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11 12	Attorneys for Defendants AMERICA WEST AIRLINES, INC.; AMERICA WEST COMPANY STORE, LLC	
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14	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
15	FOR THE COUNTY OF ALAMEDA	
16	UNLIMITED CIVIL JURISDICTION	
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18	RUSSELL BRIMER	Case No. HG06264908
19	Plaintiff,	STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT
20	V,	ORDER RE: CONSENT JUDGMENT
21	AMERICA WEST AIRLINES, INC.; AMERICA WEST COMPANY STORE, LLC; and DOES 1 through 150, inclusive,	
23	Defendants.	
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STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT

CASE NO. HG06264908

1. <u>INTRODUCTION</u>

1.1 Russell Brimer And Defendants

This Consent Judgment is entered into by and between plaintiff Russell Brimer (hereinafter "Brimer" or "Plaintiff") and defendants America West Airlines, Inc., and America West Company Store, LLC, (hereafter referred to in the singular as "America West" or "Defendant"), with Brimer and America West collectively referred to as the "Parties."

1.2 Plaintiff

Brimer 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.

1.3 Defendant

America West employs ten or more persons and is a person in the course of doing business for purposes of Proposition 65.

1.4 General Allegations

Brimer alleges that America West has manufactured, distributed and/or sold in the State of California certain mugs and other ceramic containers intended for the use of food or beverages with colored artwork or designs (containing lead) on the exterior. Lead is listed pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§25249.5 et seq. ("Proposition 65"), as a chemical known to the State of California to cause birth defects and other reproductive harm. Lead shall be referred to herein as the "Listed Chemical."

1.5 **Product Description**

The products that are covered by this Consent Judgment are defined as follows: mugs and other ceramic containers intended for the use of food or beverages with colored artwork or designs (containing lead) on the exterior including, but not limited to, the ceramicware products identified in Exhibit A to this Consent Judgment. All such mugs and other ceramic containers intended for the use of food or beverages with colored artwork or designs (containing lead) on the exterior shall be referred to herein as the "Products."

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1.6 Notices of Violation

On or about January 9, 2006, Brimer served America West and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (the "Notice") that provided America West and such public enforcers with notice that alleged that America West was in violation of California Health & Safety Code §25249.6 for failing to warn consumers and customers that the Products that America West sold exposed users in California to the Listed Chemical.

1.7 Complaint

On April 13, 2006, Brimer, who is acting in the interest of the general public in California, filed a complaint (hereafter referred to as the "Complaint" or the "Action") in the Superior Court in and for the County of Alameda against America West Airlines, Inc., and America West Company Store, LLC and Does 1 through 150, (Brimer v. America West Airlines, Inc.,; America West Company Store, LLC; and Does 1 through 150, Alameda Superior Court Case No. HG06264908) alleging violations of Health & Safety Code §25249.6 based on the alleged exposures to the Listed Chemical contained in the Products sold by America West.

1.8 No Admission

America West denies the material factual and legal allegations contained in Brimer's Notice 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 America West 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 America West of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by America West. However, this Section shall not diminish or otherwise affect the obligations, responsibilities and duties of America West under this Consent Judgment.

1.9 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over America West as to the allegations contained in the Complaint, that venue is

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proper in the County of Alameda and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean April 1, 2007.

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

2.1 After the Effective Date, America West shall not sell, ship or offer to be shipped for sale in California Products containing the Listed Chemical unless such Products are sold or shipped with the clear and reasonable warnings set out in Section 2.2 or comply with the Reformulation Standards set forth in Section 2.3.

Any warning issued for Products pursuant to this Section 2.2 below 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, for Products shipped directly to an individual in California, before use. Any warning issued pursuant to Section 2.2 shall be provided in a manner such that the consumer or user understands to which *specific* product the warning applies, so as to minimize if not eliminate the chance of an overwarning situation.

