

Clifford A. Chanler, State Bar No. 135534 Christopher Martin, State Bar No. 186021 THE CHANLER GROUP 2 2560 Ninth Street 3 Parker Plaza, Suite 214 Berkeley, CA 94710-2565 Telephone: (510) 848-8880 ALAMEDA COUNTY 4 JUN 1 8 2011 Facsimile: (510) 848-8118 5 CLERK OF THE SUPERIOR COURT Attorneys for Plaintiff Mancy a. Bose RUSSELL BRIMER 6 7 8 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA 10 COUNTY OF ALAMEDA 11 UNLIMITED CIVIL JURISDICTION 12 13 RUSSELL BRIMER, Case No. RG10550112 14 PROPESED JUDGMENT PURSUANT Plaintiff. TO TERMS OF CONSENT JUDGMENT 15 April 29, 2011 Date: 16 Time: 2:30 p.m. HOPKINS MANUFACTURING Dept.: 516 17 CORPORATION; CARRAND Judge: Hon. Brenda Harbin-Forte COMPANIES, INC.; and DOES 1 through 18 150, Reservation No.: R-1159006 19 Defendants. 20 21 22 23 24 25 26

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In the above-entitled action, Plaintiff RUSSELL BRIMER and Defendants HOPKINS MANUFACTURING CORPORATION and CARRAND COMPANIES, INC., having agreed through their respective counsel that Judgment be entered pursuant to the terms of the Proposition 65 settlement agreement in the form of a Consent Judgment, and following issuance of an Order approving this Proposition 65 settlement agreement and entering the Consent Judgment,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that pursuant to Health & Safety Code § 25249.7(f)(4) and Code of Civil Procedure section 664.6, Judgment is entered in accordance with the terms of the Consent Judgment attached hereto as **Exhibit 1**. By stipulation of the parties, the Court will retain jurisdiction to enforce the settlement under Code of Civil Procedure § 664.6.

IT IS SO ORDERED.

Dated: June 10, 2011

BRENDA HARBIN-FORTE

1 2	Clifford A. Chanler, State Bar No. 135534 Christopher M. Martin, State Bar No. 186021 THE CHANLER GROUP					
3	2560 Ninth Street	İ				
	Parker Plaza, Suite 214 Berkeley, CA 94710-2565					
4	Telephone: (510) 848-8880 Facsimile: (510) 848-8118					
5	Attorneys for Plaintiff RUSSELL BRIMER					
7	ROODED DIGNER					
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	SUPERIOR COURT OF THE STATE OF CALIFORNIA					
9	COUNTY OF ALAMEDA - UNLIMITED JURISDICTION					
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. 11	RUSSELL BRIMER,	) Case No. RG10550112				
12	Plaintiff,	) ) <u>CONSENT JUDGMENT</u>				
13	v.	}				
14	HOPKINS MANUFACTURING					
15	CORPORATION; CARRAND COMPANIES, INC.; and DOES 1 through 150,					
16	Defendants.	· ·				
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EXHIBIT 1 TO JUDGMENT PURSUANT TO TERMS OF CONSENT JUDGMENT

# 1. INTRODUCTION

#### 1.1 The Parties

This Consent Judgment is entered into by and between Plaintiff Russell Brimer ("Brimer" or "Plaintiff"), Hopkins Manufacturing Corporation ("Hopkins") and Carrand Companies, Inc., ("Carrand" collectively with Hopkins referred to as "Defendants"), with Plaintiff and Defendant collectively referred to as the "Parties."

#### 1.2 Plaintiff

Brimer is an individual residing in the State of California who seeks to promote awareness of exposure to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products.

## 1.3 Defendants

Hopkins and Carrand each employs 10 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 & Safety Code § 25249.6 et seq. (Proposition 65).

