1	Clifford A. Chanler, State Bar No. 13553 Troy C. Bailey, State Bar No. 277424	34	e e
2	THE CHANLER GROUP 2560 Ninth Street		
3	Parker Plaza, Suite 214 Berkeley, CA 94710		
4	Telephone: (510) 848-8880 Facsimile: (510) 848-8118		
5	Attorneys for Plaintiff		
6	JOHN MOORE		
7			
8	SUPERIOR COURT	OF TH	IE STATE OF CALIFORNIA
9	COUI	NTY O	F ALAMEDA
10	IOIDIAKOODE		GARRAGO POLATA ARRA
11	JOHN MOORE,)	CASE NO. RG14714826
12	Plaintiff,)	
13	V.)	
1415	NORWOOD PROMOTIONAL PRODUCTS, LLC.; and DOES 1-150, inclusive)))	[PROPOSED] CONSENT JUDGMENT
16	Defendants.)	
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1. INTRODUCTION

1.1 John Moore and Norwood Promotional Products, LLC

This Consent Judgment is entered into by and between John Moore (hereinafter "Moore") and Norwood Promotional Products, LLC (hereinafter "Norwood"), with Moore and Norwood collectively referred to as the "Parties." Moore is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Norwood 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

Moore alleges that Norwood has manufactured, distributed, sold and offered for sale in the State of California: (i) backpacks containing di(2-ethylhexyl)phthalate ("DEHP") and di-n-butyl phthalate ("DBP"); and (ii) duffel bags containing DEHP and lead. DEHP, DBP and lead are listed under Proposition 65 as chemicals known to cause birth defects and other reproductive harm.

1.3 Product Description

The products that are addressed by this Consent Judgment are (i) backpacks containing DEHP and DBP including, but not limited to, the *Norwood RCC Koozie Picnic Backpack, ASI* 80330; and (ii) duffel bags containing DEHP and lead including, but not limited to, the *Tri-Pocket Sport Duffel Bag, Item* #658498, D42325, both of which are manufactured, imported, distributed, sold and/or offered for sale by Norwood in the State of California, hereinafter the "Products."

1.4 Notices of Violation

On May 10, 2012, Moore served Norwood, others and various public enforcement agencies with a document entitled "60-Day Notice of Violation" ("Notice") that provided the recipients with notice that Norwood was in violation of California Health & Safety Code § 25249.6 for failing to warn consumers that the Products exposed users in California to DEHP and DBP. No public enforcer has diligently prosecuted the allegations set forth in the Notice.

On November 15, 2013, Moore served Norwood and various public enforcement agencies with a document entitled "Supplemental 60-Day Notice of Violation" ("Supplemental Notice") that provided the recipients with notice that Norwood was in violation of California Health & Safety Code § 25249.6 for failing to warn consumers that the Products exposed users in California to DEHP and lead. No public enforcer has diligently prosecuted the allegations set forth in the Supplemental Notice.

The Notice and the Supplemental Notice shall hereinafter collectively be referred to as the "Notices."

1.5 Complaint

On or about February 21, 2014, Moore, acting in the interest of the general public of California, filed a complaint in the Superior Court in and for the County of Alameda against Norwood, and Does 1-150, *John Moore v. Norwood Promotional Products, LLC,* Case No. RG14714826, alleging violations of Proposition 65, based on, *inter alia*, the alleged exposures to DEHP, DBP and lead in Products ("Complaint").

1.6 No Admission

Norwood denies the material factual and legal allegations contained in Moore's Notices and Complaint, and maintains that all products that it has sold and distributed in California, including the Products, have been and are in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission by Norwood, 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 Norwood of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Norwood. However, this section shall not diminish or otherwise affect the obligations, responsibilities and duties of Norwood under this Consent Judgment.

1.7 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Norwood 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. As an express part of this Consent Judgment, pursuant to Code of Civil Procedure section 664.6, the Court in which this Complaint was filed shall retain jurisdiction over the Parties to enforce the settlement until performance in full of the terms of the settlement.

1.8 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date this Consent Judgment is approved by the Court including any tentative ruling not opposed by the Parties.