2.2 **Product Warnings**

2.2.1 Clear and Reasonable Warnings. This Section describes America West's options for satisfying the warning obligations required by Section 2.1, depending, in part, on the manner of sale:

(a) Retail Store Sales

(i) **Product Labeling.** From the Effective Date, a warning will be affixed to the packaging, labeling or directly on the Product by America West or its agent, that states:

WARNING: The materials used as colored decorations on the exterior of this product contain lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

warning obligations by insuring to the greatest extent possible that signs are posted at retail outlets in the State of California where the Products are sold. America West must receive a written commitment from each retailer to whom America West sells Products directly that it will post the warning signs. Point-of-sale warnings shall be provided through one or more signs posted in close proximity to the point of display of the Products that state:

WARNING: The materials used as colored decorations on the exterior of this product contain lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

(b) Mail Order Catalog and Internet Sales. Defendant shall satisfy its warning obligations for Products that are sold by mail order catalog or from the internet to California residents, by providing a warning: (a) in the mail order catalog and/or on the website; or (b) with the Product when it is shipped to an address in California. Warnings given in the mail order catalog or on the website shall identify the specific Product to which the warning applies as further specified in Sections 2.2.1(b)(i), (ii) and/or (iii) as applicable:

(i) Mail Order Catalog. Any warning provided in a mail order catalog must be in the same type size or larger as 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: The materials used as colored decorations on the exterior of this product contain lead, a chemical 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, America West may utilize a designated symbol to cross reference the applicable warning ("Designated Symbol" or " ∇ ") 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):

WARNING: The materials used as colored decorations on the exterior of certain products identified with this symbol ▼ and offered for sale in this catalog contain lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

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The Designated Symbol (shown on Exhibit A attached hereto) must appear on the same page and in close proximity to the display and/or description of the Product. On each page where the Designated Symbol appears, America West must provide a header or footer directing the consumer to the warning language and definition of the Designated Symbol.

If Defendant elects to provide warnings in the mail order catalog, then the warnings must be included in all catalogs offering to sell one or more Products printed after March 30, 2007.

(ii) Internet Web Sites and Pages. A warning may be given in conjunction with the sale of the Product via the internet, provided it appears 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; (c) on the same page as the price for any Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The following warning statement shall be used and shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the Product for which it is given in the same type size or larger as the product description text:

WARNING: The materials used as colored decorations on the exterior of this product contain lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

Alternatively, the Designated Symbol may appear adjacent to or immediately following the display, description or price of the Product for which a warning is being given, provided that the following warning statement also appears elsewhere on the same web page:

WARNING: Products identified on this page with the following symbol use materials that contain lead as colored decorations on their exterior, a chemical known to the State of California to cause birth defects and other reproductive harm: **V**

(iii) Package Insert or Label. For all Products sold by catalog or via the internet, a warning may be provided with the Product when it is shipped directly to an individual in California, by either: (a) affixing the following warning language to the packaging, labeling or directly to a specific Product; (b) inserting a warning card measuring at least 4" x 6" in the shipping carton which contains the following warning language; or (c) by placing the following warning statement on the packing slip or customer invoice on the line directly below the description of the Product on the packing slip or customer invoice:

WARNING: The materials used on this product as exterior decorations contain lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

Alternatively, America West may place the following language on the packing slip or invoice and specifically identifying the Product in lettering of the same size or larger as the description of the Product:

WARNING: The materials used as colored decorations on the exterior of the following product(s) contain lead, a chemical known to the State of California to cause birth defects or other reproductive harm:

[list products for which warning is given].

The Defendant shall, in any of these instances, in conjunction with providing the warning, also inform the consumer, in a conspicuous manner, that he or she may return the Product for a full refund (including shipping costs for both the receipt and the return of the Product) within thirty (30) days of his or her receipt of the Product.