## 1.4 General Allegations

Brimer alleges that Hopkins and Carrand have manufactured, distributed and/or sold, in the State of California, padlock products that expose users to lead, without first providing "clear and reasonable warning" under Proposition 65. Lead is listed as a reproductive and developmental toxicant pursuant to Proposition 65 and is referred to hereinafter as the "Listed Chemical." Padlock products, including but not limited to *ProTecTor Weather Resistant Mudguard*, #63011 (#0 48374 63011 9), that allegedly expose users to Lead are referred to herein as the "Products".

#### 1.5 Notice of Violation

On August 5, 2010, Brimer served Defendant and various public enforcement agencies with a document entitled "60-Day Notice of Violation" that provided public enforcers and Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn consumers that padlocks that Hopkins and Carrand distributed and/or sold exposed users in California to lead.

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#### 1.6 Complaint

On December 7, 2010, Brimer, acting in the interest of the general public in California, filed a complaint in the Superior Court for the County of Alameda, alleging violations of Health & Safety Code § 25249.6 based on the alleged exposures to lead contained in padlocks distributed and/or sold by Hopkins and Carrand. This action shall hereinafter be referred to as the "Action."

#### 1.7 No Admission

This Consent Judgment resolves claims that are denied and disputed by Defendants. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. Defendants deny the material factual and legal allegations contained in the Notice and Complaint and maintains that all Products it has manufactured, distributed and/or sold in California have been and are in compliance with all applicable laws. Nothing in this Consent Judgment shall be construed as an admission by Defendants 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 Defendants of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Defendants. However, this Section shall not diminish or otherwise affect Defendants' obligations, responsibilities, and duties under this Consent Judgment.

#### 1.8 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendants as to the allegations contained in the Complaint, that venue is proper in the County of Alameda, and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

#### 2. INJUNCTIVE RELIEF: REFORMULATION

Padlocks. Commencing on December 31, 2010, Hopkins and Carrand shall not ship, sell or offer for sale in California any Products unless such Products are "Lead Free." For purposes of this Consent Judgment, "Lead Free" Products shall mean Products containing components that may be handled, touched or mouthed by a consumer, and which components yield less than 1.0

microgram of lead when using a wipe test pursuant to NIOSH Test Method 9100, and yield less than 100 parts per million ("ppm") lead when analyzed pursuant to EPA testing methodologies 3050B and 6010B, or equivalent methodologies utilized by federal or state agencies for the purpose of determining lead content in a solid substance. Products that are Lead Free are referred to hereinafter as "Reformulated Products."

#### 3. MONETARY PAYMENTS

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

- 3.1.1 In settlement of all claims related to the Covered Products and Listed Chemical referred to in the Complaint and this Consent Judgment, pursuant to Health & Safety Code § 25249.7(b), Defendants shall pay \$1,000 in civil penalties.
- 3.1.2 Civil penalties are to be apportioned in accordance with California Health & Safety Code § 25192, with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to Brimer as provided by California Health & Safety Code §25249.12(d). Defendant shall issue two separate checks for the penalty payment: (a) one check made payable to "The Chanler Group in Trust for OEHHA" in an amount representing 75% of the total penalty; and (b) one check to "The Chanler Group in Trust for Brimer" in an amount representing 25% of the total penalty. Two separate 1099s shall be issued for the above payments (a) OEHHA, P.O. Box 4010, Sacramento, CA, 95814 (EIN: 68-0284486); and (b) Russell Brimer, whose information shall be provided five (5) calendar days before the payment is due.
- 3.1.3 Payment shall be delivered to Brimer's counsel at the following address on or before December 31, 2010:

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

#### 4. REIMBURSEMENT OF FEES AND COSTS

#### 4.1 Attorney Fees and Costs

4.1.1 The parties reached an accord on the compensation due to Brimer and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure (CCP) §1021.5, for all work performed through the mutual execution of this agreement and approval by the trial court, excluding any fees on appeal. Defendants shall pay Brimer and his counsel a total of \$21,000 for fees and costs incurred as a result of investigating, bringing this matter to Defendants' attention, and litigating and negotiating a settlement in the public interest.

