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5	Beverly Hills, California 90212 T: 310.623.1926 F: 310.623.1930	
6 7 8 9 110 111 112 113 114	Attorneys for Plaintiff, CONSUMER ADVOCACY GROUP, INC. Paul S. Rosenlund (SBN 87660) Michael L. Reitzell (SBN 215272) DUANE MORRIS LLP One Market Plaza, Spear Tower, Suite 2200 San Francisco, CA 94105 T: 415.957.3000 F: 415.957.3001 Attorneys for Defendants HAAS OUTDOORS TRUCK SHIELDS, LLC dba SIGNATURE PROBUP, AUTOZONE, INC., AUTOZONE PAKMART CORPORATION, and O'REILLY AUENTERPRISES, LLC	RODUCTS ARTS, INC. UTO
15		HE STATE OF CALIFORNIA
16	COUNTY OF LOS ANGELES	
17 18	CONSUMER ADVOCACY GROUP, INC., in the public interest,	CASE NO. BC532252
19	Plaintiff,	[PROPOSED] CONSENT JUDGMENT
20	V.	
21	HAAS OUTDOORS, INC., a Mississippi	(Health & Safety Code, § 25249.5, et seq.)
22	Corporation; TRUCK SHIELDS, LLC dba SIGNATURE PRODUCTS GROUP, a Utah	Complaint Filed: January 6, 2014
23	Limited Liability Company; AUTOZONE, INC., a Nevada Corporation; AUTOZONE	
24	PARTS, INC., a Nevada Corporation;	
25	KMART CORPORATION, a Michigan Corporation; O'REILLY AUTOMOTIVE	
26	STORES, INC., a Missouri Corporation; and DOES 1-20;	
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28	Defendants.	

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1. INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between plaintiff Consumer Advocacy Group, Inc. ("CAG") and defendant Truck Shields, LLC dba Signature Products Group ("SPG"), with CAG and SPG collectively referred to as the "Parties." Haas Outdoors, Inc., AutoZone, Inc., AutoZone Parts, Inc., Kmart Corporation, O'Reilly Auto Enterprises, LLC, and O'Reilly Automotive Stores, Inc. (d/b/a O'Reilly Auto Parts) are intended beneficiaries of the releases contained in this Consent Judgment and the dismissal of this action, with prejudice, as to them.

1.2 **CAG**

CAG is a California corporation that serves as a private enforcer of Proposition 65, as described in Proposition 65 and the regulations of the Attorney General of California at 11 Cal. Code Regs. § 3000 *et seq*.

1.3 **SPG**

SPG employs 10 or more persons and solely for purposes of this Consent Judgment 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

CAG alleges that SPG has manufactured, imported, distributed and/or sold car accessories (steering wheel covers) that contain di(2-ethylhexyl)phthalate ("DEHP") and/or lead without Proposition 65 warnings that are required by law. SPG and all other defendants deny CAG's allegations.

1.5 **Notices of Violation**

CAG served some or all parties and various public enforcement agencies with five documents entitled "60-Day Notice of Violation" dated July 19, 2013, October 28, 2013, two on May 22, 2014, and October 31, 2014 (the "Notices") that provided the recipients with notice of alleged violations of California Health & Safety Code § 25249.6 based on alleged failures to warn consumers and employees in the workplace that certain Covered Products (as defined

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below) exposed users in California to DEHP and/or lead. To the best of the Parties' knowledge, no public enforcer has prosecuted the allegations set forth in the Notices.