2. <u>INJUNCTIVE RELIEF</u>

2.1 Reformulation Standard

Reformulated Products are defined as those Products containing: (i) DEHP and DBP in concentrations less than 0.1 percent (1,000 parts per million) when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or any other methodology utilized by federal or state agencies for the purpose of determining the DEHP and DBP content in a solid substance; and (ii) less than 100 parts per million lead by weight when analyzed pursuant to Environmental Protection Agency testing methodologies 3050B and/or 6010B.

2.2 Reformulation Commitment

As of the Effective Date, Norwood shall not manufacture, import, distribute, sell or offer the Products for sale in the State of California unless they are Reformulated Products pursuant to Section 2.1 above, or shall carry the Proposition 65 warnings specified in Section 2.3 below.

2.3 **Product Warnings**

Commencing on the Effective Date, Norwood shall provide clear and reasonable warnings for all Products as set forth in subsections 2.3(a) and (b) for all products that do not qualify as Reformulated Products. 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: These products contains DEHP and lead, chemicals 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 Norwood sells Products via mail order catalog and/or the internet, to customers located in California, after the Effective Date, that are not Reformulated Products, Norwood 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 2.3(b)(i) and (ii). Norwood may satisfy its Proposition 65 warning obligations for Products sold by mail order catalogue or from the internet by providing a warning: in the mail order catalogue as specified in Section 2.3(b)(i); on the website as specified in Section 2.3(b)(ii); and/or by affixing the warning specified in Section 2.3(a)(1) to the packaging labeling, or directly on the Products.
- (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 and DBP, chemicals

known to the State of California to cause birth defects

and other reproductive harm.

or,

WARNING: This product contains DEHP and lead, chemicals

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, Norwood 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 cover of the catalog or on the same page as any order form for the Product(s):

1 2	WARNING:	Certain products identified with this symbol ▼ and offered for sale in this catalog contain DEHP and DBP, chemicals known to the State of California to cause birth defects and other reproductive harm.
3	or,	birtif defects and other reproductive narm.
4	WARNING:	Certain products identified with this symbol \bigvee
5		and offered for sale in this catalog contain DEHP and lead, chemicals known to the State of California to cause
6		birth defects and other reproductive harm.
7	The designated symbol	ol must appear on the same page and in close proximity to the
8	display and/or description of	the Product. On each page where the designated symbol appears,
9	Norwood must provide a hea	der or footer directing the consumer to the warning language and
10	definition of the designated s	ymbol.
11	(ii) Intern	et Website Warning. A warning shall be given in conjunction with
12	the sale of the Products via th	ne internet, which warning shall appear either: (a) on the same web
13	page on which a Product is d	isplayed; (b) on the same web page as the order form for a Product;
14	(c) on the same page as the p	rice for any Product; or (d) on one or more web pages displayed to a
15	purchaser during the checkou	at process. The following warning statement shall be used and shall
16	appear in any of the above in	stances adjacent to or immediately following the display,
17	description, or price of the Pr	roduct for which it is given in the same type size or larger than the
18	Product description text:	
19	WARNING:	This product contains DEHP and DBP, chemicals known to the State of California to cause birth defects
20	or,	and other reproductive harm.
21	WARNING:	This product contains DEHP and lead, chemicals
22		known to the State of California to cause birth defects and other reproductive harm.
23	Alternatively, the des	ignated symbol may appear adjacent to or immediately following the
24	display, description, or price	of the Product for which a warning is being given, provided that the
25	following warning statement	also appears elsewhere on the same web page, as follows:
26	WARNING:	This product contains DEHP and DBP, chemicals
27		known to the State of California to cause birth defects and other reproductive harm.
28	or,	
		-7-

WARNING:

This product contains DEHP and lead, chemicals known to the State of California to cause birth defects

and other reproductive harm.

3. PENALTIES PURSUANT TO HEALTH AND SAFETY CODE SECTION 25249.7(b)

In settlement of all the claims referred to in this Consent Judgment, Norwood shall pay a total of \$43,000 in civil penalties in accordance with this Section. Each penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) and (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 Moore, as follows:

3.1 Initial Civil Penalty

Norwood shall pay an initial civil penalty in the amount of \$18,000 no later than five business days following the Effective Date. Norwood shall issue two separate checks to: (a) "The Chanler Group in Trust for OEHHA" in the amount of \$13,500; and (b) "The Chanler Group in Trust for Moore" in the amount of \$4,500. All penalty payments shall be delivered to the address listed in Section 3.3.1 below and held in trust pending the Court's approval of this Consent Judgment.

3.2 Final Civil Penalty

Norwood shall pay a final civil penalty of \$25,000 on or before August 1, 2014. The final civil penalty shall be waived in its entirety, however, if, no later than July 15, 2014, an officer of Norwood provides Moore with written certification that it, as of July 15, 2014, has manufactured and/or caused to be manufactured, for sale in California only Reformulated Products and that it will continue to manufacture, distribute, sell and offer for sale in California only Reformulated Products. Such certification must be received by The Chanler Group on or before July 15, 2014. The certification in lieu of paying the final civil penalty provided by this section is a material term, and time is of the essence. Unless waived, Norwood shall issue two separate checks for the final civil penalty payment to: (a) "The Chanler Group in Trust for OEHHA" in the amount of \$18,750; and (b) "The Chanler Group in Trust for Moore" in the amount of \$6,250.

1	3.3 Payment Procedures	
2	3.3.1. Issuance of Payments. Payments shall be delivered as follows:	
3	All payments owed to Moore and Moore's counsel pursuant to Sections	
4	3.1 and 3.2 (unless waived), shall be delivered to the following payment address:	
5	The Chanler Group Attn: Proposition 65 Controller 2560 Ninth Street	
6 7	Parker Plaza, Suite 214 Berkeley, CA 94710	
8	A copy of the checks payable to OEHHA shall be mailed to The Chanler	
9	Group at the address set forth above in Section 3.3.1(a), as proof of payment to OEHHA.	
10	3.3.2 Issuance of 1099 Forms. After each penalty payment, Norwood	
11	shall issue separate 1099 forms for each payment to Moore, whose address and tax identification	
12	number shall be furnished upon request after this Consent Judgment has been fully executed by the	
13	Parties, and OEHHA (EIN: 68-0284486) at the following addresses:	
14	For United States Postal Service Delivery:	
15 16	Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment P.O. Box 4010 Sacramento, CA 95812-4010	
17	For Non-United States Postal Service Delivery:	
18	Mike Gyurics	
19	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment	
20	1001 I Street Sacramento, CA 95814	
21 22	4. REIMBURSEMENT OF FEES AND COSTS	
23	The Parties acknowledge the Moore and his counsel offered to resolve this dispute without	
24	reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee	
25	issue to be resolved after the material terms of the agreement had been settled. Moore then	
26	expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had	
27	been finalized. The Parties reached an accord on the compensation due to Moore and his counsel	
28	under the private attorney general doctrine and principles codified at California Code of Civil	

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Procedure section 1021.5, for all work performed through the mutual execution of this agreement. Under these legal principles, Norwood shall reimburse Moore's counsel for fees and costs, incurred as a result of investigating, bringing this matter to Norwood's attention, and negotiating a settlement in the public interest. Norwood shall pay Moore and his counsel \$37,000 for all attorneys' fees, expert and investigation fees, and related costs. The payment shall be issued in a separate check made payable to "The Chanler Group" and shall be delivered no more than five business days following the Effective Date, at the following address:

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

5. RELEASE OF ALL CLAIMS

5.1 Release of Norwood and Downstream Customers and Entities

Moore acting on his own behalf and in the public interest, releases Norwood and its past, present and future parents, subsidiaries, affiliated entities under common ownership, directors, officers, agents, employees, attorneys and each entity to whom Norwood directly or indirectly distributes or sells Products including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees and their past, present and future parents, subsidiaries, affiliated entities under common ownership, directors, officers, agents, employees, and attorneys (collectively "Releasees"), from all claims for violations of Proposition 65 through the Effective Date based on their failure to warn about alleged exposures to the DEHP, DBP and lead contained in the Products that were manufactured, distributed, sold and/or offered for sale by Norwood. Releasees' compliance with this Consent Judgment shall constitute compliance with Proposition 65 with respect to DEHP, DBP and lead in the Products, as set forth in the Notices.