4.1.2 The payment shall be issued in a third separate check made payable to "The Chanler Group" and shall be delivered to Brimer's counsel at the following address on or before December 31, 2010:

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

#### 5. CLAIMS COVERED AND RELEASE

#### 5.1 Brimer's Release of Defendants and their Chain of Distribution

5.1.1 This Consent Judgment is a full, final, and binding resolution between Brimer, acting on behalf of himself and in the interest of the general public, and Defendants, their owners, subsidiaries, affiliates, sister and related companies, employees, shareholders, directors, insurers, attorneys, successors, and assigns ("Defendant Releasees"), and all entities to whom they directly or indirectly distribute or sell Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("Downstream Defendant Releasees") of any violation of Proposition 65 or any statutory or common law claim that has been or could have been asserted against Defendant Releasees and Downstream Defendant Releasees individually or in the public interest regarding the failure to warn about exposure to the Listed Chemical arising in connection with Products manufactured and/or

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distributed prior to December 31, 2010 even if sold by Downstream Defendant Releasees after that date. Defendants' compliance with this Consent Judgment shall constitute compliance with Proposition 65 with respect to the Listed Chemical in Products for both Defendant Releasees and Downstream Defendant Releasees for Products distributed and/or sold by Defendants after December 31, 2010.

5.1.2 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 with respect to Products 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 Defendant Releasees and Downstream Defendant Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in the public interest, as such claims relate to Defendant Releasees' and Downstream Defendant Releasees' alleged failure to warn about exposures to the Listed Chemical contained in the Products.

5.1.3 Brimer also, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees and not in his representative capacity, provides a general release herein 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 any nature, character or kind, known or unknown, suspected or unsuspected, against Defendant Releasees and Downstream Defendant Releasees arising under Proposition 65, as such claims relate to Defendant Releasees' alleged failure to warn about exposures to or identification of any chemicals listed under Proposition 65 contained in any products sold by Defendant Releasees. Brimer acknowledges that he is familiar with Section 1542 of the California Civil Code, which provides as follows:

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A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Brimer, in his individual capacity only and *not* in his representative capacity, and on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees expressly waives and relinquishes any and all rights and benefits which he may have under, or which may be conferred on him by the provisions of Section 1542 of the California Civil Code as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that he may lawfully waive such rights or benefits pertaining to the released matters. In furtherance of such intention, the release hereby given shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different claims or facts arising out of the released matters.

- 5.1.4 Upon court approval of the Consent Judgment, the Parties waive their respective rights to a hearing or trial on the allegations of the Complaint.
- 5.1.5 The Parties further understand and agree that, except as provided for above, this release shall not extend upstream to any third parties that manufactured the Products or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to Defendant.

#### 5.2 Defendants' Release of Brimer

- 5.2.1 Defendants waive 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 them in this matter, and/or with respect to the Products.
- 5.2.2 Defendants also provide a general release herein 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 Defendants of any nature, character or kind, known or unknown, suspected or unsuspected, arising out of the subject

matter of the Action. Defendants acknowledge that they are familiar with Section 1542 of the 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 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Defendants expressly waive and relinquish any and all rights and benefits which they may have under, or which may be conferred on it by the provisions of Section 1542 of the California Civil Code 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. In furtherance of such intention, the release hereby given shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different claims or facts arising out of the released matters.

#### 6. 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 unless the Court finds that any unenforceable provision is not severable from the remainder of the Consent Judgment.

#### 7. 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 nine months after it has been fully executed by all Parties. In the event this consent judgment is (a) not entered by this Court within nine months (or thereafter) for any reason whatsoever, or (b) is entered by the Court and subsequently overturned by any appellate court, any monies that have been provided to Brimer, or his counsel pursuant to Section 3 and/or Section 4 above, together with interest at the prevailing federal rate accruing from the date of payment by Defendants, shall be refunded within fifteen (15) days after receiving written demand from Defendants for return of such funds.