1.6 Complaint

On January 6, 2014, CAG filed a complaint in the Superior Court in and for the County of Los Angeles, entitled CAG v. Haas Outdoors, Inc., et al., Case No. BC532252 (the "Action"), alleging violations of California Health & Safety Code § 25249.6, based on the alleged exposures to DEHP and/or lead contained in certain steering wheel covers sold by Defendants in California (the "Complaint") against SPG, as well as by AutoZone, Inc. and AutoZone Parts, Inc. (collectively "AutoZone"), Kmart Corporation ("Kmart"), and Haas Outdoors, Inc. ("Haas"). CAG later filed an amended complaint in the Action that added O'Reilly Automotive Stores, Inc. as a defendant, based upon the two May 22, 2014 Notices, and upon approval of this Consent Judgment by the court, this Consent Judgment also shall be deemed to include any and all violations referenced in any and all of the Notices. O'Reilly Auto Enterprises, LLC ("O'Reilly") is, however, the name of the entity that operates in California. AutoZone, Kmart and O'Reilly are retailers or affiliates of retailers of certain SPG products, but said companies did not design, produce, package or import the subject products. Haas is licensor of the Mossy Oak brand and graphics used by SPG with certain of its products, but Haas did not design, produce, package, import, distribute or sell the subject products. SPG, AutoZone, Haas, Kmart and O'Reilly are collectively referred to as "Defendants."

17 No Admission

Defendants deny the material, factual and legal allegations contained in the Notices and Complaint and maintain that all Covered Products sold in California have been and are in compliance with all applicable California laws and regulations. Nothing in this Consent Judgment shall be construed as an admission by Defendants 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 Defendants of any fact, finding, conclusion, issue of law, or violation of law. However, this section shall not diminish or otherwise affect SPG's obligations, responsibilities, and duties under this Consent Judgment.

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1.8 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendants as to the allegations contained in the Complaint, that venue is proper in the County of Los Angeles and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

2. **DEFINITIONS**

2.1 Covered Products

For purposes of this Consent Judgment, the term "Covered Products" shall mean steering wheel covers (with vinyl or PVC components) that are manufactured, imported, distributed and/or sold by SPG, that are sold or offered for sale in the State of California, including, but not limited to "MSW3401."

2.2 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date that this Consent Judgment is approved by the Court.

3. INJUNCTIVE RELIEF: WARNINGS

3.1 **Reformulation**

Beginning on the Effective Date, SPG shall be permanently enjoined from manufacturing for sale in California, directly selling to a consumer in California, or Distributing into California, without a warning compliant with Section 3.2, any Covered Products containing (1) DEHP in concentrations not to exceed 0.1 percent (1,000 parts per million), and/or (2) lead in excess of 0.01 percent (100 parts per million). Covered Products that do not require a warning under this Section 3.1 are "Reformulated Products." "Distributing into California" and "Distribute into California" mean to ship any Covered Product to a California address for sale in California or to sell any of the Covered Products to a retailer that SPG knows will sell the Covered Product in California.

3.2 Clear and Reasonable Warnings

3.2.1 For those Covered Products that are subject to the warning requirement of Section 3.1, SPG shall provide the following warning:

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

The warning shall be prominently affixed to or printed upon the product's label of the Covered Product so as to be clearly conspicuous, as compared with other statements or designs on the label as to render it likely to be read and understood by an ordinary purchaser or user of the product, in conformity with OEHHA regulations in effect at the time this Consent Judgment is executed. If the warning is displayed on the product's label, it shall be at least the same size as the largest of any other health or safety warnings on the product and the word "WARNING" shall be in all capital letters and in bold print, and at SPG's election the word "WARNING" may be preceded by the words "California Proposition 65" or "Proposition 65".

3.2.2 If SPG began to use the regulatory safe harbor warning language specified in 27 CCR § 25603.2, or one of the warning statements set forth above prior to the execution of this Consent Judgment, they may continue to use that warning language and format in lieu of that set forth above until they next produce packaging or labeling based on updated artwork for the Covered Products as governed by the requirements in Section 3.2.1 above.

4. SETTLEMENT PAYMENT

In settlement of all the claims referred to in this Consent Judgment, SPG shall pay a total of \$90,000 within five (5) days of the Effective Date to be allocated as follows:

4.1 Civil Penalty

SPG shall pay a civil penalty in the amount of \$15,000.00, to be allocated in accordance with 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 CAG as follows: SPG shall issue two separate checks to: (a) "OEHHA" in the amount of \$11,250.00; and (b) "Consumer Advocacy Group, Inc." in the amount of \$3,750.00. All penalty payments shall be delivered to the addresses listed in Section 4.4 below.

