| Laralei S. Paras, State Bar No. 203319 THE CHANLER GROUP 2 2560 Ninth Street | | | |
|--------------------------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------|--|
| 3 | Parker Plaza, Suite 214 Berkeley, CA 94710 | | |
| 4 | Telephone: (510) 848-8880 Facsimile: (510) 848-8118 | | |
| 5 | clifford@chanler.com laralei@chanler.com | | |
| 6 | | | |
| 7 | Attorneys for Plaintiff JOHN MOORE | | |
| 8 | | | |
| 9 | SUPERIOR COURT OF THE STATE OF CALIFORNIA | | |
| 10 | COUNTY OF SACRAMENTO | | |
| 11 | UNLIMITED CIVIL JURISDICTION | | |
| 12 | | | |
| 13 | LOVINA MOODE | G N. 24 2010 0022100 | |
| 14 | JOHN MOORE, | Case No. 34-2018-0023189 | |
| 15 | Plaintiff, | CONSENT JUDGMENT | |
| 16 | V. | (Health & Safety Code § 25249.6 et seq. and Code of Civil Procedure § 664.6) | |
| 17 | ANCIENT GRAFFITI, INC., and DOES 1-150, inclusive | | |
| 18 | Defendants. | | |
| 19 | | | |
| 20 | | | |
| 21 | | | |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | | | |
| 27 | | | |
| 28 | | | |
| | 00085719.1 PCT CONSENT JUDGMENT | | |
| | [] CONSENT JUDGISTENT | | |

1. INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between plaintiff John Moore (Moore) and defendant Ancient Graffiti, Inc. (Ancient Graffiti), with Moore and Ancient Graffiti each referred to individually as a "Party" and collectively as the "Parties."

1.2 Plaintiff

Moore is a resident of the State of California who seeks to promote awareness of exposures to toxic chemicals, and to improve human health by reducing or eliminating harmful substances contained in consumer products.

1.3 Defendant

Ancient Graffiti 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, California Health and Safety Code § 25249.5 *et seq.* (Proposition 65).

1.4 General Allegations

Moore alleges that Ancient Graffiti manufactures, imports, sells and/or distributes for sale in California glass rain gauges with exterior designs containing lead, and that it does so without providing the health hazard warning that Moore alleges is required by Proposition 65. Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects and other reproductive harm.

1.5 Product Description

The products covered by this Consent Judgment are glass rain gauges with exterior designs containing lead including, but not limited to, the *Ancient Graffiti Cast Brass Staked Rain Gauge*, *Turtle, AG-1171, UPC #6 38071 77770 7*, that are manufactured, imported, distributed, sold and/or offered for sale by Ancient Graffiti in the State of California, hereinafter the "Products."

1.6 Notice of Violation

On February 14, 2018, Moore served Ancient Graffiti and the requisite public enforcement agencies with a 60-Day Notice of Violation (Notice), alleging that Ancient Graffiti violated Proposition 65 when it failed to warn its customers and consumers in California that the Products

9

7

10 11

12

13

14 15

16 17

18 19

20

21 22

23

24

25 26

27

28

00085719.1 PCT

expose users to lead. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting an action to enforce the allegations set forth in the Notice.

1.7 Complaint

On April 26, 2018, Moore commenced the instant action (Complaint), naming Ancient Graffiti as one of the defendants for the alleged violations of Proposition 65 that are the subject of the Notice.

1.8 No Admission

Ancient Graffiti denies the material, factual and legal allegations contained in the Notice and Complaint, and maintains that all of the products that it has sold or 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, nor shall compliance with this Consent Judgment constitute or be construed as, an admission by Ancient Graffiti of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect Ancient Graffiti'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 Ancient Graffiti as to the allegations in the Complaint, that venue is proper in the County of Sacramento, 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 § 664.6.

1.10 **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 an unopposed tentative ruling.

2. INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS

2.1 **Commitment to Reformulate or Provide Warnings**

Commencing on the Effective Date and continuing thereafter, Ancient Graffiti shall only manufacture for sale, import for sale, and purchase for resale in California Products that are Reformulated Products as defined by Section 2.2. Any Products, that are not Reformulated Products, which Ancient Graffiti distributes for sale or sells to customers or consumers in California,

or to customers with nationwide distribution, after the Effective Date, shall be labeled with a clear and reasonable warning as set forth in Section 2.3. If, after the Effective Date, Ancient Graffiti sells Products that are not Reformulated Products via mail order catalog and/or the internet to customers located in California, Ancient Graffiti shall also provide warnings for such Products by identifying the specific Product to which the warning applies as specified in Sections 2.4 through 2.6.

2.2 Reformulation Standard

"Reformulated Products" are defined as Products that contain lead in concentrations that do not exceed 90 parts per million (ppm), equivalent to 0.009%, in any exterior parts analyzed pursuant to U.S. Environmental Protection Agency (EPA) testing methodologies 3050B and 6010B. In addition to the above test methodologies, the Parties may use any equivalent methodologies utilized by a state or federal agency to determine lead content in a solid substance.

2.3 Clear and Reasonable Warnings

Commencing on or before the Effective Date, Ancient Graffiti shall provide clear and reasonable warnings for all Products provided for sale to customers in California. 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 and shall be provided in a manner such that it is clearly associated with the specific Product to which the warning applies. Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information in a language other than English, the warning must also be provided in that language in addition to English.

(a) Warning. The warning shall consist of the following statement (Warning):

▲ WARNING: This product can expose you to lead, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

(b) Short-Form Warning. Ancient Graffiti may, but is not required to, use the following short-form warning as set forth in this subsection 2.3(b) (Short-Form Warning), and subject to the additional requirements in Sections 2.5 and 2.6, as follows:

MARNING: Reproductive Harm – www.P65Warnings.ca.gov

(c) Foreign Language Requirement. Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information in a language other than English, the warning must also be provided in that language in addition to English.

2.4 Product Warnings

Ancient Graffiti shall affix a warning to the Product label or otherwise directly on each Product provided for sale in retail outlets in California or sold via mail order catalog and/or the internet to customers located in California. For the purpose of this agreement, "Product label" means a display of written, printed or graphic material that is printed on or affixed to a Product or its immediate container or wrapper. The entire warning shall appear in a type size of at least 6 point type and no smaller than the largest type size used for other consumer information on the product. The warning shall consist of either the Warning, or the Short-Form Warning described in subsection 2.3(a) or (b), respectively.

2.5 Mail Order Catalog Warnings

In the event that, after the Effective Date, Ancient Graffiti prints new catalogs and sells Products via mail order through such catalogs to customers located in California, Ancient Graffiti shall provide a warning for each Product both on the Product label in accordance with Section 2.4, and in the catalog in a manner that clearly associates the warning with the specific Product being purchased. Any warning provided in a mail order catalog shall be in the same type size or larger than other consumer information provided for the Product within the catalog and shall be provided on the same page and in the same location as the display and/or description of the Product. The catalog warning may use the Short-Form Warning content described in Section 2.3(b) if the warning provided on the Product label also uses the Short-Form Warning content.

2.6 Internet Warnings

If, after the Effective Date, Ancient Graffiti sells Products via the internet to customers located in California, Ancient Graffiti shall provide warnings for each Product both on the Product label in accordance with Section 2.4, and by prominently displaying the warning to the customer prior to completing the purchase or during the purchase of the Products without requiring customers to seek out the warning. Warnings given in conjunction with the sale of the Products via the internet

shall appear either: (a) on the same web page on which the Product is displayed; (b) on the same web page as the order form for the Product; or (c) on one or more web pages displayed to a purchaser during the checkout process. The warning shall appear in any of the above instances adjacent to or immediately following the display or description of the Product for which it is given in the same type size or larger than the Product description text. The internet warning may use the Short-Form Warning content described in Section 2.3(b) if the warning provided on the Product label also uses the Short-Form Warning content. Ancient Graffiti may also comply with this section by providing the warning using a clearly marked hyperlink that includes the word "WARNING" on the same web page and in the same location as the display and/or description of the Product.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payments

Pursuant to Health and Safety Code § 25249.7(b), and in settlement of all claims referred to in the Notice, Complaint, and this Consent Judgment, Ancient Graffiti agrees to pay \$7,000 in civil penalties. Ancient Graffiti's civil penalty payments will be allocated according to Health and Safety Code § 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment (OEHHA), and the remaining twenty-five percent (25%) of the penalty payment retained by Moore. Moore's counsel shall be responsible for delivering OEHHA's portion of the penalty payments.

- 3.1.1 **Initial Civil Penalty Payment.** Ancient Graffiti shall deliver its initial civil penalty payment in the amount of \$2,000 within five (5) business days after the Effective Date in two checks made payable as follows: (a) "OEHHA" in the amount of \$1,500; and (b) "John Moore, Client Trust Account" in the amount of \$500.
- 3.1.2 Final Waivable Civil Penalty Payment. Ancient Graffiti shall pay a final civil penalty of \$5,000. However, the final civil penalty shall be waived in its entirety, if, within five (5) days of the Effective Date, an officer of Ancient Graffiti certifies that as of the Effective Date, and continuing thereafter, all Products, manufactured, imported, or purchased for resale to customers in California, are Reformulated Products as defined by Section 2.2. The option to certify to product reformulation in lieu of making the payment required by this Section is a material term, and time is

5

6789

1011

12 13

14

1516

17 18

19

20

21

22

23

242526

27

28

of the essence. Unless waived, within ten (10) days of the Effective Date, Ancient Graffiti shall provide its initial civil penalty payment in two checks made payable as follows: (a) "OEHHA" in the amount of \$3,750; and (b) "John Moore, Client Trust Account" in the amount of \$1,250.

3.2 Reimbursement of Attorneys' Fees and Costs

The parties acknowledge that Moore and his counsel offered to resolve this dispute without reaching terms on their fees and costs. Shortly after the other settlement terms had been finalized, the Parties negotiated the compensation to be paid to Moore and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5 for all work performed through the mutual execution of this Consent Judgment and court approval of the same, but exclusive of fees and costs on appeal, if any. Ancient Graffiti agrees to reimburse Moore and his counsel \$23,000 for all fees and costs incurred investigating, bringing this matter to Ancient Graffiti's attention, litigating, and negotiating a settlement in the public interest. Ancient Graffiti's settlement payment pursuant to this subsection in the form of a check made payable to "The Chanler Group" shall be delivered to the address in Section 3.3, within five (5) business days of the Effective Date.

3.3 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 Moore's Release of Proposition 65 Claims

Moore, acting on his own behalf and in the public interest, releases Ancient Graffiti and its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, and attorneys (collectively, Releasees) and each entity to whom Ancient Graffiti directly or indirectly distributes or sells the Products including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisers, cooperative members, licensors and licensees (Downstream Releasees) for any violations arising under Proposition 65 for unwarned exposures to

00085719.1 PCT 7

lead from the Products manufactured, imported, distributed or sold by Ancient Graffiti 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 by Ancient Graffiti with respect to the alleged or actual failure to warn about exposures to lead from Products manufactured, sold or distributed for sale by Ancient Graffiti after the Effective Date.

4.2 Moore's Individual Release of Claims

Moore, in his individual capacity only and *not* in his representative capacity, also provides a release to Ancient Graffiti, 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 Moore of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to lead in Products manufactured, imported, distributed or sold by Ancient Graffiti before the Effective Date. Nothing in Section 4 affects Moore's right to commence or prosecute an action under Proposition 65 against a Releasee or Downstream Releasee that does not involve Ancient Graffiti's Products.

4.3 Ancient Graffiti's Release of Moore

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

5. COURT APPROVAL

This Consent Judgment 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 all Parties. Moore and Ancient Graffiti agree to support the entry of this agreement as a judgment, and to obtain the Court's approval of their settlement in a timely manner. The Parties acknowledge that, pursuant to California Health and Safety Code § 25249.7(f)(4), a noticed motion is required for judicial approval

1 | 0 | a | 3 | si | 4 | iii | 5 | 6 | 6 | 6 | 6 |

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

of this Consent Judgment, which motion Moore shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually employ their best efforts, and those of their counsel, to support the entry of this agreement as a 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, supporting the motion for approval, responding to any objection that any third-party may file or lodge, and appearing at the hearing before the Court if so requested.

6. SEVERABILITY

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

7. 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, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Ancient Graffiti may provide Moore with written notice of any asserted change in the law, and shall have no further injunctive 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 Ancient Graffiti from its obligation to comply with any pertinent state or federal law or regulation.

8. NOTICE

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

To Ancient Graffiti:

Ron Zisman Ancient Graffiti, Inc. 300 E IL Route 22 Lake Zurich, IL 60047 To Moore:

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

2728

12

10

13

15

14

16

17

18 19

20

21 22

23

24

25

26 27

28

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

COUNTERPARTS, FACSIMILE AND PDF SIGNATURES 9.

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. COMPLIANCE WITH REPORTING REQUIREMENTS

Moore and his counsel agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

ENTIRE AGREEMENT 11.

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

12. **MODIFICATION**

This Consent Judgment may be modified only by: (a) a written agreement of the Parties and the entry of a modified Consent Judgment by the Court thereon; or (b) upon a successful motion of any party and the entry of a modified Consent Judgment by the Court thereon.

| 1 | 13. <u>AUTHORIZATION</u> | |
|----|-----------------------------------------------------------------------------------------------------|--------------------------------------|
| 2 | The undersigned are authorized to execute this Consent Judgment on behalf of their | |
| 3 | respective Parties and have read, understood, and agreed to all of the terms and conditions of this | |
| 4 | Consent Judgment. | |
| 5 | | |
| 6 | AGREED TO: | AGREED TO: |
| 7 | Date: _11/20/2018 | Date: |
| 8 | Date: | Date. |
| 9 | By: A a on | By: |
| 10 | JOHN MOORE | Ron Zisman ANCIENT GRAFFITI, INC. |
| 11 | | |
| 12 | | |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| 25 | | |
| 26 | | |
| 27 | | |
| 28 | | |
| | 00085719 1 PCT | 10 |

CONSENT JUDGMENT

13. **AUTHORIZATION** The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understood, and agreed to all of the terms and conditions of this Consent Judgment. **AGREED TO:** Date: _ By: _ JOHN MOORE ANCIENT GRAFFITI, INC.

CONSENT JUDGMENT