#### 1 8. **GOVERNING LAW** The terms of this Consent Judgment shall be governed by the laws of the State of 2 3 California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered 4 inapplicable by reason of law generally, or as to the Listed Chemical and/or the Products, then Defendants shall have no further obligations pursuant to this Consent Judgment with respect to, 5 6 and to the extent that, the Products are so affected. 7 **NOTICES** 9. 8 When any Party is entitled to receive any notice under this Consent Judgment, the notice 9 shall be sent by certified mail and electronic mail to the person(s) identified below: 10 To Defendants: 11 Bradley Kraft, President Hopkins Manufacturing Corporation 12 428 Peyton Street Emporia, KS 66801 13 Bradley Kraft, President 14 Carrand Companies, Inc. 15 1225 West Artesia Boulevard Carson, CA 90745 16 With copy to: 17 George Gigounas, Esq. 18 DLA Piper LLP 555 Mission Street, 24th Floor 19 San Francisco, CA 94105 20 To Brimer: 21 The Chanler Group 22 Attn: Proposition 65 Coordinator 2560 Ninth Street 23 Parker Plaza, Suite 214 Berkeley, CA 94710-2565 24 Any Party may modify the person and address to whom the notice is to be sent by sending 25 each other Party notice by certified mail and/or other verifiable form of written communication. 26 27

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#### 10. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(F)

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Brimer agrees to comply with the reporting form requirements referenced, in California Health & Safety Code §25249.7(f) and to file a motion for approval of this Consent Judgment.

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#### 11. MODIFICATION

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

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12. ADDITIONAL POST-EXECUTION ACTIVITIES

The parties acknowledge that, pursuant to Health & Safety Code §25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment. In furtherance of obtaining such approval, Brimer and Defendants and their respective counsel 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.

#### 13. **ENTIRE AGREEMENT**

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, and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the parties.

## ATTORNEY'S FEES

- A Party who unsuccessfully brings or contests an action arising out of this Consent Judgment shall be required to pay the prevailing Party's reasonable attorney's fees and costs unless the unsuccessful Party has acted with substantial justification. For purposes of this Consent Judgment, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure §§ 2016, et seq.
- 14.2 Except as specifically provided in the above paragraph and in Section 4.1 above, each Party shall bear its own costs and attorney's fees in connection with this action.

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1	15. COUNTERPARTS, FACSIMILI	E SIGNATURES			
2	This Consent Judgment may be executed in counterparts and by facsimile or portable				
3	document format (PDF), each of which shall be deemed an original, and all of which, when taker				
4	together, shall constitute one and the same documents.				
5	16. AUTHORIZATION				
6	The undersigned are authorized to execute this Consent Judgment on behalf of their				
7	respective Parties and have read, understood, and agree to all of the terms and conditions of this				
8	Consent Judgment.				
9					
10	AGREED TO:	AGREED TO:			
11	Date: 17 - 14 . 70	Date:			
12		·			
13	Ву:	Ву:			
14	Plaintiff Russell Brimer	Bradley Kraft, President Hopkins Manufacturing Corporation			
. 15		Date:			
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18	<i>:</i>	By: Bradley Kraft, President			
19		Carrand Companies, Inc.			
20					
21	IT IS SO ORDERED.				
22					
23	Dated:	By Judge of the Superior Court			
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28 DOCUMENT PREPARED		- 10 -			
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CONSENT JUDGMENT .

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10	AGREED	TO:		AGREED TO		
11	Date:		_	Date: 1 0 / 11/ 11		
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13	By:			Ву:		
14		ff Russell Brimer		Bradley Kraft, President Hopkins Manufacturing Corporation		
15				Date:		
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18				By: Bradley Kraft, President		
19				Carrand Companies, Inc.		
20						
21	IT IS SO O	RDERED.				
22		. ,				
23	Dated:		-	Judge of the Superior Court		
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28 DOCUMENT PREFARED			- 10 -			
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