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4.2 Payment in Lieu of Civil Penalty

SPG also shall separately pay \$5,000.00 to CAG as a payment in lieu of civil penalty pursuant to Health & Safety Code §25249.7(b) and California Code of Regulations, Title 11 § 3203(b), CAG will use this payment for investigation of the public's exposure to Proposition 65 listed chemicals through various means, laboratory fees for testing for Proposition 65 listed chemicals, expert fees for evaluating exposures through various mediums, including but not limited to consumer product, occupational, and environmental exposures to Proposition 65 listed chemicals, and the cost of hiring consulting and retained experts who assist with the extensive scientific analysis necessary for those files in litigation, as well as administrative costs incurred during the litigation, in order to reduce the public's exposure to Proposition 65 listed chemicals by notifying those persons and/or entities believed to be responsible for such exposures and attempting to persuade those persons and/or entities to reformulate their products or the source of exposure to completely eliminate or lower the level of Proposition 65 listed chemicals, thereby addressing the same potential public harm as allegedly in the instant Action. Further, should the court require it, CAG will submit under seal, an accounting of these funds as described above as to how the funds were used. All payments in lieu of civil penalties shall be delivered to the addresses listed in Section 4.4 below.

4.3 Reimbursement Of Fees And Costs

SPG shall pay \$70,000.00 to Yeroushalmi & Associates for fees and costs incurred as a result of investigating, bringing this matter to Defendants' attention, 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. SPG shall issue a separate 1099 for fees and costs, shall make the check payable to "Yeroushalmi & Associates" and shall deliver payment to the address listed in Section 4.4.1(a) below.

4.4 **Payment Procedures**

- 4.4.1 **Issuance of Payments.** Payments shall be delivered as follows:
- (a) All payments owed to CAG pursuant to this Consent Judgment shall be delivered to the following payment address:

6. RELEASE OF ALL CLAIMS

6.1 CAG's Public Release of Proposition 65 Claims

CAG, acting on its own behalf and in the public interest, releases SPG, Haas, all other companies and persons named in the Notices, each entity to whom SPG directly or indirectly distributes or sells Covered Products or whom SPG contracts with to design any aspect of the Covered Products, including, but not limited to, all Defendants, all downstream distributors, wholesalers, customers, retailers, marketers, advertisers, shippers, order fulfillers, franchisors and franchisees, cooperative members, licensors and licensees, all of their respective parent, subsidiary and affiliated entities with related ownership or control, and all of their directors, officers, members, shareholders, owners, agents, employees, attorneys, assignees, predecessors in interest and successors in interest ("Releasees") from all claims for violations of Proposition 65 based on exposure to DEHP and/or lead from Covered Products as set forth in the Notices, manufactured, imported, acquired for distribution, distributed or sold by SPG prior to the Effective Date. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to DEHP and/or lead in Covered Products, as set forth in the Notices, manufactured, imported, distributed or sold by SPG.

6.2 CAG's Individual Release of Claims

CAG, in its corporate capacity only and *not* in its representative capacity, provides a release to the Releasees 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 and/or lead from Covered Products manufactured, distributed or sold by SPG before the Effective Date.

6.3 CAG's Waiver of Civil Code § 1542

CAG agrees that the release set forth in this Consent Judgment is a general release that extends to all claims and rights, whether or not presently known or suspected by CAG, which shall apply to the fullest extent permitted by law and equity. CAG expressly waives all rights

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under any statute, rule, regulation or provision of law or equity that purports to limit CAG's right or ability to waive or release unknown claims or their consequences, including but not limited to section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

CAG certifies that it has read and understands the provisions of Civil Code section 1542 and that the effect and import of these provisions has been explained to CAG by its own counsel. CAG further acknowledges and agrees that this waiver of rights under Civil Code section 1542 has been separately bargained for and is an essential and material term of this Consent Judgment and, without such waiver, the Parties would not have entered into the settlement and this Consent Judgment. CAG further understands and agrees that the facts and circumstances underlying the negotiation of this settlement and Consent Judgment may later prove to be different; CAG assumes all risk of such circumstances, and agrees that this settlement and Consent Judgment shall not be rescinded, set aside, terminated or modified.

