

State of California - Department of Justice - Attorney General's Office - Proposition 65 Enforcement Reporting

Attention: Prop 65 Coordinator, 1515 Clay Street, Suite 2000, Oakland, CA 94612

FORM JUS 1501  
(03-01)

PRIVATE ENFORCEMENT FILING - Health and Safety Code section 25249.7(e) and (f)

**REPORT OF SETTLEMENT**

Please print or type required information  Original Filing  Supplemental Filing  Corrected Filing

PARTIES TO THE ACTION	PLAINTIFF(S) <b>Shefa LMV LLC</b>				
	DEFENDANT(S) INVOLVED IN SETTLEMENT <b>Interline Brands, Inc. d/b/a/ Barnett</b>				
CASE INFO	COURT DOCKET NUMBER <b>N/A</b>		COURT NAME <b>N/A</b>		
	SHORT CASE NAME <b>Out of Court Settlement</b>				
REPORT INFO	INJUNCTIVE RELIEF <b>Reformulation and/or warning label</b>				
	PAYMENT: CIVIL PENALTY <b>\$4,000</b>	PAYMENT: ATTORNEYS FEES <b>\$18,000</b>	PAYMENT: OTHER <b>0.00</b>		
	WILL SETTLEMENT BE SUBMITTED TO COURT? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	IF YES, AFTER ENTRY OF JUDGMENT BY COURT, REPORT OF ENTRY OF JUDGMENT MUST BE SUBMITTED TO ATTORNEY GENERAL	DATE SETTLEMENT SIGNED <b>05 /06 /2015</b>		For Internal Use Only
	<b>COPY OF SETTLEMENT MUST BE ATTACHED</b>				
FILER INFO	NAME OF CONTACT <b>Daniel N. Greenbaum</b>				
	ORGANIZATION <b>Law Office of Daniel Greenbaum</b>		TELEPHONE NUMBER <b>( 818) 809-2199</b>		
	ADDRESS <b>7120 Hayvenhurst Ave., Suite 320</b>		FAX NUMBER <b>( 424) 243-7698</b>		
	CITY <b>Van Nuys</b>	STATE <b>CA</b>	ZIP <b>91406</b>	E-MAIL ADDRESS <b>dgreenbaum@greenbaumlawfirm.com</b>	

**FILING INSTRUCTIONS:** This form can be completed online and printed. If electronic filing is not available, mail the completed form with a copy of the settlement to the attention of the Prop 65 Coordinator at the address shown above. If you need additional space to complete this form please use an attachment.

**SETTLEMENT AGREEMENT**

**BETWEEN**

**SHEFA LMV, LLC**

**AND**

**INTERLINE BRANDS, INC.**

**DBA BARNETT**

Shefa LMV, LLC ("Shefa") and **Interline Brands, Inc. dba Barnett** (hereto referred to as "Interline"), (Shefa and Interline collectively referred to as, the "Parties") enter into this agreement ("Settlement Agreement") for the purpose of avoiding prolonged and costly litigation to settle Shefa's allegations as set forth in that Proposition 65 60 Day Notice Letter dated October 16, 2014 ("Notice Letter") and as otherwise set forth herein. The effective date of this Settlement Agreement shall be July 31, 2015 (the "Effective Date").

**1.0 Introduction**

1.1 Shefa alleges it is a California-based entity that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.

1.2 Shefa alleges Interline previously sold diverter stems, also known as faucet stems, through its Barnett division (referred to throughout as the "Covered Products") to California consumers.

1.3 Shefa alleges in the Notice Letter that Covered Products contain Lead and Lead Compounds.

1.4 Shefa alleges that Interline did not provide a warning in compliance with the

California Safe Drinking Water and Toxic Enforcement Act (*Cal. Health & Safety Code* § 25249.5, *et seq.* ("Proposition 65")).

1.5 On February 27, 1987, the State of California added Lead to the list of chemicals known to the State to cause birth defects and female and male reproductive toxicity.

1.6 On October 1, 1992, the State of California added Lead and Lead Compounds to the list of chemicals known to the State to cause cancer.

1.7 Lead and lead compounds are referred to hereinafter as the "Listed Chemical".

1.8 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties concerning the allegations in the Notice Letter (the "Dispute").

1.9 By execution of this Settlement Agreement, the Parties do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any allegations in the Notice Letter nor any allegations of violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine.

1.10 Nothing in this Settlement Agreement shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law.

1.11 Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission or evidence of fault, wrongdoing, or liability by Interline, its officers, directors, employees, or parents, subsidiaries or affiliated corporations, or by any distributors or retailers selling Covered Products, in any administrative or judicial proceeding or litigation in any court, agency, or forum.

1.12 Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that Shefa

or Interline may have against one another in any other future legal proceeding as to allegations unrelated to the Dispute or to the other claims released herein.

