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5	Attorneys for Plaintiff		
6	PAUL WOZNIAK		
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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
9	COUNTY OF ALAMEDA UNLIMITED CIVIL JURISDICTION		
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12	DALII WOZNIAV	Case No. RG14750997	
13	PAUL WOZNIAK,		
14	Plaintiff,	[PROPOSED] CONSENT JUDGMENT	
15	V.	(Health & Safety Code § 25249.6 et seq.)	
16	FLP, LLC, et al.,		
17	Defendants.		
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1. <u>INTRODUCTION</u>

1.1 Parties

This Consent Judgment is entered into by and between Paul Wozniak ("Wozniak") and FLP, LLC ("FLP"), with Wozniak and FLP each individually referred to as a "Party" and collectively as the "Parties."

1.2 Plaintiff

Wozniak 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.

1.3 Defendant

FLP employs ten or more individuals and is a "person in the course of doing business" for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 *et seq.* ("Proposition 65").

1.4 General Allegations

Wozniak alleges that FLP manufactures, imports, sells, or distributes for sale in California, nylon cooking utensils that contain 4,4'-Methylenedianiline ("4,4'-MDA") without first providing the exposure warning required by Proposition 65. 4,4'-MDA is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer. Wozniak also alleges that FLP manufactures, imports, sells, or distributes for sale in California, kitchen tools with vinyl/PVC grips that contain di(2-ethylhexyl)phthalate ("DEHP") without first providing the exposure warning required by Proposition 65. DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm.

1.5 **Product Description**

The products covered by this Consent Judgment are: (a) nylon cooking utensils containing 4,4'-MDA that are manufactured, imported, sold, or distributed for sale in California by FLP including, but not limited to, *Cook's Kitchen Basting Spoon*, (*UPC No. 7 40985 88248 1*); and (b) kitchen tools with vinyl/PVC grips containing DEHP that are manufactured, imported, sold, or distributed for sale in California by FLP including, but not limited to, *Cook's Kitchen Bottle Opener*,

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#092612 (UPC No. 7 40985 88204 7). The nylon cooking utensils and kitchen tools with vinyl/PVC grips described herein are collectively referred to as "Products".

1.6 **Notice of Violation**

On or about September 30, 2014, Wozniak served FLP and certain requisite public enforcement agencies with a "60-Day Notice of Violation" ("Notice") alleging that FLP violated Proposition 65 by failing to warn its customers and consumers in California that the Products expose users to 4,4'-MDA and DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.7 Complaint

On December 10, 2014, Wozniak filed the instant action ("Complaint") naming FLP as a defendant for the alleged violations of Health and Safety Code section 25249.6 that are the subject of the Notice

1.8 No Admission

FLP denies the material, factual, and legal allegations contained in the Notice and Complaint, and it maintains that all of the products that it has sold and distributed for sale 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 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 of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect FLP's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over FLP as to the allegations contained in the Complaint, that venue is proper in the County of Alameda, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" means the date on which the Consent Judgment is entered by the Court.

2. <u>INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS</u>

2.1 Reformulated Products

Commencing on the Effective Date, and continuing thereafter, FLP shall only purchase or manufacture "Reformulated Products" for sale in California.

2.1.1 4,4'-MDA

With respect to 4,4'-MDA, Reformulated Products are products that:

- i. contain less than or equal to 200 parts per million ("ppm") 4,4'-MDA by weight using validated preparation and analytical methods used to detect the presence of 4,4'-MDA in a solid substance;
- ii. and produce a leach result of 10 ug/L or less 4,4'-MDA by digesting the food contact end of the product into 100 ml of 3% acetic acid de-ionized water for 2 hours at 100°C, replenishing the acetic acid solution as needed to maintain 100 ml, and analyzing the leachate using a validated method to detect the presence of 4,4'-MDA in a liquid.

The testing shall be conducted in an accredited laboratory with qualified personnel.

All analytical reports must contain quality control data that verify the laboratory's performance for the results in each analytical report.

2.1.2 **DEHP**

With respect to DEHP, Reformulated Products are products that contain a maximum of 1,000 parts per million DEHP by weight in any accessible component (i.e., any part or feature of a Product that may be touched during use) when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C, CPSC-WH-C1001-09.3, or equivalent methodologies utilized by state and federal agencies to determine DEHP content in a solid substance.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payments

Pursuant to Health & Safety Code § 25249.7(b), in settlement of all the claims referred to in this Consent Judgment, FLP shall pay \$48,000 in civil penalties. Each civil penalty payment shall be allocated according to Health and Safety Code section 25249.12(c)(1) and (d) with seventy-five percent (75%) of the funds paid to the California Office of Environmental Health Hazard Assessment ("OEHHA") and twenty-five percent (25%) of the funds remitted to Wozniak.

3.1.1 Initial Civil Penalty

Within two business days after the Effective Date, FLP shall make an initial civil penalty payment of \$8,000. FLP shall provide its payment in two checks for the following amounts made payable to: (a) "OEHHA" in the amount of \$6,000; and (b) "Paul Wozniak, Client Trust Account" in the amount of \$2,000.