6.4 **Defendants' Release of CAG**

SPG, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against CAG, its attorneys and other representatives, for any and all actions taken or statements made by CAG and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 in the Action with respect to the Covered Products.

6.5 CAG's Dismissal of Retailers and Licensors

Within five days after this Consent Judgment is approved by the Court, CAG shall cause a Request for Dismissal Without Prejudice of the Action to be entered by the Court as to each defendant other than SPG, including but not limited to AutoZone, Haas, Kmart, O'Reilly and all DOE defendants.

7. COURT APPROVAL

- 7.1 By this Consent Judgment and upon its approval by the Court, the Parties waive their right to trial on the merits, and waive rights to seek appellate review of any and all interim rulings, including all pleading, procedural, and discovery orders.
- 7.2 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 CAG shall file. Defendants shall support the entry of this Consent Judgment. If this Consent Judgment is not approved by the Court, (a) this Consent Judgment and any and all prior agreements between the Parties merged herein shall terminate and become null and void, and the action shall revert to the status that existed prior to the execution date of this Consent Judgment; (b) no term of this Consent Judgment or any draft thereof, or of the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall have any effect, nor shall any such matter be admissible in evidence for any purpose in this action, or in any other proceeding; and (c) the Parties agree to meet and confer to determine whether to modify the terms of the Consent Judgment and to resubmit it for approval.

8. ENFORCEMENT OF CONSENT JUDGMENT

Any Party may, by motion, application for an order to show cause, or any other appropriate action before this Court, enforce the terms and conditions contained in this Consent Judgment. A Party may file such a motion, action or application only after that Party first provides 30 days' notice to the Party allegedly failing to comply with the terms and conditions of this Consent Judgment and attempts to resolve such Party's failure to comply in an open and good faith manner for a period of no less than 30 days.

Reasonable evidence to support any alleged later violation shall be based at least in part upon testing by an independent accredited laboratory. This Court shall retain jurisdiction of this matter to implement and enforce the terms of this Consent Judgment.

9. GOVERNING LAW

9.1 The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed,

preempted or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Consent Judgment are rendered inapplicable or no longer required as a result of any such repeal or preemption or rendered inapplicable by reason of law generally as to the Products, then Defendants shall provide written notice to CAG 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 Covered Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Defendants from any obligation to comply with any pertinent state or federal toxics control law.

- 9.2 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter set forth in this Consent Judgment, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are deemed merged. There are no warranties, representations, or other agreements between the Parties except as expressly set forth in this Consent Judgment. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any party. No other agreements not specifically contained or referenced in this Consent Judgment, oral or otherwise, shall be deemed to exist or to bind any of the Parties. No supplementation, modification, waiver or termination of this Consent Judgment shall be binding unless executed in writing by the party to be bound. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions whether or not similar, nor shall such waiver constitute a continuing waiver.
- 9.3 The Parties, including their counsel, have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Consent Judgment

1	and, in this regard, the Parties hereby waive California Civil Code § 1654.		
2	10. NOTICES		
3	Unless specified herein, all correspondence and notices required to be provided pursuant		
4	to this Consent Judgment shall be in writing and personally delivered or sent by: (i) first-class,		
5	(registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the		
6	other party at the following addresses:		
7	To CAG:		
8	Consumer Advocacy Group, Inc. c/o Reuben Yeroushalmi Yeroushalmi & Yeroushalmi		
10	9100 Wilshire Blvd., Suite 240W Beverly Hills, CA 90212		
11	To SPG:		
12	R. Dustin Zundel		
13	CEO Truck Shields, LLC dba Signature		
14	Products Group 1490 N. 2200 W.		
15	Salt Lake City, UT 84116		
16	With a copy on behalf of SPG to:		
17	Paul S. Rosenlund, Esq. Duane Morris LLP		
18	One Market Plaza Spear Tower, Suite 2200		
19	San Francisco, CA 94105-1127		
20	and to:		
21	Michael N. Zundel, Esq. Prince, Yeates & Geldzahler		
22	Suite 1700		
23	15 West South Temple, Salt Lake City, UT 84101		
24	To Haas Outdoors, Inc.:		
25	Robert Barefield		
26	General Counsel Haas Outdoors, Inc.		
27	200 E. Main Street P.O. Box 757		
28	West Point, MS 39773		