2.2.2 Exceptions

The warning requirements set forth in Section 2.2.1 shall not apply to:

- (i) Any Products shipped to a third party before the Effective Date; or
- (ii) Reformulated Products (as defined in Section 2.3 below).

2.3 Reformulation Standards

The following Products shall be deemed "Reformulated Products" and to comply with Proposition 65 and be exempt from any Proposition 65 warning requirements under Sections 2.2:

(a) Products that only utilize decorating materials that contain six one-hundredths of one

percent (0.06%) or less of lead by weight, and that contain no detectable lead in the lip-and-rim area;

- (b) Products that produce a test result no higher than 1.0 micrograms of lead on decorated portions pursuant to NIOSH method 9100, in appropriate periodic testing, and that contain no detectable lead in the lip-and-rim area; or
- (c) Products that achieve a result of 0.99 ppm or less for lead after correction for internal volume when tested pursuant to ASTM C927-99, in appropriate periodic testing, when modified for total immersion with results corrected for internal volume, and that contain no detectable lead in the lip-and-rim area.

"Lip-and-rim area" is defined as the exterior top 20 millimeters of a product intended for beverages, as defined by ASTM method C927-99.

"No detectable lead" means that no lead is detected at a level above two one-hundredths of one percent (0.02%) by weight, suing a sample size of the materials in question measuring approximately 50-100 mg and a test method of sufficient sensitivity to establish a limit of quantitation of less than 200 ppm.

2.4 Reformulation Commitment

America West hereby commits that all Products that it offers for sale in California after June 1, 2007, shall qualify as Reformulated Products.

3. <u>MONETARY PAYMENTS</u>

3.1 Penalties Pursuant to Health & Safety Code §25249.7(b)

The total settlement amount shall be \$1,000.00, which shall be paid by America West as set forth herein. Pursuant to Health & Safety Code §25249.7(b), America West shall pay \$1,000.00 in civil penalties on or before April 15, 2007. Said payments shall be made payable to the "HIRST & CHANLER LLP in Trust For Russell Brimer" and shall be delivered to plaintiff's counsel at the following address:

HIRST & CHANLER LLP Attn: Proposition 65 Controller 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

3.2 Apportionment of Penalties Received

All penalty monies received shall be apportioned by Brimer in accordance with Health & Safety Code §25192, with 75% of these funds remitted by Brimer to the State of California's Office of Environmental Health Hazard Assessment and the remaining 25% of these penalty monies retained by Brimer as provided by Health & Safety Code §25249.12(d). Brimer shall bear all responsibility for apportioning and paying to the State of California the appropriate civil penalties paid in accordance with this Section.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that Brimer 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 this fee issue to be resolved after the material terms of the agreement had been settled. America West then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The Parties then attempted to (and did) reach an accord on the compensation due to Brimer and his counsel under the private attorney general doctrine codified at California Code of Civil Procedure §1021.5 for all work performed through the Court's approval of this agreement. Under the private attorney general doctrine, America West shall reimburse Brimer and his counsel for fees and costs incurred as a result of investigating, bringing this matter to America West's attention, litigating and negotiating a settlement in the public interest and seeking the Court's approval of the settlement agreement. America West shall pay Brimer and his counsel \$15,000.00 for all attorneys' fees, expert and investigation fees, litigation and related costs. The payment shall be made payable to HIRST & CHANLER LLP and shall be delivered on or before April 15, 2007, at the following address:

HIRST & CHANLER LLP Attn: Proposition 65 Controller 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

5. RELEASE OF ALL CLAIMS

5.1 Release of America West and Downstream Customers

In further consideration of the promises and agreements herein contained, and for the

payments to be made pursuant to Sections 3 and 4, Brimer, on behalf of himself, his past and current agents, representatives, attorneys, successors and/or assignees, and in the interest of the general public, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, 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) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against America West and each of its parent companies, corporate affiliates, subsidiaries, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities, downstream distributors, wholesalers, licensors, licensees, auctioneers, retailers, franchisees, dealers, customers, owners, purchasers, and users, (collectively "Releasees"). This release is limited to those claims that arise under Proposition 65, as such claims relate to America West's alleged failure to warn about exposures to or identification of the Listed Chemical contained in the Products.

