

## SETTLEMENT AGREEMENT

### BETWEEN ISABEL NOVAK AND GIBSON OVERSEAS, INC.

#### 1. RECITALS

##### 1.1 The Parties

This Settlement Agreement (“Settlement”) is entered into by and between Isabel Novak (“Ms. Novak”) and Gibson Overseas, Inc. (“Gibson”). Ms. Novak and Gibson shall hereinafter collectively be referred to as the “Parties.”

Ms. Novak is a citizen of the State of California with an interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes promoting awareness of exposure to toxic chemicals and reducing exposure to hazardous substances found in consumer products. Gibson employs ten (10) or more employees, and is a person in the course of doing business as the term is defined in California *Health & Safety Code* section 25249.6 et seq. (“Proposition 65”).

##### 1.2 Allegations

Ms. Novak alleges that Gibson manufactured, distributed, supplied, and/or sold ceramic mugs with exterior decorations, including but not limited to the “Rooster” ceramic mug (SKU 0-85081-89820-3), (hereinafter, the “Products”) in the State of California causing users in California to be exposed to hazardous levels of lead without providing “clear and reasonable warnings”, in violation of Proposition 65. Lead and lead compounds (the “Listed Chemicals”) are potentially subject to Proposition 65 warning requirements because they are listed as known to the State of California to cause reproductive harm and cancer respectively.

On January 22, 2014, a sixty-day notice of violation (“60-Day Notice”), along with a Certificate of Merit, was provided by Ms. Novak pursuant to Health and Safety Code Section 25249.7(d) to Gibson and various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Listed Chemicals in the Products.

##### 1.3 No Admissions

Gibson denies all allegations in Ms. Novak’s 60-Day Notice and maintains that the

Products have been, and are, in compliance with all laws, and that Gibson has not violated Proposition 65. This Settlement shall not be construed as an admission of liability by Gibson but to the contrary as a compromise of claims that are expressly contested and denied. However, nothing in this section shall affect the Parties' obligations, duties, and responsibilities under this Settlement.

#### **1.4 Compromise**

The Parties enter into this Settlement in order to resolve the controversy described above in a manner consistent with prior Proposition 65 consent judgments on the Listed Chemicals in the Products that were entered on behalf of the public interest and to avoid prolonged and costly litigation between them.

#### **1.5 Effective Date**

The "Effective Date" shall be the date upon which a complete and fully executed copy of the Settlement is delivered to each Party's counsel.

## **2. INJUNCTIVE RELIEF AND REFORMULATION**

### **2.1 Proposition 65 Warning Obligations**

(a) **Required Warnings:** After the Effective Date, Gibson shall not manufacture, decorate, or import for use or sale in California any Products containing the Listed Chemicals in their non-food contact (exterior) surfaces unless clear and reasonable Proposition 65 warnings are given in a manner consistent with the method and language set forth in Section 2 of the *People v. Wedgwood* judgment.<sup>1</sup>

(b) **Exceptions:** The warning requirement set forth in subsection 2.1(a) shall not apply to any Products manufactured, decorated, or imported for Gibson's potential sale in California after the Effective Date if they meet the Reformulation Standards as described in subsection 2.2 below.

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<sup>1</sup> The *People v. Wedgwood* judgment refers to the consent judgment previously entered in *People v. Wedgwood USA, Inc., et al.*, San Francisco Superior Court No. 938430 at the request of the California Attorney General. The warning provisions of the *People v. Wedgwood* judgment are attached hereto as "Exhibit 1."

## 2.2 Reformulation Standards

(a) For purposes of this Settlement, the following definitions apply:

“*Children’s Product*” means any Product whose use in the household is reasonably anticipated substantially for use by children rather than substantially by adults, such as: Products with designs on their exterior surface which are affiliated with children’s toys or entertainment (e.g., cartoon characters), Products of a reduced size so to be marketed primarily for children, or Products of a type or category which typically would be used by children.

“*Exterior Decorations*” is defined as all colored artwork, designs and/or markings on the exterior surface of the Products.

“*Lip and Rim Area*” is defined as the exterior top 20 millimeters of the Products.

“*No Detectable Lead*” shall mean that no lead is detected at a level above 200 parts per million (ppm) based on a sample of at least 50 milligrams of the decorating material in question.

(b) A Product that is not a *Children’s Product* shall be deemed to meet the requirements of Proposition 65 without warnings with respect to the Listed Chemicals in Exterior Decorations if Gibson demonstrates that it satisfies one of the standards outlined in subsections 2.2(c)(1) or (2) or (3) below. However, if a Product is decorated in the *Lip and Rim Area*, subsection 2.2(c)(4) must also be satisfied.

(c)(1) **Decorating Materials’ Content-Based Reformulation Standard:** Under this Standard the *Exterior Decorations* used beneath the *Lip and Rim Area* can only utilize decorating materials that contain 600 ppm of lead or less as measured using EPA Test Method 3050(b) before the decorating material is fired onto (or otherwise affixed to) the Product.

(c)(2) **Wipe Test-Based Standard:** Under this alternative Standard, the Product must produce a test result no higher than 1.0 microgram (ug) of lead using EPA Test Method 3050(b) based on a wipe sample collected using NIOSH Method 9100 as applied specifically to a 100 square centimeter area of the Product that contains the majority of the *Exterior Decorations*.

(c)(3) **Total Acetic Acid Immersion Test-Based Standard:** Under this alternative Standard, the Product must achieve a result of 0.99 ppm or less for lead after

correction for internal volume when tested pursuant to ASTM Method C927 as modified for total immersion<sup>2</sup> with results corrected for internal volume.

(c)(4) **Additional Lip and Rim Area Decoration Standard:** If the Product contains *Exterior Decorations* in the *Lip and Rim Area*:

(i) Any *Exterior Decorations* that extend into the *Lip and Rim Area* may only utilize decorating materials that contain *No Detectable Lead*, or

(ii) The Product yields a test result showing a concentration level of 0.5 ug/ml or less of lead using ASTM Method C927.

(d) A Product that is a *Children's Product* shall be deemed to meet the requirements of Proposition 65 without the warnings otherwise required under Section 2.1(a) above if Gibson demonstrates that it satisfies both of the requirements below:

(1) Any *Exterior Decorations* that extend into the *Lip and Rim Area* may only utilize decorating materials that contain 90 ppm of lead or less as measured before the material is fired onto (or otherwise affixed to) the *Children's Product* using EPA Test Method 3050(b) or, alternatively, which yield a test result showing a concentration level of 0.5 ug/ml or less of lead using ASTM Method C927; and

(2) Any *Exterior Decorations* below the *Lip and Rim Area* may only utilize decorating materials that contain 90 ppm of lead or less as measured before the material is fired onto (or otherwise affixed to) the *Children's Product* using EPA Test Method 3050(b).

### 3. **PAYMENTS**

#### 3.1 **Civil Penalty Pursuant To Proposition 65**

In settlement of all claims referred to in this Settlement Agreement, Gibson shall pay a total civil penalty of two thousand five hundred dollars (\$2,500.00) to be apportioned in accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$1,875.00) paid to State of California Office of Environmental Health Hazard Assessment, and the remaining 25% (\$625.00) paid to Ms. Novak.

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<sup>2</sup> For this testing protocol, refer to Exhibit 2 of the Consent Judgment entered in *Brimer v. Royal Doulton USA, Inc.*, et al., San Francisco County No. CGC-07-459941.