1	To Kmart Corporation:		
2	Cary Mergele General Counsel		
3	Sears Holdings Management		
4	Corporation 3333 Beverly Road-B6-349A		
5	Hoffman Estates, IL 60179		
6	To AutoZone, Inc. and AutoZone Parts, Inc.:		
7	Kristen Wright General Counsel		
8	AutoZone, Inc.		
9	P.O. Box 2198 Memphis, TN 38101		
10	To O'Reilly Auto Enterprises, LLC and O'Reilly		
11	Automotive Stores, Inc.:		
12	Jeffrey L. Groves		
13	Vice President of Legal Services and General Counsel O'Reilly Auto Parts		
14	233 South Patterson Avenue		
15	Springfield, MO 65802		
16	Any party, from time to time, may specify in writing to the other party a change of	?	
17	address to which all notices and other communications shall be sent.		
18	11. COUNTERPARTS; FACSIMILE/PDF SIGNATURES		
19	This Consent Judgment may be executed in counterparts and by facsimile or .pdf		
20	signature, each of which shall be deemed an original, and all of which, when taken together, shall be deemed an original, and all of which, when taken together, shall be deemed an original, and all of which, when taken together, shall be deemed an original, and all of which, when taken together, shall be deemed an original of which which when taken together, shall be deemed an original of which which when taken together, shall be deemed an original of which when taken together, shall be deemed an original of which which when taken together or the shall be deemed an original of which which when taken together or the shall be deemed an original of which which when taken together or the shall be deemed an original or the shall be deemed an original or the shall be deemed as the shall be deemed an original or the shall be deemed as the shall		
21	constitute one and the same document. A facsimile or .pdf signature shall be as valid as the		
22	original.		
23	12. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)		
24	CAG and its attorneys shall comply with the reporting form requirements reference	ed in	
25	California Health & Safety Code § 25249.7(f).		
26	13. MODIFICATION		
27	This Consent Judgment may be modified only: (1) by written agreement of the Par	ties	
28	and upon entry of a modified Consent Judgment by the Court thereon; or (2) upon a successful		

1	motion of any party and entry of a modified Consent Judgment by the Court.		
2	14. AUTHORIZATION		
3	The undersigned are authorized to execute this Consent Judgment on behalf of their		
4	respective parties and have read, understood, and agree to all of the terms and conditions of thi		
5	Consent Judgment.		
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7	AGREED TO:	AGREED TO:	
8	Date:	Date: 1/13/15	
9		- $ 11$	
10	Ву:	By:	
11	Consumer Advocacy Group, Inc.	Truck Skields, LLC dba Signature Products Group	
12	Print Name:	Print Name: Zach Zundel	
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14	IT IS SO ORDERED.		
15	Date:		
16		JUDGE OF THE SUPERIOR COURT	
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1	motion of any party and entry of a modified Consent Judgment by the Court.		
2	14. AUTHORIZATION		
3	The undersigned are authorized to execute this Consent Judgment on behalf of their		
4	respective parties and have read, understood, and agree to all of the terms and conditions of this		
5	Consent Judgment.		
6			
7	AGREED TO:	AGREED TO:	
8	Date: 1-15-15	Date:	
9			
10	By:	By:	
11	Consumer Advocacy Group, Inc.	Truck Shields, LLC dba Signature Products Group	
12	Print Name: Michel Sassowa	Print Name:	
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14	IT IS SO ORDERED.		
15	Date:		
16		JUDGE OF THE SUPERIOR COURT	
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	[PROPOSED] CO	ONSENT JUDGMENT NO. BC532252	