The Parties further understand and agree that this release shall not extend upstream to any entities that manufactured the Products or any component parts thereof, or any distributors or suppliers (other than parent companies, corporate affiliates, and subsidiaries) who sold the Products or any component parts thereof to America West.

5.2 America West's Release of Brimer

America West waives any and all claims against Brimer, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Brimer and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to the Products.

6. <u>COURT APPROVAL</u>

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 all Parties, in which event any monies that have been

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provided to Plaintiff, or his counsel pursuant to Section 3 and/or Section 4 above, shall be refunded within fifteen (15) days after receiving written notice from America West that the one-year period has expired.

7. SEVERABILITY

If, subsequent to court approval 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. ATTORNEYS' FEES

In the event that, after Court approval: (1) America West or any third party seeks modification of this Consent Judgment pursuant to Section 14 below; or (2) Brimer takes reasonable and necessary steps to enforce a breach of the terms of this Consent Judgment, Brimer shall be entitled to seek reasonable attorneys' fees and costs pursuant to CCP §1021.5.

9. **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 America West shall provide written notice to Brimer 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.

10. **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 courier on any Party by the other party at the following addresses:

To America West:

Michael Minerva America West Airlines, Inc., and America West Company Store, LLC 111 W. Rio Salado Parkway Tempe, AZ 85281

To Brimer:

Proposition 65 Coordinator HIRST & CHANLER LLP 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

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

11. COUNTERPARTS; FACSIMILE SIGNATURES

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

12. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

Brimer agrees to comply with the reporting form requirements referenced in Health & Safety Code §25249.7(f).

13. <u>ADDITIONAL POST EXECUTION ACTIVITIES</u>

Brimer and America West agree to mutually employ their best efforts to support the entry of this Agreement as a Consent Judgment and obtain approval of the Consent Judgment by the Court in a timely manner. The Parties acknowledge that, pursuant to Health & Safety Code § 25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment. Accordingly, the Plaintiff agrees to file a Motion to Approve the Agreement ("Motion"). America West shall have no additional responsibility to Plaintiff's counsel pursuant to Code of Civil Procedure §1021.5 or otherwise with regard to reimbursement of any fees and costs incurred with respect to the preparation and filing of the Motion or with regard to Plaintiff's counsel appearing for a hearing thereon.

14. **MODIFICATION**

This Consent Judgment may be modified only: (1) by written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon; or (2) upon a successful motion of any Party and entry of a modified Consent Judgment by the Court. The Attorney General shall

1	be served with notice of any proposed modification to this Consent Judgment at least fifteen (15)		
2	days in advance of its consideration by the Court.		
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	STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT CASE NO. HG06264908		

15. **AUTHORIZATION** The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this Consent Judgment. **AGREED TO: AGREED TO:** Date: 4-30.07 Plaintiff, Russell Brimer Defendants, America West Airlines, Inc.; America West Company Store, LLC APPROVED AS TO FORM: APPROVED AS TO FORM: Date: 10ril 20, 2007 Date: April 25, 2007 HIRST & CHANLER LLP SONNENSCHEIN NATH & ROSENTHAL LLP By: (Keith G. Adams Sarah J. Ratcliffe Attorneys for Plaintiff Attorneys for Defendant **RUSSELL BRIMER** AMERICA WEST AIRLINES, INC.; AMERICA WEST COMPANY STORE. LLC IT IS SO ORDERED. Date: JUDGE OF THE SUPERIOR COURT

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Exhibit A

1. Mug AWA Classic (Airbus Mug) #562

Exhibit B

The Designated Symbol that America West will use to identify Products containing the Listed Chemical which are sold through its catalogs or on its website is:

