1	Stephen S. Sayad (State Bar No. 104866)			
2	Clifford A. Chanler (State Bar No. 135534) CHANLER LAW GROUP			
3	655 Redwood Highway, Ste. 216 Mill Valley, CA 94941			
4	Telephone: (415) 380-9222 Facsimile (415) 380-9223			
5	Attorneys for Plaintiff			
6	Whitney R. Leeman, Ph.D.	•		
7				
8	SUPERIOR COURT OF T	HE STATE OF CALIFORNIA		
9	IN AND FOR THE COU	NTY OF SAN FRANCISCO		
10	UNLIMITED	JURISDICTION		
11	WHITNEY R. LEEMAN, Ph.D.	Case No. CGC 04429534		
12	Plaintiff,	STIPULATION AND [PROPOSED]		
13	vs.	ORDER RE: CONSENT JUDGMENT		
14	HOUSTON HARVEST GIFT PRODUCTS LLC; and DOES 1 through 150,			
15	Defendant.			
16	Detendant.			
17				
18				
19	1. <u>INTRODUCTION</u>			
20	1.1 Plaintiff and Settling Defendant This Consent Judgment is entered into by and			
21	between plaintiff Whitney Leeman, Ph.D. (hereafter "Dr. Leeman" or "Leeman" or "Plaintiff") and			
22	Houston Harvest Gift Products, LLC (hereafter "Houston Harvest"), with Plaintiff and Houston			
23	Harvest collectively referred to as the "Parties" a	nd Leeman and Houston Harvest each being a		
24	"Party".			
25	I.2 <u>Plaintiff</u> Dr. Leeman is an indivi-	dual residing in Sacramento, California who seeks		
26	to promote awareness of exposures to toxic chem	icals and improve human health by reducing or		
27	eliminating hazardous substances contained in co	onsumer and industrial products.		

STIPULATION AND (PROPOSED) ORDER RE CONSENT

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- General Allegations Plaintiff allege that Houston Harvest has manufactured, 1.3 distributed and/or sold in the State of California certain tableware products (including, but not limited to Kellogg's Tony & Toucan 4-Bowl Set (#0 94805 03525 1)) with colored artwork, designs or markings on the exterior surface with materials in that colored artwork, designs or markings that contain lead (and/or lead compounds) that are listed pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§25249.5 et seq., also known as Proposition 65, to cause cancer and birth defects and other reproductive harm. Lead (and/or lead compounds) shall be referred to herein as "Listed Chemicals."
- Product Descriptions The products that are covered by this Consent Judgment are 1.4 defined as follows: all tableware products manufactured, sold and/or distributed by Houston Harvest with colored artwork, designs or markings on the exterior surface, including, by way of example and without limitation, tableware products contained in the items listed at Exhibit A. Such products collectively are referred to herein as the "Products."
- 1.5 Notices of Violation On April 25, 2003, Dr. Leeman served Houston Harvest and various public enforcement agencies with documents, entitled "60-Day Notice of Violation" ("Notice") that provided Houston Harvest and such public enforcers with notice that alleged that Houston Harvest was in violation of Health & Safety Code §25249.6 for failing to warn purchasers that certain products that it sold expose users in California to lead and lead compounds. On or before October 15, 2004, Dr. Leeman will be serving a Supplemental Notice on Houston Harvest and all required public enforcers expanding Plaintiff's prior allegations concerning the products to include alleged exposures to cadmium ("Supplemental Notices").
- 1.6 Complaints On March 11, 2004, Dr. Leeman, 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 for the City and County of San Francisco against Houston Harvest and Does 1 through 150, alleging violations of Health & Safety Code § 25249.6 based on the alleged exposures to one or more of the Listed Chemicals contained in certain products sold by Houston Harvest. Upon the running of the 60-day periods associated with the issuance of the Supplemental Notices, and provided that no authorized public enforcer of Proposition 65 initiates an action against Houston

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Harvest based on the additional allegations therein contained in the interim, the above captioned Complaint and this Consent Judgment shall be deemed such that the definition of "Listed Chemicals" as used herein shall likewise be deemed to have been expanded from lead (and/or lead compounds) to include the listed chemical, cadmium, as well.

- No Admission Houston Harvest denies the material factual and legal allegations 1.7 contained in Plaintiff's Notices 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 Houston Harvest of any fact, finding, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by Houston Harvest of any fact, finding, conclusion, issue of law or violation of law. However, this section shall not diminish or otherwise affect the obligations, responsibilities and duties of Houston Harvest 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 the allegations of violations contained in the Complaint and personal jurisdiction Houston Harvest as to the acts alleged in the Complaint, that venue is proper in the County of San Francisco, and that this Court has jurisdiction to enter this Consent Judgment and to enforce the provisions thereof.
- 1.9 Effective Date For purposes of this Consent Judgment, "Effective Date" shall be September 29, 2004.