Gibson shall issue two (2) checks for the civil penalty: (1) a check or money order made payable to “Law Offices of Lucas T. Novak in Trust for Office of Environmental Health Hazard Assessment” in the amount of \$1,875.00; and (2) a check or money order made payable to “Law Offices of Lucas T. Novak in Trust for Isabel Novak” in the amount of \$625.00. Gibson shall remit the payments within ten (10) business days of the Effective Date, to:

Lucas T. Novak, Esq.  
LAW OFFICES OF LUCAS T. NOVAK  
8335 W Sunset Blvd., Suite 217  
Los Angeles, CA 90069

### **3.2 Reimbursement Of Ms. Novak’s Fees And Costs**

Gibson shall collectively reimburse Ms. Novak’s reasonable experts’ and attorney’s fees and costs incurred in prosecuting the instant action, for all work performed through execution of this Settlement. Accordingly, Gibson shall issue a check or money order made payable to “Law Offices of Lucas T. Novak” in the amount of fourteen thousand dollars (\$14,000.00). Gibson shall remit the payment within ten (10) business days of the Effective Date, to:

Lucas T. Novak, Esq.  
LAW OFFICES OF LUCAS T. NOVAK  
8335 W Sunset Blvd., Suite 217  
Los Angeles, CA 90069

## **4. RELEASES**

### **4.1 Ms. Novak’s Release Of Gibson**

Ms. Novak, acting in her individual capacity, her past and current agents, representatives, attorneys, successors, and/or assignees, in consideration of the promises and monetary payments contained herein, hereby releases Gibson, its parents, subsidiaries, shareholders, directors, members, officers, employees, and attorneys, from the claims asserted in Ms. Novak’s 60-Day Notice dated January 22, 2014 regarding violation of Proposition 65 with respect to the Products.

### **4.2 Gibson’ Release Of Ms. Novak**

Gibson, by this Settlement, waives all rights to institute any form of legal action against Ms. Novak, her past and current agents, representatives, attorneys, experts, successors, and/or

assignees, for actions or statements made or undertaken, whether in the course of investigating claims or seeking enforcement of Proposition 65 against Gibson in this matter.

**4.3 Waiver Of Unknown Claims**

Each of the Parties acknowledges that it is familiar with Section 1542 of 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 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.”

Each of the parties waives and relinquishes any right or benefit it has or may have under Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein. The Parties agree that this Settlement and the releases contained herein shall be and remain effective in all respects notwithstanding the discovery of such additional or different facts.

**5. SEVERABILITY**

Should any part or provision of this Settlement for any reason be declared by a Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

**6. GOVERNING LAW**

The terms of this Settlement shall be governed by the laws of the State of California.

**7. NOTICES**

All correspondence and notices required to be provided under this Settlement shall be in writing and delivered personally or sent by first class or certified mail addressed as follows:

TO GIBSON: Robert L. Falk, Esq. MORRISON FOERSTER 425 Market Street San Francisco, California 94105	TO MS. NOVAK: Lucas T. Novak, Esq. LAW OFFICES OF LUCAS T. NOVAK 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069
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**8. INTEGRATION**

This Settlement constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be amended or modified except in writing.

**9. COUNTERPARTS**

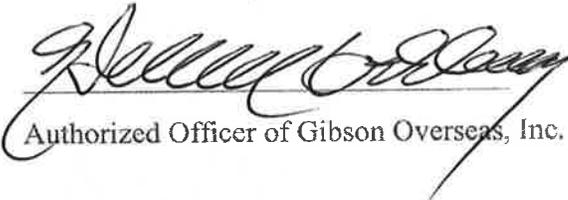
This Settlement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute the same document. Execution and delivery of this Settlement by e-mail, facsimile, or other electronic means shall constitute legal and binding execution and delivery. Any photocopy of the executed Settlement shall have the same force and effect as the originals.

**10. AUTHORIZATION**

The undersigned are authorized to execute this Settlement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Settlement. Each Party warrants to the other that it is free to enter into this Settlement and not subject to any conflicting obligation which will or might prevent or interfere with the execution or performance of this Settlement by said party.

**AGREED TO:**

Date: APR. 1 07, 2014

By:   
Authorized Officer of Gibson Overseas, Inc.