## **2.0 Release**

2.1 This Settlement Agreement is a full, final, and binding resolution between Shefa, acting in its individual capacity, and not its representative capacity, on the one hand, and (a) Interline, and its owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, ~~investors~~, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively "Releasees") and (b) all entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees ("Downstream Releasees"), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has been, could have been or may in the future be asserted against the Releasees and Downstream Releasees regarding exposing persons to the Listed Chemical and the failure to warn about exposure to the Listed Chemical in connection with the Covered Products manufactured, shipped, and/or otherwise distributed prior to the Effective Date, even if sold by Releasees or Downstream Releasees after the Effective Date.

2.2 Shefa, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases with respect to the Covered Products all rights to institute or participate in, directly or indirectly, any form of legal action, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) (collectively "Claims"), against Releasees

and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in respect of any Covered Products, including without limitation to the extent that such claims relate to Releasees' and/or Downstream Releasees' alleged exposure of persons to the Listed Chemical contained in the Covered Products or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Products.

2.3 Shefa acknowledges that it is familiar with Section 1542 of 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.

Shefa, its past and current agents, representatives, attorneys, successors, and/or assignees, in its individual and not representative capacity, expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of Civil Code § 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters.

2.4 This release and waiver shall not bar any future claims by Shefa where the alleged violations first arise after the Effective Date and where such alleged violations concern listed chemicals other than Lead and Lead Compounds.

**3.0 Interline's Duties**

3.1 Interline agrees, promises, and represents that, after the Effective Date, if Interline shall manufacture, or distribute or directly sell to California consumers through its Barnett division any of the Covered Products, that product shall contain substantially the following statutory warning language: “WARNING: This product contains DEHP, lead and/or other chemicals known to the State of California to cause cancer and birth defects and other reproductive harm.”

3.2 Alternatively, Interline may sell or distribute Covered Products to California consumers without the warning provided for in Section 3.1 above if the Covered Product qualifies as a Reformulated Product. Reformulated Products are defined as those Products: containing a maximum of 90 parts per million of lead by weight when analyzed pursuant to Environmental Protection Agency testing methodologies 3050B and/or 6010B, and that yield a result of less than 1.0 micrograms of lead when analyzed pursuant to the NIOSH 9100 testing protocol.

3.3 Notwithstanding anything above, the Parties agree that if any of the Covered Products remain in Interline's inventory on or before the Effective Date, Interline may sell such Covered Products without a warning under Proposition 65, even if that product does not qualify as a Reformulated Product.

**4.0 Payments**

4.1 Interline agrees, to pay a total of \$22,000.00 within ten (10) days of the Effective Date by separate checks apportioned as follows:

4.1.1 Attorneys' Fees and Costs: \$18,000.00 of such payment shall be paid to Law Office of Daniel N. Greenbaum, as Shefa's attorneys, for reasonable investigation

fees and costs, attorneys' fees, and any other costs incurred as a result of investigating and bringing this matter to Interline's attention. The check shall be delivered to: Daniel N. Greenbaum, 7120 Hayvenhurst Avenue, Suite 320, Van Nuys, CA 91406. By the Effective Date, Law Office of Daniel N. Greenbaum shall provide Interline with its EIN.

4.1.2 Penalty: Interline shall issue two (2) separate checks for a total amount of \$4,000.00) as penalties pursuant to Health & Safety Code § 25249.12: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of \$3,000.00, representing 75% of the total penalty; and (b) one check to Shefa LMV, LLC in the amount of \$1,000, representing 25% of the total penalty.

4.1.3 The OEHHA payment shall be delivered to: Office of Environmental Health Hazard Assessment, Attn.: Mike Gyurics, Fiscal Operations Branch Chief, Office of Environmental Health Hazard Assessment, P.O. Box 4010, Sacramento, CA 95812-4010. The payment to Shefa, along with a copy of the OEHHA payment, shall be delivered to: Daniel N. Greenbaum, 7120 Hayvenhurst Avenue, Suite 320, Van Nuys, CA 91406.

4.1.4 Tax Forms: Additionally, two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of \$3,000. The second 1099 shall be issued in the amount of \$1,000.00 to Shefa and delivered to: Daniel N. Greenbaum, 7120 Hayvenhurst Avenue, Suite 320, Van Nuys, CA 91406.

**5.0 Authority to Enter Into Settlement Agreement**

5.1 Shefa represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Shefa to this Settlement Agreement.

5.2 Interline represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Interline to this Settlement Agreement.

**6.0 Report of the Settlement Agreement to the Office of the Attorney General Of California**

6.1 Shefa shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' execution of this Settlement Agreement.

**7.0 Execution in Counterparts and Facsimile**

7.1 This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document.

7.2 A facsimile or portable document format (PDF) signature shall be as valid as the original.

**8.0 Entire Agreement**

8.1 This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments, and understandings.

8.2 No other agreements, oral or otherwise, exist to bind any of the Parties.

**9.0 Modification of Settlement Agreement**

9.1 Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

**10.0 Application of Settlement Agreement**

10.1 This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, Shefa and the Releasees and Downstream Releasees identified in Section 2 above.

**11.0 Enforcement of Settlement Agreement**

11.1 Any party may file suit before the Superior Court of the County of Alameda, consistent with the terms and conditions set forth in the paragraphs below, to enforce the terms and conditions contained in this Settlement Agreement.

11.2 The prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

11.3 No action to enforce this Settlement Agreement may be commenced or maintained, and no notice of violation related to the Covered Products may be served or filed against Interline by Shefa, unless the party seeking enforcement or alleging violation notifies the other party of the specific acts alleged to breach this Settlement Agreement at least 90 days before serving or filing any action or Notice of Violation and the entity receiving the notice fails to comply with the requirements set forth in Section 11.5 below.

11.4 Any notice to Interline must contain (a) the name of the Covered Product, (b) specific dates when the Covered Product allegedly was manufactured, or distributed or directly sold by Interline in California after the Effective Date, (c) the store or other place at which the Covered Product was available for sale to California consumers, and (d) any other evidence or other support for the allegations in the notice.

11.5 Within 30 days of receiving the notice described in Section 11.3, Interline shall either (1) recover the offending product or (2) refute the information provided under Section 11.4.

11.6 Should the parties be unable to resolve the dispute, any party may seek relief under Section 11.1.

**12.0 Notification Requirements**

12.1 Any notice required or permitted hereunder shall be effective only if given in writing and delivered in person, certified or registered mail return receipt requested, or traceable overnight delivery service, to the following designees:

For Shefa:

Daniel N. Greenbaum, Esq.  
Law Office of Daniel N. Greenbaum  
7120 Hayvenhurst Avenue  
Suite 320  
Van Nuys, CA 91406

For Interline:

Shelley Hurwitz  
Holland & Knight  
400 South Hope Street  
8th Floor  
Los Angeles, CA 90071

With copy to:

Interline Brands, Inc.  
Attn: General Counsel  
701 San Marco Boulevard  
18<sup>th</sup> Floor  
Jacksonville, Florida 32207

Any party may change its designee(s) for purposes of notification by providing written notice of such change pursuant to this section.

**13.0 SEVERABILITY**

13.1 If subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of

the enforceable provisions remaining shall not be adversely affected.

#### **14.0 Governing Law**

14.1 The Terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California.

14.2 In the event that Proposition 65 is repealed, preempted or otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, then Interline shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, any Covered Products that are so affected.

14.3 This Settlement Agreement shall apply to and be binding upon Shefa and Interline and their respective, divisions, subdivisions, and subsidiaries, successors and assigns.

14.4 The Parties, including their counsel, have participated in the preparation of this Settlement Agreement and this agreement is the result of the joint efforts of the Parties.

14.5 This Settlement Agreement 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.

14.6 Each Party to this Settlement Agreement 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 agreement and, in this regard, the Parties hereby waive California Civil Code § 1654.

#### **15.0 AUTHORIZATION**

15.1 Each signatory to this Settlement Agreement certifies that he or she is fully authorized by the Party he or she represents to stipulate to this Settlement Agreement and to enter into and execute the Settlement Agreement on behalf of the Party represented and legally bind that Party.

15.2 The undersigned have read, understand and agree to all of the terms and conditions of this Settlement Agreement.

15.3 Except as explicitly provided herein, each Party is to bear its own fees and costs.

**16.0 CONSENT JUDGMENT**

16.1 In the event that anyone appears within twelve (12) months of the Effective Date and attempts to make a claim against Interline, or Downstream Releasee or any of their respective subsidiaries or affiliates, alleging that such entity violated Proposition 65 in the manufacture, distribution or sale of any Covered Product, Interline may send Shefa a written request for Shefa to draft and file a complaint, to incorporate the terms of this Settlement Agreement into a proposed consent judgment that provides a release in the public interest for the released Products, and to seek court approval of the consent judgment pursuant to Health & Safety Code § 25249.7, or as may be otherwise allowed by law.

16.2 If so requested, the parties agree to reasonably cooperate, and to use their best efforts and that of their counsel to support the entry of the terms of this Settlement Agreement as a consent judgment by a superior court in California in a timely manner.

16.3 In consideration for bringing such a lawsuit and seeking approval of the proposed consent judgment referenced above, Interline shall be required to pay additional attorney's fees and costs of up to \$10,000.00, made payable to the Law Office of Daniel N. Greenbaum, and deliverable as referenced above.

16.4 These additional payment terms shall be included and incorporated into the proposed consent judgment.

AGREED TO:

Dated: 05/06/2015

SHEFA LMV, LLC

By: 

Name: Alisa Fried

Title: Managing Member

Dated:

INTERLINE BRANDS, INC. DBA  
BARNETT

By: 

Name: Michael Agliata

Title: VP, General Counsel & Secretary