3.1.2 Final Civil Penalty

On or before June 1, 2016, FLP shall make a final civil penalty payment of \$40,000. Pursuant to title 11 California Code of Regulations, section 3203(c). Wozniak agrees that \$20,000 of the civil penalty payment shall be waived if, on or before June 1, 2016, an officer of FLP provides Wozniak with written certification that all of the Products it is selling or distributing for sale in California as of the date of such certification meet the 4,4'-MDA standard set forth in Section 2.1.1, and/or \$20,000 shall be waived if, on or before June 1, 2016, an officer of FLP provides Wozniak with written certification that all of the Products it is selling or distributing for sale in California as of the date of such certification meet the DEHP standard set forth in Section 2.1.2. The certification in lieu of the final civil penalty is a material term, and with regard to such term, time is of the essence. Certification shall be delivered to Wozniak at the address set forth in Section 8.

3.2 Reimbursement of Attorney's Fees and Costs

The parties acknowledge that Wozniak 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 the issue to be resolved after the material terms of this Consent Judgment had been settled. Shortly after the other settlement terms had been finalized, FLP expressed a desire to resolve Wozniak's fees and

costs. The Parties then attempted to (and did) reach an accord on the compensation due to Wozniak and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5 for all work performed through the mutual execution of this Consent Judgment. Within two business days the Effective Date, FLP shall pay \$30,700 for the fees and costs incurred by Wozniak investigating, bringing this matter to FLP's attention, litigating and negotiating a settlement in the public interest.

3.3 Payments Held in Trust

All payments due under this Consent Judgment shall be held in trust until such time as the Court approves the Parties' settlement. Except the final civil penalty payment required by Section 3.1.2, all payments due under this agreement shall be delivered to FLP's counsel within five (5) business days of the date that this Consent Judgment is fully executed by the Parties, and held in trust by FLP's counsel until the Court grants the motion for approval of this Consent Judgment contemplated by Section 5. Within two business days of the Court's approval of this Consent Judgment, FLP's counsel shall tender the initial civil penalty payments and attorneys' fee and costs reimbursements required by Sections 3.1 and 3.2.

3.4 Payment Address

All payments required by this Consent Judgment shall be delivered to the following address:

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

4. CLAIMS COVERED AND RELEASED

4.1 Wozniak's Public Release of Proposition 65 Claims

Wozniak, acting on his own behalf and in the public interest, releases FLP and its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, and attorneys ("Releasees") and each entity to whom it directly or indirectly distributes or sells the Products including, but not limited to, its downstream distributors, wholesalers, customers, retailers (including defendant Rite Aid Corporation), franchisees, cooperative members, licensors and

licensees ("Downstream Releasees") for any violations arising under Proposition 65 for unwarned exposures to 4,4'-MDA and DEHP from the Products sold by FLP prior to the Effective Date, as set forth in the Notice and Complaint. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to failures to warn about 4,4'-MDA and DEHP from the Products sold by FLP before the Effective Date, as set forth in the Notice and Complaint.

4.2 Wozniak's Individual Release of Claims

Wozniak, in his individual capacity only and *not* in his representative capacity, also provides a release to FLP, Releasees, and Downstream Releasees 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 Wozniak of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to 4,4'-MDA and DEHP in the Products sold or distributed for sale by FLP before the Effective Date.

4.3 FLP's Release of Wozniak

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

5. COURT APPROVAL

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.

6. <u>SEVERABILITY</u>

If, subsequent to the Court's approval and entry of this Consent Judgment as a judgment, any provision is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. GOVERNING LAW

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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 as to the Products, then FLP may provide written notice to Wozniak 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. Nothing in this Consent Judgment shall be interpreted to relieve FLP from any obligation to comply with any pertinent state or federal toxics control laws.

8. NOTICE

Unless specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered, or certified mail, return receipt requested; or (iii) a recognized overnight courier to the following addresses:

For FLP:

Paul Croisdale, President FLP, LLC 2405 South Roosevelt Street Tempe, AZ 85282

with a copy to:

Peg Carew Toledo, Esq. Toledo Don LLP 3001 Douglas Boulevard, Suite 340 Roseville, CA 95661

20 For Wozniak:

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

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

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9. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>

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

10. POST EXECUTION ACTIVITIES

Wozniak agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement. In furtherance of obtaining such approval, Wozniak and FLP agree to mutually employ their best efforts, and those of their counsel, to support the entry of this agreement as judgment, and to obtain judicial approval of their settlement in a timely manner. For purposes of this Section, "best efforts" shall include, at a minimum, cooperating on the drafting and filing of the necessary moving papers, supporting the motion, and appearing at the hearing before the Court.

11. MODIFICATION

This Consent Judgment may be modified only by: (i) a written agreement of the Parties and entry of a modified consent judgment by the Court; or (ii) a successful motion or application of any Party, and the entry of a modified consent judgment by the Court.

12. AUTHORIZATION

AGREED TO:

The undersigned are authorized to execute this Consent Judgment and have read, understood, and agree to all of the terms and conditions contained herein.

AGREED TO:

Date:	Date:_6/11/2015
By:PAUL WOZNIAK	By:_Culling

9. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>

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