1 2 3 4	John C. Mayo, State Bar No. 233359 Brian C. Johnson, State Bar No. 235965 THE CHANLER GROUP 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565 Telephone: (510) 848-8880 Facsimile: (510) 848-8118					
5	Attorneys for Plaintiff,					
6	PETER ENGLANDER					
7						
8	SUPERIOR COURT OF THE STATE OF CALIFORNIA					
9	COUNTY OF ALAMEDA					
10	UNLIMITED CIVIL JURISDICTION					
11						
12	PETER ENGLANDER,	Case No.: RG13678021				
13	Plaintiff,	[PROPOSED] CONSENT JUDGMENT				
14	V.	Health & Safety Code, § 25249.5, et seq.				
15	ORBIT IRRIGATION PRODUCTS, INC.;					
16	et al.					
17	Defendant.					
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
_						
	[PROPOSED] CON	NSENT JUDGMENT				

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

## 1.1 Parties

This Consent Judgment is entered into by and between Peter Englander ("Englander") and Orbit Irrigation Products, Inc. ("Orbit"), with Englander and Orbit individually referred to as a "Party" and collectively as the "Parties." Englander is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. Orbit 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, Health and Safety Code section 25249.6 *et seq.* ("Proposition 65").

## 1.2 General Allegations

Englander alleges and Orbit denies that Orbit manufactures, imports, sells or distributes for sale in the State of California hand tools with grips that contain di(2-ethylhexyl)phthalate ("DEHP") and/or lead without first providing the clear and reasonable exposure warning required by Proposition 65. DEHP and lead are listed pursuant to Proposition 65 as chemicals that are known to the State of California to cause birth defects and other reproductive harm.

## 1.3 Covered Product Description

The products covered by this Consent Judgment are defined as hand tools with grips containing DEHP and/or lead that are manufactured, sold or distributed for sale in California by Orbit, including, but not limited to, the *Orbit Sprinkler Tool Kit, Model #26098, PN 26098-03 (#0 46878 26098 6)*. The hand tools with grips containing DEHP and/or lead are referred to collectively as the "Covered Products."

#### 1.4 Notice of Violation

On or about November 21, 2012, Englander served Orbit and certain requisite public enforcement agencies with a "60-Day Notice of Violation" ("Notice") alleging that Orbit violated Proposition 65 by failing to warn its customers and consumers in California that the Covered Products expose users to DEHP and/or lead. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

#### 1.5 No Admission

Orbit denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products it has manufactured, sold or distributed for sale in California, including the Covered Products, have been and are in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission by Orbit of any fact, finding, conclusion of law, issue of law or violation of law; nor shall compliance with this Consent Judgment constitute or be construed as an admission by Orbit of any fact, finding, conclusion of law, issue of law or violation of law, the same being specifically denied by Orbit. This Section shall not, however, diminish or otherwise affect Orbit's obligations, responsibilities, and duties under this Consent Judgment.

#### 1.6 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean May 1, 2013.

## 2. <u>INJUNCTIVE RELIEF</u>

#### 2.1 Reformulated Products

Commencing on the Effective Date and continuing thereafter, Orbit shall only ship for sale into California, Reformulated Products or products that have been properly labeled per the warning in Section 2.2.1. For purposes of this Consent Judgment, "Reformulated Products" shall mean Covered Products that contain a maximum of 1,000 parts per million DEHP content when analyzed pursuant to U.S. Environmental Protection Agency ("USEPA") testing methodologies 3580A and 8270C, and Covered Products that contain a maximum of 100 parts per million lead content when analyzed pursuant to USEPA testing methodologies SW6020 and SW3050B.

#### 2.2 Labeled Products

"Labeled Products" are those that may have DEHP or lead at similar levels as the "Reformulated Products," but out of an abundance of caution and in the public interest, are also labeled pursuant to Section 2.2.1. As to any Covered Products, a warning as described in Section 2.2.1 shall be provided on any units of such Covered Products that Orbit ships into the State of California. The warning requirements set forth in Section 2.2.1 shall not apply to:

- (a) Covered Products that are not reformulated, manufactured, distributed, marketed or sold by Orbit, and/or any other defendant or entity within the Chain of Distribution, 90 days after the Effective Date (for purposes of this Consent Judgment, Chain of Distribution shall mean Orbit and its downstream customers, distributors, and retailers);
- (b) Covered Products in Orbit's inventory, or the inventory of any other defendant or entity within the chain or distribution, on or before the Effective Date; and/or
- (c) Covered Products manufactured, distributed, marketed, sold or shipped for sale or use outside the State of California.

#### **2.2.1** Labels

Subject to Section 2.2.1 hereof, Orbit, and Orbit's affiliates, shall provide the following warning statement for all units of Covered Products that, on or after 120 days from the Effective Date, are distributed directly by Orbit, and Orbit's affiliates, for sale in California or are transferred to distributors or retailers by Defendant, Orbit, and Orbits affiliates, for sale in California:

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

The requirement for product labeling set forth in this Section 2.2.1 imposed pursuant to the terms of this Consent Judgment. The parties recognize that product labeling is not the exclusive method of providing a warning under Proposition 65 and its implementing regulations. 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 also 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.

## 3. MONETARY PAYMENTS

## 3.1 Payments Pursuant to Health & Safety Code Section 25249.7(b)

In settlement of all the claims referred to in this Consent Judgment, Orbit shall pay a total of \$23,000 in civil penalties in accordance with this Section. Each penalty payment will be allocated according to California Health & Safety Code § 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to Englander, as follows:

### 3.1.1 Initial Civil Penalty

Orbit shall pay an initial civil penalty of \$5,000 on or before May 15, 2013. Orbit shall issue two separate checks to: (a) "OEHHA" in the amount of \$3,750; and (b) "The Chanler Group in Trust for Peter Englander" in the amount of \$1,250. All penalty payments shall be delivered to the addresses listed in Section 3.3 below.

## 3.1.2 Final Civil Penalty

Orbit shall pay a final civil penalty of \$18,000 on or before February 15, 2014. The final civil penalty shall be waived in its entirety, however, if, no later than February 1, 2014, an officer of Orbit provides Englander with written certification that, as of the date of such certification, all Covered Products shipped for sale in California by Orbit are Reformulated Products as defined by Section 2 and that Orbit will continue to only offer Reformulated Products in California in the future. The certification in lieu of a final civil penalty payment provided by this Section is a material term, and time is of the essence. Orbit shall issue two separate checks for its final civil penalty payments to: (a) "OEHHA" in the amount of \$13,500; and (b) "The Chanler Group in Trust for Peter Englander" in the amount of \$4,500, and deliver the payments to the addresses provided in Section 3.3.

## 3.2 Attorney Fees and Costs

The parties acknowledge that Englander 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. Shortly after

1	the other settlement terms had been finalized, Orbit expressed a desire to resolve the fee and cost				
2	issue. The parties then attempted to (and did) reach an accord on the compensation due to Englander				
3	and his counsel under general contract principles and the private attorney general doctrine codified at				
4	California Code of Civil Procedure section 1021.5 for all work performed through the mutual				
5	execution of this agreement. Orbit shall pay \$30,500 for fees and costs incurred as a result of				
6	investigating, bringing this matter to Orbit's attention, and negotiating a settlement in the public				
7	interest. Orbit shall issue a separate 1099 for fees and costs (EIN: 94-3171522), shall make the				
8	check payable to "The Chanler Group" and shall deliver payment on or before May 15, 2013, to the				
9	address listed in Section 3.3.1(a) below.				
10	3.3	Paym	ent P	rocedures	
11		3.3.1	Issu	nance of Payments. Payments shall be delivered as follows:	
12			(a)	All payments owed to Englander, pursuant to Sections 3.1.1 through	
13				3.1.2, shall be delivered to the following payment address:	
14				The Chanler Group	
15				Attn: Proposition 65 Controller 2560 Ninth Street	
16				Parker Plaza, Suite 214 Berkeley, CA 94710	
17			(b)	All normants aread to OCIUIA (CIN. 60 0204406), programt to	
18			(b)	All payments owed to OEHHA (EIN: 68-0284486), pursuant to	
19				Sections 3.1.1 through 3.1.2, shall be delivered directly to OEHHA	
20				(Memo line "Prop 65 Penalties") at the following address:	
21				Mike Gyrics Fiscal Operations Branch Chief	
22				Office of Environmental Health Hazard Assessment P.O. Box 4010	
23				Sacramento, CA 95812-4010	
24			•	With a copy of the checks payable to OEHHA mailed to The Chanler	
25			(	Group at the address set forth above in Section 3.3.1(a), as proof of	
26			I	payment to OEHHA.	
27					

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

**3.3.2 Issuance of 1099 Forms.** After each penalty payment, Orbit shall issue separate 1099 forms for each payment to Englander, whose address and tax identification number will be provided upon request after this Consent Judgment is fully executed by the Parties, and OEHHA at the addresses listed in Section 3.3.1(b) above.

## CLAIMS COVERED AND RELEASED

#### 4.1 **Englander's Individual Release of Orbit**

This Consent Judgment is a full, final, and binding resolution between Englander and Orbit of any violation of Proposition 65 that was or could have been asserted by Englander, on behalf of himself, or on behalf of his past and current agents, representatives, attorneys, successors, and assignees, against Orbit, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Orbit directly or indirectly distributes or sells the Covered Products, including, without limitation, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees, and its vendors, suppliers, and manufacturers ("Releasees"), based on unwarned exposures to DEHP and/or lead contained in Covered Products sold or distributed for sale by Orbit in California prior to the Effective Date. In furtherance of the foregoing, Englander, on his own behalf and on behalf of those whom he represents by statute, hereby waives any and all rights and benefits which he now has, or in the future may have, conferred upon him with respect to the claims by virtue of the provisions of Section 1542 of the California Civil Code, which provides as follows:

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

23

24

25

26

22

Englander understands and acknowledges that the significance and consequences of this waiver of California Civil Code Section 1542 is that even if Englander, or those whom he represents by statute, suffer future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, the Covered Products, or any exposure to, or failure to warn with respect to

exposure to, the Covered Products, Englander will not be able to make any claim for those damages against any Defendant, its successors or assigns, or any of their respective parents, subsidiaries or affiliates, sister companies, or any of their customers, distributors, wholesalers, retailers or any other person in the course of doing business who may use, maintain, distribute or sell the Covered Products. Furthermore, Englander acknowledges that he intends these consequences and this Release for any such claims which may exist as of the date of this Release, but which Englander does not know exist, and which, if known, would materially affect his decision to enter into this Consent Judgment, regardless of whether his lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

In further consideration of the promises and agreements herein contained, Englander, on his own behalf and on behalf of his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims that he may have against Orbit and Releasees, including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses, including, without limitation, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 for unwarned exposures to DEHP and/or lead in Covered Products manufactured, sold, or distributed for sale in California by Orbit prior to the Effective Date.

## 4.2 Public Interest Release of Orbit

Englander, acting on his own behalf and in the public interest, and on behalf of each of his predecessors, successors, partners, partnerships, agents, representatives, insurers, attorneys, heirs, assignors and assignees, accountants and all persons and entities acting or claiming by, through, under or in concert with any of them, hereby irrevocably releases and forever discharges Orbit from all claims, demands, suits, liabilities, causes of action or actions, now or in the future, for violations of Proposition 65 based on exposures to DEHP and/or lead from the Products. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DEHP and/or lead from the Products.

## 4.3 Orbit's Release of Englander

Orbit, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims that it may have against Englander and his attorneys and other representatives, for any and all actions taken or statements made by Englander and his attorneys and other representatives, whether in the course of investigating claims, seeking to enforce Proposition 65 against it in this matter, or with respect to the Covered Products.

## 5. <u>COURT APPROVAL</u>

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 the Parties, in which event any monies that have been provided to Englander or his counsel pursuant to Sections 3.1.1 and 3.1.2 above shall be refunded within fifteen (15) days after receiving written notice from Orbit that the one-year period has expired.

## 5. <u>SEVERABILITY</u>

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

## 6. 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 Covered Products, then Orbit may provide written notice to Englander of any asserted change in the law, and have no further obligations pursuant to this Consent Judgment, with respect to, and to the extent that, the Covered Products are so affected.

## 7. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class,

1	registered or certified mail, return receipt requested; or (iii) a recognized overnight courier on any					
2	party by the other party at the following addresses:					
3	For Orbit Irrigation Products, Inc.:					
4	Kent Ericksen, President Orbit Irrigation Products, Inc. 845 North Overland Road North Salt Lake, UT 84054					
5						
6	With a copy to:					
7	Gregory S. Ericksen, Esq. 1065 South 500 West P.O. Box 609					
8						
9	Bountiful, UT 84011-0609					
10	For Peter Englander:					
11	The Chanler Group Attn: Proposition 65 Coordinator					
12	2560 Ninth Street Parker Plaza, Suite 214					
13	Berkeley, CA 94710-2565					
14	Any party may, from time to time, specify in writing to the other party a change of address to which					
15	all notices and other communications shall be sent.					
16	8. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>					
17	This Consent Judgment may be executed in counterparts, and by facsimile or portable					
18	document format (PDF) signature, each of which shall be deemed an original, and all of which,					
19	when taken together, shall constitute one and the same document.					
20	9. <u>POST-EXECUTION ACTIVITIES</u>					
21	Englander agrees to comply with the reporting form requirements referenced in Health and					
22	Safety Code section 25249.7(f).					
23	10. MODIFICATION					
24	This Consent Judgment may be modified only by a written agreement of the Parties.					
25						
26						
27						
28						

[PROPOSED] CONSENT JUDGMENT

# 11. <u>AUTHORIZATION</u>

The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this Consent Judgment.

**AGREED TO:** 

**AGREED TO:** 

Date: May 9, 2013

Date: 5-9-2013

Peter Englander

Kent Ericksen, President Orbit Irrigation Products, Inc