall make an initial payment of \$10,000 to be apportioned in accordance with California Health & Safety Code § 25249.12, subdivisions (c)(1) and (d), with 75% of these funds earmarked for the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of these penalty monies earmarked for Brimer.
- 3.1.2 Final Civil Penalty. Test-Rite shall make a final payment of \$80,000 on the date provided in Section 3.3.2. The final civil penalty shall be waived in its entirety, however, if an officer of Test-Rite provides Brimer with written certification that, as of August 31, 2013, and continuing into the future, Test-Rite has utilized its best efforts to reformulate all of its Products as set forth in Section 2.3 and has, in fact, met the reformulation standard specified in Section 2.3 above such that all trolley jack handles with grips manufactured, produced, assembled, imported, distributed, shipped, sold or offered for sale in California by Test-Rite are Reformulated Products. Brimer must receive any such certification on or before September 15, 2013, and time is of the essence. The final civil penalty shall be apportioned in accordance with California Health & Safety Code § 25249.12, subdivisions (c)(1) and (d), with 75% of these funds remitted to OEHHA and the remaining 25% of the penalty remitted to Brimer.
- 3.1.3 Payment in Lieu of Civil Penalty. Test-Rite 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 California Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 3202(b). Silent Spring will use such funds in one or more of the following ways: (a) to continue its work identifying the links between exposure to environmental chemicals including lead, DEHP and other phthalates such as di-n-butyl ("DBP") and butyl benzyl phthalate ("BBP")

and reproductive and developmental harm, as well as educating the public about such potential exposures; (b) to 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; (c) to monitor compliance with the reformulation requirements of this and other, similar consent judgments addressing Proposition 65-listed chemical exposures; or (d) to conduct additional exposure measurements that evaluate the levels of chemical exposures to users of products that contain lead, DEHP, DBP and BBP.

3.2 Reimbursement of Brimer's Fees and Costs

The Parties acknowledge that Brimer 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. Test-Rite 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 Brimer and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5 for all work performed in this matter through the Effective Date. Under these legal principles, Test-Rite shall pay the amount of \$67,000 for attorneys' fees, expert and investigation fees, and litigation and related costs incurred as a result of investigating, litigating and enforcing this matter, including the fees and costs incurred (and yet to be incurred) negotiating, drafting and obtaining the Court's approval of this Consent Judgment in the public interest. Except as specifically provided in this Consent Judgment, Test-Rite shall have no further obligation with regard to reimbursement of Brimer's fees and costs with respect to the Products covered in this Consent Judgment.

3.3 Payment Procedures

3.3.1 Initial Payments. All payments required by Sections 3.1.1, 3.1.3 and 3.2 shall be delivered within five days of the Execution Date in four checks, made payable as follows:

(a)	One check made payable to "The Chanler Group in Trust for	
	OEHHA" in the amount of \$7,500;	

- One check made payable to "The Chanler Group in Trust for Russell Brimer" in the amount of \$2,500;
- One check to "The Chanler Group in Trust for Silent Spring Institute" in the amount of \$8,000; and
- One check made payable to "The Chanler Group" in the amount of
- Final Payments. If the final civil penalty of \$80,000 referenced in Section 3.1.2 above is not waived, payments shall be delivered on or before September 30, 2013, in two
 - One check to "The Chanler Group in Trust for OEHHA" in the
 - One check to "The Chanler Group in Trust for Russell Brimer" in
- 3.3.3 Issuance of 1099 Forms. After the payments required by this Section have been transmitted to Brimer's counsel, Test-Rite shall issue separate 1099 forms, as follows:
 - The first 1099 shall be issued to the Office of Environmental Health Hazard Assessment, P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486) in the amount of \$7,500;
 - The second 1099 shall be issued to Russell Brimer in the amount of \$2,500, whose address and tax identification number shall be
 - The third 1099 form to "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, in the amount of \$8,000;

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violations of Proposition 65 up through the Execution Date based on exposure to lead and/or

DEHP from the Products as set forth in the Notices. Compliance with the terms of this Consent

Judgment constitutes compliance with Proposition 65 with respect to exposures to lead and/or DEHP from the Products as set forth in the Notices.

Brimer 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 Brimer of any nature, character or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of alleged or actual exposures to lead and/or DEHP from the Products manufactured, distributed and/or sold by Test-Rite and its Releasees.

As of the Execution Date, Brimer represents to Test-Rite that Brimer is not in possession of information pertaining to any other alleged violations by Test-Rite or Releasees of Proposition 65 covered by the Notices and Complaints. Brimer presently intends no further enforcement action against Test-Rite based upon a violation of Proposition 65. If any such future enforcement action is instituted, it may not be based upon any sale of any Product by Test-Rite prior to the Execution Date.

4.2 Test-Rite's Release of Brimer

Test-Rite on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against Brimer, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Brimer 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. SEVERABILITY

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

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6. COURT APPROVAL

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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 twelve months after it has been fully executed by all Parties.

7. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of 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 Test-Rite 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

When any Party is entitled to receive any notice under this Consent Judgment, the notice shall be sent by certified mail to the person(s) identified below:

To Test-Rite:

Albert T. Liou, Esq. LKP Global Law, LLP 1901 Avenue of the Stars, Suite 480 Los Angeles, CA 90067

To Brimer:

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

Any Party may modify the person and address to whom the notice is to be sent by sending each other Party notice by certified mail and/or other verifiable form of written communication.

9. ADDITIONAL POST-EXECUTION ACTIVITIES

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. In furtherance of obtaining such approval, Brimer, Test-Rite 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

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efforts shall include, cooperating on the drafting and filing any papers in support of the required motion for judicial approval, and, if any third party objection to the noticed motion is filed, the Parties shall work together to file a joint reply and appear at any hearing before the Court.

16. MODIFICATION

This Consent Judgment may be modified only: (1) by written agreement of the Parties; or (2) upon a successful motion of any party and entry of a modified Consent Judgment by the Court.

11. 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.

12. COUNTERPARTS, FACSIMILE/PDF SIGNATURES

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.

13. 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:

Dated: October 30, 2012

Russell Brimer

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Dated:

Ву:

Christina Ma, Treasurer and Secretary

Test-Rite Products Corp.

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1		EXHIBIT A
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3	1.	GM Performance Parts 2 Ton Hydraulic Trolley Jack – Model #: GM7002
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5	2.	ACDelco 2 Ton (4,000 lbs.) Hydraulic Trolley Jack – Model #: 34136
6	2	Liltus Stool 24 Diago 1/2 Duing Databat Dit and Spalset Set Model #, TS022651
7	3.	Ultra Steel 34 Piece 1/4" Drive Ratchet, Bit and Socket Set – Model #: TS02265J
8 9	4.	Ultra Steel 4 Piece Snap Ring Pliers Set – Model #: AT65817J
10	''	Olda Steel 1 Fleee Shap Ring Fliels Set Wodel W. 111030173
11	5.	Voltage Pro 99 Piece Electrical Home Repair Kit – Model #: TDO4002S
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