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4 above, Moore, on behalf of himself, his past and current agents, representatives, attorneys, successors and/or assignees, provides a release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions,

1	causes of acti	on, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities,
2	and demands	of Norwood or the Releasees of any nature, character, or kind, whether known or
3	unknown, sus	spected or unsuspected, limited to and arising out of alleged or actual exposure to the
4	DEHP, DBP	and lead in the Products. Moore acknowledges that he is familiar with Section 1542
5	of the Califor	nia Civil Code, which provides as follows:
6		A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
7		WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
8		EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER
9		SETTLEMENT WITH THE DEBTOR.
10	Moore, in his	individual capacity only and not in his representative capacity, expressly waives
11	and relinquishes any and all rights and benefits which he may have under Section 1542 of the	
12	California Ci	vil Code.
13	5.2	Norwood's Release of Moore
14	Norw	ood, on behalf of itself, its past and current agents, representatives, attorneys,
15	successors an	d/or assignees, hereby waives any and all claims against Moore, his attorneys and
16	other represen	ntatives, for any and all actions taken or statements made (or those that could have
17	been taken or	made) by Moore and his attorneys and other representatives, whether in the course
18	of investigati	ng claims or otherwise seeking enforcement of Proposition 65 against it in this
19	matter, and/o	r with respect to the Products. Norwood acknowledges that it is familiar with
20	Section 1542	of the California Civil Code, which provides as follows:
21		A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
22	20	WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
23		EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER
24		SETTLEMENT WITH THE DEBTOR.
25	Norwood exp	ressly waives and relinquishes any and all rights and benefits which is may have
26	under Section	1542 of the California Civil Code.
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6. **COURT APPROVAL**

12.

This Consent Judgment is not effective until it is approved by the Court, including any tentative ruling not challenged by either of the Parties, and shall be null and void if, for any reason, it is not approved, including any tentative ruling not challenged by either of the Parties, by the Court within one year after it has been fully executed by all Parties. In the event the Court does not approve this Consent Judgment within one year, (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.

7. <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.

8. 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 Norwood 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.

9. **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 or two-day courier on any party by the other party at the following addresses:

6 For Norwood:

For Moore:

7 Kathryn H. Edwards, Esq. Orrick, Herrington & Sutcliffe LLP 8

Proposition 65 Coordinator The Chanler Group

The Orrick Building 405 Howard Street

Parker Plaza

2560 Ninth Street, Suite 214

San Francisco, CA 94105-2669

Berkeley, CA 94710

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Any Party may specify in writing to the other Party a change of address to which all notices and other communications shall be sent.

10. **COUNTERPARTS; SIGNATURES**

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

11. COMPLIANCE WITH HEALTH AND SAFETY CODE SECTION 25249,7(f)

Moore agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f).

12. **MODIFICATION**

This Consent Judgment may be modified only: (1) by written agreement of the Parties and upon entry of a modified Consent Judgment 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 thereof, and any and all prior discussions, negotiations, commitments, and understandings related hereto. No representations, oral or

1	otherwise, express or implied, other than those contained herein have been made by any Party
2	hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be
3	deemed to exist or to bind any of the Parties.
4	14. <u>AUTHORIZATION</u>
5	The undersigned are authorized to execute this Consent Judgment and have read,
6	understood and agree to all of the terms and conditions of this Consent Judgment.
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8	AGREED TO: AGREED TO:
9	Date: April, 2014
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11	By: By:
12	John Moore Emmanuel Bruno Vice President and General Manager
13	Norwood Promotional Products, LLC
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1	otherwise, express or implied, other than those contained herein have been made by any Party
2	hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be
3	deemed to exist or to bind any of the Parties.
4	14. <u>AUTHORIZATION</u>
5	The undersigned are authorized to execute this Consent Judgment and have read,
6	understood and agree to all of the terms and conditions of this Consent Judgment.
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8	AGREED TO: AGREED TO:
9	Date: April, 2014 April 25, 2014
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11	By:
12	John Moore Emmanuel Bruno Vice President and General Manager
13	Norwood Promotional Products, LLC
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