**AGREED TO:**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Isabel Novak

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**AGREED TO:**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Authorized Officer of Gibson Overseas, Inc.

**AGREED TO:**

Date: April 3, 2014

By: Isabel Novak

Isabel Novak

# **EXHIBIT 1**

1 DANIEL E. LUNGREN, Attorney General  
of the State of California  
2 RODERICK E. WALSTON  
Chief Assistant Attorney General  
3 THEODORA BERGER  
Assistant Attorney General  
4 CRAIG C. THOMPSON  
EDWARD G. WEIL  
5 CLIFFORD RECHTSCHAFFEN  
Deputy Attorneys General  
6 2101 Webster Street  
Oakland, CA 94612  
7 Telephone: (510) 286-1364

8 Attorneys for the People of the State of California

9 CHARLOTTE URAM  
RAYMOND F. LYNCH  
10 LANDELS, RIPLEY & DIAMOND  
Hills Plaza  
11 350 Stewart Street  
San Francisco, California 94105  
12 Telephone: (415) 788-5000

13 DAVID A. HARTQUIST  
MARK L. AUSTRIAN  
14 COLLIER, SHANNON, HILL & SCOTT  
3050 K Street, N.W.  
15 Washington, D.C. 20007  
Telephone: (202) 342-8400

16 Attorneys for Certain Defendants  
17

18 SUPERIOR COURT OF THE STATE OF CALIFORNIA

19 COUNTY OF SAN FRANCISCO  
20

21	PEOPLE OF THE STATE OF CALIFORNIA ex.	)	No. 938430
22	rel. DANIEL E. LUNGREN, Attorney	)	
22	General of the State of California,	)	CONSENT JUDGMENT AS TO
23	Plaintiffs,	)	DEFENDANTS WEDGWOOD
24	v.	)	USA, INC.; FITZ &
24		)	FLOYD, INC.; ROYAL
25	JOSIAH WEDGWOOD & SONS, INC.; et al.,	)	DOULTON USA, INC.;
25		)	WORTAKE COMPANY, INC.;
26	Defendants.	)	VILLEROY & BOCH, LTD.;
26		)	MICASA; AMERICAN
27		)	COMMERCIAL, INC.; THE
27		)	PFAUTEGRAF COMPANY;
27		)	PICKARD, INC.

1 any right, remedy or defense any Defendant may have in any other  
2 or future legal proceedings. However, this paragraph shall not  
3 diminish or otherwise affect the obligations, responsibilities  
4 and duties of any Defendant under this Consent Judgment.

5 2. Injunctive Relief: Clear and Reasonable Warnings.

6 2.1. Clear and reasonable warning that use of certain  
7 tableware exposes persons to a chemical known to the State of  
8 California to cause birth defects or other reproductive harm  
9 shall be provided under the circumstances and in the manner  
10 provided in this Consent Judgment. As of June 1, 1993 and  
11 continuing thereafter, said clear and reasonable warnings for all  
12 tableware for which warnings are required by this Consent  
13 Judgment ("Covered Tableware") shall be provided through the use  
14 of the Designated Symbol and Identifying Signs, as described  
15 below.

16 A. Identifying Signs and Designated Symbol

17 1. Identifying Signs. Each Identifying Sign shall be 8 1/2"  
18 by 11" in size and shall have the exact content, form, color and  
19 print style as Exhibit A.

20 2. Designated Symbol. The Designated Symbol shall appear  
21 exactly as shown in Exhibit B (3/4" high) and may appear on  
22 adhesive stickers, capable of adhering to an item of tableware, a  
23 placard, and a shelf. Except as otherwise provided in this  
24 Consent Judgment, any reproduction of the Designated Symbol must  
25 be in the same size and color as shown in Exhibit B. The  
26 Attorney General shall not agree to any settlement requiring the  
27 use of the Designated Symbol in giving a Proposition 65 warning

1 for exposures other than a consumer product exposure as defined  
2 under 22 CCR section 12601(b).

3 B. Covered Tableware Displayed in Retail Stores

4 1. Identifying Signs shall be placed in each California  
5 retail establishment in which any of Defendants' Covered  
6 Tableware is sold. Where a retail establishment sells only  
7 tableware that does not require a warning, it is not required to  
8 post the Identifying Sign. Identifying Signs shall not be  
9 covered or obscured, and shall be placed and displayed in a  
10 manner rendering them likely to be read and understood by an  
11 ordinary individual under customary conditions of purchase.  
12 Specifically, such signs shall be placed as follows:

13 a. Department Stores or other stores with separate  
14 check-out for tableware department: for a store selling  
15 tableware in a physically separate department or section, which  
16 contains cash registers within such department or section that  
17 are used primarily to purchase items sold in that department or  
18 section, signs shall be placed at each cash register in that  
19 section or department, and at a minimum of two additional  
20 locations where Covered Tableware is displayed within the section  
21 or department;

22 b. Large stores without a separate check-out for  
23 tableware department: any store that sells tableware and has  
24 more than 7,500 square feet of floor space and that uses one or  
25 more check-out stands for all merchandise purchased at the store,  
26 a single sign shall be posted at each location where Covered  
27 Tableware are displayed, plus as many additional signs as are

1 necessary to assure that any potential purchaser of tableware  
2 would be reasonably likely to see an Identifying Sign.

3 c. Small stores without a separate check-out for  
4 tableware department: any store that sells tableware and has less  
5 than 7,500 square feet of total floor space, and uses one or more  
6 check-out stands for all merchandise purchased at the store,  
7 shall post signs in the manner provided in (a) or (b) above.

8 2. The Designated Symbol shall be displayed in  
9 conjunction with the Covered Tableware, in any one or more of the  
10 following locations:

11 a. Affixed to every placard, "tent sign," shelf  
12 talker, or shelf sticker adjacent to the displayed article that  
13 identifies the brand name and pattern of the article displayed;

14 or

15 b. Affixed to the displayed article of Covered  
16 Tableware on a part of the article where the symbol will be seen  
17 as the article is displayed; or

18 c. Affixed to the back of the displayed article of  
19 Covered Tableware, but only if the back of the article contains a  
20 sticker identifying the price or a sticker identifying the item  
21 or items available in the tableware pattern and listing their  
22 prices.

23 c. Covered Tableware for Sale in Retail Stores,  
24 But Not Displayed

25 Where Covered Tableware is available for sale in a retail  
26 store, but no article of the same pattern is displayed in the  
27 retail store, and instead is pictured in a catalog, brochure or

1 other graphic depiction available within the retail store, the  
2 warning shall be provided as follows:

3 1. Where the brochure or catalog contains the price, the  
4 following warning message shall be stated within the brochure or  
5 catalog, on the inside front cover, on the same page as any order  
6 form, or on the same page as the price, in at least 12 point  
7 type, with the Designated Symbol at least 3/4 inch: "Prop 65  
8 WARNING: Certain patterns of tableware for sale through this  
9 catalog will expose you to lead, a chemical known to the State of  
10 California to cause birth defects or other reproductive harm.  
11 Patterns identified with this symbol: [Designated Symbol] are the  
12 ones for which this warning is given." The Designated Symbol  
13 also shall be provided in conjunction with any picture or  
14 depiction of Covered Tableware, immediately following any text  
15 stating the name of the pattern in the same size as the name of  
16 the pattern.

17 2. Where such Covered Tableware is depicted in a brochure  
18 or catalog, but said brochure does not contain the price of the  
19 article, the warning message and Designated Symbol shall be  
20 provided on any price lists intended for display to the consumer.  
21 The warning message specified in Paragraph 2.1.C.1 shall be  
22 stated within the price list, either on the inside front cover or  
23 on the same page as the price, in at least 12 point type, with  
24 the Designated Symbol at least 3/4 inch. The Designated Symbol  
25 shall also be provided on the page where both the price and  
26 pattern name are provided, adjacent to the name of the pattern  
27 for which a warning is given, in the same size as the name of the

1 pattern. The Designated Symbol may be printed in the same colors  
2 as used in the price list.

3 **D. Mail Order Tableware**

4 Where Covered tableware is available for sale by mail order  
5 to residents of the State of California, clear and reasonable  
6 warning shall be provided by including a warning, either in the  
7 mail order catalog or brochure or with the Covered Product when  
8 it is shipped to California customers, as follows:

9 1. Mail Order Catalog or Brochure. The following warning  
10 message shall be stated within the catalog or brochure, on the  
11 inside front cover, on the same page as any order form, or on the  
12 same page as the price, in at least 12 point type with the  
13 Designated Symbol at least 3/4 inch: "Prop 65 WARNING: Use of  
14 certain ceramic tableware for sale in this catalog or brochure  
15 will expose you to lead, a chemical known to the State of  
16 California to cause birth defects or other reproductive harm.  
17 Patterns identified in this catalog or brochure with this symbol:  
18 [Designated Symbol] are the ones for which this warning is given.  
19 The Designated Symbol shall also be provided on the page where  
20 both the price and pattern name are provided, adjacent to the  
21 name of the pattern for which a warning is given, in the same  
22 size as the name of the pattern.

23 2. Package Insert or Label. Alternatively, a warning may  
24 be provided with the Covered Tableware when it is shipped, by  
25 (a) inserting a card or slip of paper measuring at least 4" by 6"  
26 in the shipping carton, (b) affixing a pressure sensitive label  
27 measuring at least standard business-card size on the face of the

1 shipping carton, or (c) printing the warning on the packing slip  
2 or customer invoice identifying the Covered Tableware in  
3 lettering of the same size as the description of the Covered  
4 Tableware. The warning shall read as follows: "PROP 65 WARNING:  
5 Use of this product will expose you to lead, a chemical known to  
6 the State of California to cause birth defects or other  
7 reproductive harm. You may return this product for a full refund  
8 within 30 days of receipt, if you wish. You also may obtain a  
9 list of each pattern of ceramic tableware sold by this company  
10 for which the same warning is given." Upon request of the person  
11 receiving that warning, the mail order house shall provide a list  
12 of each pattern of tableware sold by that mail-order house for  
13 which a warning is required.

14       **B. Restaurants and Other Food Service Establishments**  
15       Restaurants, hotels, and other food service establishments  
16 shall provide clear and reasonable warning, whenever Covered  
17 Tableware is used for service of food consumed by their  
18 customers, by posting an 8 1/2" by 11" sign with the exact content,  
19 form, color and print style as Exhibit C. The sign shall be  
20 printed on at least 65-pound cover stock.

21       2.2. No later than April 30, 1993, Defendants shall mail  
22 warning materials as described below:

23       **A. Warning Materials for Retail Stores.**

24       Defendants shall mail to the central purchasing office for  
25 all distributors and retail stores with whom they transact  
26 business for sale of Covered Tableware in California the  
27 following materials:

1           1.     At least five Identifying Signs, printed on 65-pound  
2 cover stock.

3           2.     At least 100 Designated Symbols, which shall be  
4 provided on adhesive peel-off sheets.

5           3.     A letter explaining the warning program, providing  
6 posting instructions, and providing instructions for warnings for  
7 products not displayed. This letter shall contain the text shown  
8 in Exhibit D, and shall contain no further information or  
9 statements without advance written approval of the Attorney  
10 General.

11          4.     A document identifying all Covered Tableware, by  
12 pattern, determined pursuant to the testing program established  
13 under Section 4, as follows:

14           a.     Said document need not accompany any shipment of  
15 the Covered Tableware, and may be sent as a single document on  
16 behalf of a group of Defendants, or individually only to those  
17 distributors or retail stores selling the Covered Tableware of an  
18 individual Defendant.

19           b.     Documents updating or supplementing the list of  
20 Covered Tableware shall be provided to the central purchasing  
21 office for all distributors or retailers as frequently as  
22 necessary to advise retailers of any additional Covered Tableware  
23 or of any tableware pattern no longer requiring warnings. Where  
24 tableware that had required a warning is determined to no longer  
25 require a warning, Defendants shall not send any notice advising  
26 the central purchasing office for all distributors or retail  
27 stores that the tableware no longer requires a warning until 180

1 days after the last articles in that pattern that required a  
2 warning were shipped from the factory for potential sale in  
3 California. Where there is no change in the list of Covered  
4 Tableware, Defendants shall advise the central purchasing office  
5 for all distributors and retail stores with whom they transact  
6 business for sale of Covered Tableware in California at least  
7 once each calendar year that the list remains accurate. Once a  
8 Defendant has advised a retailer or distributor that no warnings  
9 are necessary on any of its tableware Patterns, then no further  
10 notices need be sent to such retailer or distributor unless  
11 warnings are subsequently required on any of Defendant's  
12 Patterns.

13 5. Beginning with the first regularly scheduled printing  
14 of the brochure, catalog or price list referred to in Paragraph  
15 2.1.C after April 30, 1993, and continuing with each regularly  
16 scheduled brochure, catalog or price list, Defendants shall  
17 provide warnings as specified in either (a) the brochure or  
18 catalog or (b) the price list. Such brochure, catalog or price  
19 list shall, however, be distributed no later than September 30,  
20 1993. Any supplement to the price list which includes a pattern  
21 requiring a warning shall provide the Designated Symbol adjacent  
22 to the name of the pattern as provided in Paragraph 2.1.C.2.

23 ///  
24 ///  
25 ///  
26 ///  
27 ///

1           B.    Warning Materials for Mail Order Houses.

2           Each defendant shall mail to the central purchasing office  
3 for each company which they know or have reason to know sells  
4 that Defendant's Covered Tableware to residents of California by  
5 mail:

6           1.    A letter explaining the warning program. This letter  
7 shall contain the text shown in Exhibit E, and shall contain no  
8 further information or statements without advance written  
9 approval of the Attorney General.

10          2.    The same materials as those provided under  
11 Paragraph 2.2.A.4.

12           C.    Warning Materials for Restaurants.

13          Defendants shall mail to the central purchasing office for  
14 each restaurant and other food service establishment with whom  
15 they transact business for commercial use of Covered Tableware in  
16 California:

17          1.    Two copies of the warning sign set forth in Exhibit C.

18          2.    Letter(s) explaining the warning program and providing  
19 posting instructions to the restaurant, and where necessary, the  
20 restaurant supplier. This letter shall contain the text shown in  
21 Exhibit F, and shall contain no further information or statements  
22 without advance written approval of the Attorney General.

23          3.    A letter listing those pattern(s) of Covered Tableware  
24 sold to the individual restaurant or other food service  
25 establishment.

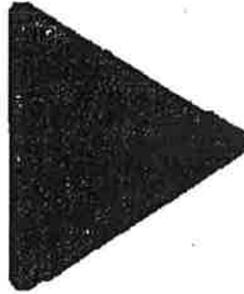
26        ///

27        ///

# PROP 65 WARNING

Use of certain tableware for sale in this store will expose you to lead,  
a chemical known to the State of California to cause birth defects  
or other reproductive harm.

Patterns identified with this symbol:



displayed on or next to the product,  
are the ones for which this warning is given.



EXHIBIT B:  
DESIGNATED SYMBOL

**PROP 65**  
**WARNING**

The particular pattern of dishes used here  
will expose you to lead, a chemical known to  
the State of California to cause birth defects  
or other reproductive harm.