2. INJUNCTIVE RELIEF: PROPOSITION 65 WARNINGS AND REFORMULATION

2.1 WARNING OBLIGATIONS FOR NON-REFORMULATED PRODUCTS

2.1.A. Required Warnings and Non-exempt Products After December 31, 2004, Houston Harvest shall not transmit to any retailer to sell or offer for sale in California any Nonexempt Products containing the Listed Chemicals, unless warnings are given in accordance with one or more provisions in subsection 2.3 below. As used in this Consent Judgment, "Non-exempt Products" shall mean all Products sold in California except those excluded in subsection 2.1.B below.

ı	2.1.B. <u>Excep</u>	tions The warning requirements set forth in subsections 2.1.A and 2.2	
2	below shall not apply to:		
3	i.	any Products manufactured before December 31, 2004,	
4	ii.	Reformulated Products, or	
5	iii.	any Products manufactured by any other person in the course of doing business who is subject to a final judgment addressing Proposition 65	
6 7		warning obligations arising from alleged exposures to tableware products with colored artwork, designs or markings on the exterior surface.	
8	2.2 CLEAR ANI	REASONABLE WARNINGS	
9		ct Labeling A warning is affixed to the packaging, labeling or directly	
10	to or on a Non-exempt Product by Houston Harvest, its agent, or the manufacturer, importer, or		
11	distributor of the Non-exempt Product, unless the retailer consents, in writing, to provide that		
12	warning itself, that states:		
13	WARNING:	The materials used as colored decorations on the exterior of this	
14		product contain lead, a chemical known to the State of California to cause birth defects or other reproductive harm.	
15	WARNING:	The materials used as colored decorations on the exterior of these	
16 17		products contain lead, a chemical known to the State of California to cause birth defects or other reproductive harm.	
		or	
18	WARNING:	The materials used as colored decorations on the exterior of the following products contain lead, a chemical known to the State of	
19		California to cause birth defects or other reproductive harm.	
20	Warnings issued for Non-exempt Products pursuant to this subsection shall be		
21	prominently placed with such conspicuousness as compared with other words, statements, designs,		
22	or devices as to render it likely to be read and understood by an ordinary individual under customary		
23	conditions of use or purchase. Any changes to the language or format of the warning required by		
24	this subsection shall only be made following: (1) approval of Plaintiff; (2) approval from the		
25	California Attorney General's	s Office, provided that written notice of at least fifteen (15) days is	
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given to Plaintiff for the opportunity to comment; or (3) Court approval.

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This formulation of the warning may only be used with respect to Products when sold as a set.

2.2.B. Point-of-Sale	Warnings Houston Harvest may execute its warning
obligations, where applicable, throug	h arranging for the posting of signs at retail outlets in the State
of California at which Non-exempt P	roducts are sold, in accordance with the terms specified in
subsections 2.2.B.1, 2.2.B.2 and 2.2.1	8.3.
2.2.B.1.	Point of Sale warnings may be provided through one or more
signs posted at or near the point of sa	ile or display of the Non-exempt 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

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 or other reproductive harm.

or

WARNING: The materials used as colored decorations on the exterior of tableware products sold in this store contain lead, a chemical known to the State of California to cause birth defects or other reproductive harm.²

WARNING: The materials used as colored decorations on the exterior of the following tableware products sold in this store contain lead, a chemical known to the State of California to cause birth defects or other reproductive harm.

2.2.B.2. In lieu of displaying warning signs with the language set forth above, a retailer selling Houston Harvest products in California may elect to combine any point-of-sale warning signs required under this Consent Judgment with any warnings it provides for ceramic tableware (as defined in the Consent Judgment in *People v. Josiah Wedgwood & Sons, Inc.*) or lead crystal (as defined in the Consent Judgment in *Mateel Environmental Justice Foundation v. T.J. Maxx*), through use of the warning signs in the form of Exhibits B or C. If a retailer selling Houston Harvest products agrees in writing to provide combined warnings through use of Exhibit B, then the retailer shall place the Designated Symbol (the yellow triangle shown in Exhibit B) next to each display of Non-exempt Product, ceramic tableware, and lead crystal for which a warning is to be given. If a retailer selling Houston Harvest products agrees in writing to provide combined warnings through use of Exhibit C, then the Non-exempt Products for which the warning is to be given shall be identified by manufacturer and product description in the warning sign, and Designated Symbols

² This formulation of the warning may only be used where the store in which the Non-exempt Products are sold sells only Non-exempt Products, which are not included in Section 2.3.

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need not be displayed. If a retailer selling Houston Harvest products agrees to combine its Nonexempt Product and other product warnings under this subsection, display of warnings for the other products and the Non-exempt Products in the manner set forth in this subsection shall constitute compliance with Proposition 65 for all such products.

A point of sale warning provided pursuant to subsection 2.2.B.3. 2.2.B.1 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 of use or purchase and shall be placed or written in a manner such that the consumer understands to which specific Non-exempt Products the warnings apply so as to minimize if not eliminate the chances that an overwarning situation will arise. Any changes to the language or format of the warning required for Non-exempt Products by this subsection shall only be made following: (1) approval of Plaintiff; (2) approval from the California Attorney General's Office, provided that written notice of at least fifteen (15) days is given to Plaintiff for the opportunity to comment; or (3) Court approval.

If Houston Harvest intends to utilize point of sale warnings to 2.2.B.4. comply with this Consent Judgment, it must provide notice as required by this Consent Judgment to each retailer to whom Houston Harvest ships the Products for sale in California and obtain the written consent of such retailer before shipping the Non-exempt Products. Such notice shall include a copy of this Consent Judgment and any required warning materials (including, as appropriate, signs and/or stickers with the Designated Symbol). If Houston Harvest has obtained the consent of a retailer, Houston Harvest shall not be found to have violated this Consent Judgment if it has complied with the terms of this Consent Judgment and has proof that it transmitted the requisite warnings in the manner provided herein. Nothing in this Consent Judgment shall alter or affect the terms of any contract between Houston Harvest and its retailers which concerns Non-exempt Products, or to authorize any manufacturer, distributor, or importer that is not a party to this Consent Judgment to impose any warning obligation upon any retailer.

2.3 REFORMULATION STANDARDS: Products satisfying the conditions of section 2.3.A, 2.3.B, 2.3.C, 2.3.D and/or 2.3.E are referred to as "Reformulated Products." The warnings

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required pursuant to sections 2.1.A and 2.2 above shall not be required for Reformulated Products, defined as follows:

- 2.3.A. If the colored artwork, designs or markings on the exterior surface of the Product exclusive of the top 20 millimeters of the ware (i.e., below the exterior portion of the lip and rim area as defined by American Society of Testing and Materials Standard Test Method C927-99, hereinafter the "Lip and Rim Area"), produce a test result no higher than 1.0 micrograms (ug) of lead using a Ghost WipeTM test applied on painted portions of the surface of the Product performed as outlined in NIOSH method no. 9100, such Product is a Reformulated Product; or
- 2.3.B. If the Product achieves a result of .99 ppm or less for lead when tested under the protocol attached hereto as Exhibit D (the ASTM 738-81 test method modified for total immersion and comparison to internal volume), such Product is a Reformulated Product; or
- 2.3.C. If the colored artwork, designs or markings on the exterior surface of the Product extends into the exterior Lip and Rim Area or the interior (food contact surface) of the Product, and the Product yields a test result acceptable under section 2.3.A above, and (1) a result of 0.5 micrograms/milliliter (ug/ml) of lead or less using ASTM method C 927-99 with respect to any colored artwork, designs or markings in the Lip and Rim Area and/or (2) a result of 0.1 parts per million (ppm) of lead or less using AOAC/ASTM method 973.32 with respect to any colored artwork, designs or markings on the interior (food contact surface) if the Product is hollowware, or a result of 0.226 parts per million (ppm) of lead or less using AOAC/ASTM method 973.32 with respect to any colored artwork, designs or markings on the interior (food contact surface) if the Product is flatware, such Product is a Reformulated Product; or
- 2.3.D. If the Product utilizes paints for all colored artwork, designs or markings containing six one-hundredths of one percent (0.06%) lead by weight or less as measured at Houston Harvest's option, either before or after the material is fired onto (or otherwise affixed to) the Product, using 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 (as distinguished from detection) of less than 600 parts per million ("ppm")), such Product is a Reformulated Product:

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- 2.3.E. Should any court enter a final judgment in a case brought by Leeman or the People of the State of California involving tableware with colored artwork, designs or markings allegedly containing lead which sets forth standards defining when Proposition 65 warnings will or will not be required ("Alternative Standards"), Houston Harvest shall be entitled to seek a modification of this Consent Judgment pursuant to section 15 herein, so as to be able to utilize and rely on such Alternative Standards in lieu of those set forth in sections 2.3 of this Consent Judgment: Leeman shall not unreasonably contest any proposed application to effectuate such a modification provided that the Products for which such a modification are sought are substantially similar in type and function to those for which the Alternative Standards apply.
- REFORMULATION COMMITMENT By entering into this Stipulation and 2.4 Consent Judgment, Houston Harvest hereby commits that as a continuing matter of corporate policy, Houston Harvest intends to undertake good faith efforts, taking into consideration Houston Harvest's operational and product licensing restrictions, to ensure that as many Products as reasonably possible shall qualify as Reformulated Products, with the commitment to reach 80% (eighty percent) or more Reformulated Products for Products manufactured on or after April 30, 2005 and the commitment to make commercially reasonable efforts thereafter to reach 100% (one-hundred percent) Reformulated Products.

3. MONETARY PAYMENTS

3.1 Penalties Pursuant To Health & Safety Code §25249.7(b) Pursuant to Health & Safety Code Section 25249.7(b), Houston Harvest shall pay \$60,000 in civil penalties. The penalty payment shall be made payable to "Chanler Law Group in Trust For Whitney R. Leeman," and shall be delivered to Plaintiff's counsel on or before October 7, 2004 at the following address:

> CHANLER LAW GROUP Attn: Stephen S. Savad 655 Redwood Highway, Ste. 216 Mill Valley, CA 94941

3.1.A. In the event that Houston Harvest pays any penalty and the Consent Judgment is not thereafter approved and entered by the Court, Leeman shall return any penalty funds paid

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under this agreement within fifteen (15) days of receipt of a written request from Houston Harvest following notice of the issuance of the Court's decision.

- 3.1.B. The Parties agree that Houston Harvest's potential interest in and ability to acquire and market Reformulated Products is to be accounted for in this section and, since it is not a remedy provided for by law, the absence of Houston Harvest previously acquiring, manufacturing, marketing or selling Reformulated Products is not relevant to the establishment of a penalty amount pursuant to section 3.1 above.
- Apportionment of Penalties Received After Court approval of this Consent 3.2 Judgment pursuant to section 6, all penalty monies received shall be apportioned by Plaintiff in accordance with Health & Safety Code § 25192, with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment and the remaining 25% of these penalty monies retained by Plaintiff as provided by Health & Safety Code § 25249.12(d) Plaintiff 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

4.1 The Parties acknowledge that Plaintiff and her 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. Houston Harvest 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 Plaintiff and her counsel under the private attorney general doctrine codified at Code of Civil Procedure § 1021.5 for all work performed through the Effective Date of the Agreement. Under the private attorney general doctrine codified at Code of Civil Procedure § 1021.5, Houston Harvest shall reimburse Plaintiff and her counsel for fees and costs, incurred as a result of investigating, bringing this matter to Houston Harvest's attention, litigating and negotiating a settlement in the public interest. Houston Harvest shall pay Plaintiff and her counsel \$90,000 for all attorneys' fees, expert and investigation fees, and litigation costs. The payment shall be made

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payable to the "Chanler Law Group" and shall be delivered to Plaintiff's counsel on or before October 7, 2004 at the following address:

CHANLER LAW GROUP Attn: Stephen S. Sayad 655 Redwood Highway, Ste. 216 Mill Valley, CA 94941

Except as specifically provided in this Consent Judgment, Houston Harvest shall have no further obligation with regard to reimbursement of Plaintiff's attorney's fees and costs with regard to the Products covered in this Action.

5. RELEASE OF ALL CLAIMS

Plaintiff's Release of Houston Harvest In further consideration of the promises and 5.1 agreements herein contained, and for the payments to be made pursuant to sections 3 and 4, Plaintiff, on behalf of herself, her past and current agents, representatives, attorneys, successors and/or assignces, 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 release all claims, including, without limitation, all actions, 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 Houston Harvest and each of its manufacturers, distributors, wholesalers, licensors, licensees, auctioneers, retailers, dealers, customers, owners, purchasers, users, parent companies, corporate affiliates, subsidiaries and their respective officers, directors, attorneys, representatives, sharcholders, agents, and employees (collectively, "Houston Harvest Releasees") arising under Proposition 65, Business & Professions Code § 17200 et seq. and Business & Professions Code § 17500 et seg., related to Houston Harvest's or Houston Harvest Releasees' alleged failure to warn about exposures to or identification of Listed Chemicals contained in the Products.

The Parties further agree and acknowledge that this Consent Judgment is a full, final, and binding resolution of any violation of Proposition 65, Business & Professions Code §§ 17200 et seq. and Business & Professions Code §§ 17500 et seq., that have been or could have been asserted in the

Complaints against Houston Harvest for its alleged failure to provide clear and reasonable warnings of exposure to or identification of Listed Chemicals in the Products.

In addition, Plaintiff, on behalf of herself, her attorneys, and their agents, waive all rights to institute or participate in, directly or indirectly, any form of legal action and releases all Claims against the Houston Harvest Releasees arising under Proposition 65, Business & Professions Code §§ 17200 et seq. and Business & Professions Code §§ 17500 et seq., related to each of the Houston Harvest Releasees' alleged failures to warn about exposures to or identification of Listed Chemicals contained in the Products and for all actions or statements made by Houston Harvest or its attorneys or representatives, in the course of responding to alleged violations of Proposition 65, Business & Professions Code §§ 17200 or Business & Professions Code §§ 17500 by Houston Harvest. Provided however, Plaintiff shall remain free to institute any form of legal action to enforce the provisions of this Consent Judgment.

It is specifically understood and agreed that the Parties intend that Houston Harvest's compliance with the terms of this Consent Judgment resolves all issues and liability, now and in the future (so long as Houston Harvest complies with the terms of the Consent Judgment) concerning Houston Harvest and the Houston Harvest Releasees' compliance with the requirements of Proposition 65, Business and Professions Code §§ 17200 et. seq. and Business & Professions Code §§ 17500 et seq., as to the Listed Chemicals in the Products.

5.2 <u>Houston Harvest's Release of Plaintiff</u> Houston Harvest waives all rights to institute any form of legal action against Plaintiff, or their attorneys or representatives, for all actions taken or statements made by Plaintiff and her attorneys or representatives, in the course of seeking enforcement of Proposition 65, Business & Professions Code §§ 17200 et seq. or Business & Professions Code §§ 17500 et seq. in this Action.

6. 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 all Parties, in which event any monies that have been provided to

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Plaintiff or her counsel pursuant to section 3 and/or section 4 above, shall be refunded within fifteen (15) days.

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. <u>ATTORNEYS' FEES</u>

In the event that a dispute arises with respect to any provision(s) of this Consent Judgment, the prevailing party shall, except as otherwise provided herein, be entitled to recover reasonable and necessary costs and reasonable attorneys' fees incurred from the resolution of such dispute.

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 specifically, then Houston Harvest shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, those Products are so affected.

10. NOTICES

All correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and personally delivered or sent by: (1) first-class, registered, certified mail, return receipt requested or (ii) overnight courier on either Party by the other at the addresses listed in Exhibit E. Either Party, from time to time, may specify a change of address to which all notices and other communications shall be sent.

11. <u>NO ADMISSIONS</u>

Nothing in this Consent Judgment shall constitute or be construed as an admission by

Houston Harvest of any fact, finding, conclusion, issue of law, or violation of law, nor shall
compliance with this Consent Judgment constitute or be construed as an admission by Houston

Harvest of any fact, finding, conclusion, issue of issue of law, or violation of law, such being

specifically denied by Houston Harvest. Houston Harvest reserves all of its rights and defenses with

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regard to any claim by any party under Proposition 65 or otherwise. However, this section shall not diminish or otherwise affect Houston Harvest's obligations, responsibilities and duties under this Consent Judgment.

12. 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.

COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(F) 13.

Plaintiff agrees to comply with the reporting form requirements referenced in Health & Safety Code § 25249.7(f). Pursuant to regulations promulgated under that section, Plaintiff shall present this Consent Judgment to the California Attorney General's Office within two (2) days after receiving all of the necessary signatures. A noticed motion to enter the Consent Judgment will then be served on the Attorney General's Office at least forty-five (45) days prior to the date a hearing is scheduled on such motion in the Superior Court for the City and County of San Francisco unless the Court allows a shorter period of time.

14. ADDITIONAL POST EXECUTION ACTIVITIES

The Parties shall 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 Parties agree to file a Joint Motion to Approve the Agreement ("Joint Motion"), the first draft of which Leeman's counsel shall prepare, within a reasonable period of time after the Execution Date (i.e., not to exceed fourteen (14) days unless otherwise agreed to by the Parties' counsel based on unanticipated circumstances). Plaintiff's counsel shall prepare a declaration in support of the Joint Motion which s hall, inter alia, set forth support for the fecs and costs to be reimbursed pursuant to Section 4. Houston Harvest shall have no additional responsibility to Plaintiff's counsel pursuant to C.C.P. § 1021.5 or otherwise with regard to reimbursement of any fees and costs incurred with respect to

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the preparation and filing of the Joint Motion and its supporting declaration or with regard to Plaintiff's counsel appearing for a hearing or related proceedings thereon.

15. MODIFICATION

This Consent Judgment may be modified, including pursuant to section 2.3.E above, only by:

(1) written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon, or (2) motion of any Party as provided by law and upon entry of a modified Consent Judgment by the Court. The Attorney General shall be served with notice of any proposed modification to this Consent Judgment at least fifteen (15) days in advance of its consideration by the Court.

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	2	16. <u>AUT</u>	'HORIZATION	
	3	The c	undersigned are authorized to execu-	te this Consent Judgment on behalf of their
	4	respective Pa	artics and have read, understood and	agree to all of the terms and conditions of this
	5	Consent Jud	gment.	
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	7	AGREED T	.U:	AGREED TO:
	8	Date:		Date: 9/29/04
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4105-27	10	Ву:		By: Cled July
San Francisco, CA 941052150	11	Plaint	iff Whitney R. Leeman, Ph.D	Defendant Houston Harvest Gift Products LLC
	12	APPROVE	D AS TO FORM:	APPROVED AS TO FORM:
	13	Date: \	11/04	Date: 9(29/64
	· 14			
	15	CHANLER	LAW GROUP	PIPER RUDNICK LLP
Hperfuguek	16	By:		By: What are
	17	· — —	en S. Sayad	Jeffrey M. Hamerling Attorneys for Defendant HOUSTON
	18	WHITNEY	R. LEEMAN, Ph.D.	HARVEST GIFT PRODUCTS LLC
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	20			
	22	IT IS SO O	RDERED.	
	23			
	24	Date:		
	25			JUDGE OF THE SUPERIOR COURT
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EXHIBIT A—PRODUCT DESCRIPTION

The products that are covered by this Consent Judgment include, by way of example and without limitation, the following items:

Piper Hudnick 333 Market Street, Suite 3200

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Item No.	Item Description	Ceramics
1811	HM BUMBLE BEE CANISTER & MUG S	Mug
1812	PP JELLY SERVER & TEA	Other
1819	HE HERSHEY 4-BOWL SUNDAE SET	Bowl
1821	PP SNOWMAN CANDY JAR W/ LIGHT	Other
1822	HE HERSHEY SMORES COCOA SET	Other
1827	HM ANGELIC TEA	Mug
1832	TB TABASCO CHILI SET	Mug
1834	PP AMI CUTTE BEAR 2-MUG SET .	Mug
1836	WDS POOH & FRIENDS SLEEPING MU	Mug
1840	CAMPFIRE SMORS MUG	Mug
1841	PP WDS POOH GLASS & RESIN TREA	Other
1842	PP WDS POOH & PIGLET HINGE BOX	Other
1843	WALNUT CREEK APPETIZER SAMPLER	Other
	PP WDS POOH SWEET DREAMS	
1B44	COCOA	Mug
1846	MH MAXWELL HOUSE CANISTER & MU	Mug
1849	CC COKE SINGLE POPCORN BOWL	Bowl
1850	PP WB \$COOBY 12 OZ EMB MUG	Mug
1851	JD JOHN DEERE 4 MUG GIFT	Mug
1852	GM PANCAKÉ MIX BOWL SET	Bowl
1856	CC COKE FOUNTAIN SERVICE	Other
1860	NAB OREO BAKERY COOKIE JAR	Other
1862	PP CC COKE VEND & BEAR COOKIE	Other
1863	DJB KEEP FRIENDS CLOSE CANISTE	Mug
1867	CC COKE 2-MUG SET 2003	Mug
1870	CC WANT A COKE COOKIE JAR	Other
1902	CM CAMPBELL'S SOUP TUREEN	Muġ
1911	PP WDS POOH & PIGLET HINGE BOX	Other
1913	NAB GIANT OREO COOKIE JAR	Other
1914	HE HER\$HEY'S SMORS THE SNOWMAN	Mug
1917	GOOD MORNING QUAKER OATS	Bowl
1921	NAB OREO COW TRIVIA 2-MUG SET	Mug
1923	FARM FRESH SOUP SET	Mug
1926	PP WD\$ POOH'S HUNNY POT	Other
1926	PP WDS POOH'S HUNNY POT	Other
1955	KL KELLOGG'S VARIETY PACK	Bowl
1969	WDS POOH COLLECTIBLE TEAPOT SE	Mug
1973	WDS MICKEY MOVIE POPCORN SET	Other
1975	HM HALLMARK CALENDAR GIFT	Mug
1977	TB TABASCO FAJITA PAN SET	Mug
1978	PP COW SUGAR & CREAMER SET BOX	Other
1981	CM CAMPBELL'S 4-MUG SET	Mug
1993	PP AMI TEA TIME CANISTER	Other
2024	PP OLD GLORY COFFEE WARMER SET	Mug
2032	CM CAMPBELLS HOME COOKING	Mug
2035	CHILI MUG SET	Mug
2049	NAB OREO SNACK MUG SET	Mug
2065	KL TONY & TOUCAN BREAKFAST SET	Bowl
		_ • · · ·

	1		2068	HM EMB ANGEL MUG & COCOA	Mug
			2069	SNOWMAN COCOA CANISTER SET	Other
	2	Į.	2085	PP MR & MRS SNÓWMAN SUGAR &-	Other
			2085	PP MR & MRS SNOWMAN SUGAR &-	Öther
	3		2094	PP SNOWMAN & ANGEL SACK	Other
			2095	PP SNOWMAN CANDY JAR	Other
	4		2096	PP KITCHEN JELLY SERVER	Other
	5		2097	RETRO KITCHEN COFFEE & TEA SET	Mug
	اد		2102	NAB OREO SNOWMAN COOKIE JAR	Other
	6		2106	PP CC COKE COOLER HINGED BOX	Other
	١		2108	AMERICANA COLLECTION COFFEE GI	Muġ
	7		2109	PP AMERICANA BEAR 2 MUG TEA SE	Mug
			2110	PP OLD GLORY CROCK COOKIE JAR	Other
	8		2111	OLD GLORY BASKET MUG SET	Mug
			2114	PP C&I COFFEE & TEA SET	Mug
0	9		2236	TRATTORIA PARMESAN DIP BOWL	Bowl
215			2245	ALPINE HOLIDAY SNOWMAN MUG	Mug
3 20	10		2364	BUBBLE MARTINI GLASS SET	Other
San Francisco, CA 94105-2150	١,, ١		2366	GHIRADELLI HOT CHOCOLATE MUG	Mug
₹5	11		2374	TRATTORIA TWO BOWL GIFT SET	Bowl
i 8	,,		3022	PP CC COKE SNOWMAN MUG	Mug
<u>ğ</u> .	12		3041	PP HM THREE ANGELS HEART DISH	Other
Fig	13		3041	PP HM THREE ANGELS HEART DISH	Other
3 5	ני		3041	PP HM THREE ANGELS HEART DISH	Other
, 5,	- 14		3041	PP HM THREE ANGELS HEART DISH	Other
_	. 7		3052	PP COKE POLAR BEAR SCLP MUG	Mug
≅	15		3059	PP CC COKE COOLER HINGED BOX	Other
			3120	PP FLAIR STEIN	Mug
	16	1	3120	PP FLAIR STEIN	Mug
==	1		3120	PP FLAIR STEIN	Mug
	17		3120	PP FLAIR STEIN	Mug
	, ,	1	3139	PP HM THREE ANGELS SNOW GLOBE	Other
	18		3139	PP HM THREE ANGELS SNOW GLOBE	Other
	, ,		3142	PP HOLIDAY MUGS	Mug
	19		3142	PP HOLIDAY MUGS	Mug
	20		3142	PP HOLIDAY MUGS	Mug
	20		3143	PP SNOWMAN VOTIVE & CANDY	Mug
	21		3143	PP SNOWMAN VOTIVE & CANDY	Mug
	-1		3143	PP SNOWMAN VOTIVE & CANDY	Mug
	22		3143	PP SNOWMAN VOTIVE & CANDY	Mug
			3143	PP SNOWMAN VOTIVE & CANDY	Mug
	23		3153	PP POOH SWEET DREAMS MUG- KM	Mug
			3154	PP HOLIDAY MUGS- MERVYN'S	Mug
	24		3156	PP HM SPOONFUL OF STARS CNDL H	Other
			3157	PP HM MAXINE EMBOSSED DECAL MU	Mug
	25		3158	PERFECT MORNING COFFEE CUP WAR	Mug
	2.		3158	PERFECT MORNING COFFEE CUP WAR	Mug
	26		3159	PP SNOWMAN/SLEIGH VOTIVE HOLDE	Other
	27		3159	PP SNOWMAN/SLEIGH VOTIVE HOLDE	Other
	27		3163	PP HM 3-ANGELS CER HINGED BOX-	Other
	28		3165	PP REINDEER VOTIVE HOLDER SA	Other
	20		3292	PP CURRIER & IVES MUG	Mug
			3294	PP WALMART HOLIDAY MUGS	Mug
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	1	3301	PP TEA FOR ME	Other
	١ ' ا	3301	PP TEA FOR ME	Other
	2	3301	PP TEA FOR ME	Other
		3301	PP TEA FOR ME	Other
	3	3306	PP WB LOONEY TUNES ATTITUDE MU	Mug
		3306	PP WB LOONEY TUNES ATTITUDE MU	Mug
	4	3314	PP WDS POOH SWEET DREAMS MUG	Mug
	5	3314	PP WDS POOH SWEET DREAMS MUG	Mug
	ا `	3316	QUAKER OATS BREAKFAST SET	Bowl
	6	3317	WDS POOH & FRIENDS SLEEPING MU	Mug
		3327 3327	NAB OREO SNOWMAN COOKIE JAR NAB OREO SNOWMAN COOKIE JAR	Other Other
	7	3327 3327	NAB OREO SNOWMAN COOKIE JAR	Other
	8	3327	NAB OREO SNOWMAN COOKIE JAR	Other
		3327	NAB OREO SNOWMAN COOKIE JAR	Other
_	9	3327	NAB OREO SNOWMAN COOKIE JAR	Other
8 7. 27.		3327	NAB OREO SNOWMAN COOKIE JAR	Other
£ 3. 5	10	3329	WDS MICKEY & MINNIE CAR COOKIE	Other
S &	11	3329	WDS MICKEY & MINNIE CAR COOKIE	Other
333 Market Street, Suite 3200 San Peancisco, CA 94105-2150	11	3329	WDS MICKEY & MINNIE CAR COOKIE NAB OREO ICE CREAM SET FOR TWO	Other Bowl
et St isco	12	3348 3348	NAB OREO ICE CREAM SET FOR TWO	Bowl
fark canc		3348	NAB OREO ICE CREAM SET FOR TWO	Bowl
\$5 E	13	3348	NAB OREO ICE CREAM SET FOR TWO	Bowl
	- 14	3348	NAB OREO ICE CREAM SET FOR TWO	Bowl
عد	ן די	3348	NAB OREO ICE CREAM SET FOR TWO	Bowl
Piper Audnick	15	3348	NAB OREO ICE CREAM SET FOR TWO	Bowl
三		3349	PP WB TWEETY SCULPTED MUG	Mug
듑	16	3361 3365	PP CC COKE COOLER HINGE BOX KL TONY THE TIGER 2-BOWL SET	Other Bowl
<u>=</u>	17	3365	KL TONY THE TIGER 2-BOWL SET	Bowl
_	1'	3365	KL TONY THE TIGER 2-BOWL SET	Bowl
	18	3365	KL TONY THE TIGER 2-BOWL SET	Bowl
		3365	KL TONY THE TIGER 2-BOWL SET	Bowl
	19	3365	KL TONY THE TIGER 2-BOWL SET	Bowl
	20	3368	SPOTTED MILK CARTON	Other
	20	3368	SPOTTED MILK CARTON	Other
	21	3368 3368	SPOTTED MILK CARTON SPOTTED MILK CARTON	Other Other
		3369	CM CAMPBELL'S HOME COOKING	Mug
	22	3369	CM CAMPBELL'S HOME COOKING	Mug
	23	3369	CM CAMPBELL'S HOME COOKING	Mug
	ا دے	3369	CM CAMPBELL'S HOME COOKING	Mug
	24	3372	PP SNOWMAN STAR	Other
		3372	PP SNOWMAN STAR	Other
	25	3372 3372	PP SNOWMAN STAR PP SNOWMAN STAR	Other Other
	26	3372	PP SNOWMAN STAR PP SNOWMAN STAR	Other
		3372	PP SNOWMAN STAR	Other
	27	3376	CM CAMPBELL'S SOUP MUG	Mug
	_	3376	CM CAMPBELL'S SOUP MUG	Mug
	28	3376	CM CAMPBELL'S SOUP MUG	Mug
		3376	CM CAMPBELL'S SOUP MUG	Mug
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3507 GHIRARDELLI BOX W/OCTAGON MUG Mug
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5287	PP HALLOWEEN TREAT CUP- TA	Mug
5309	HE VAL HERSHEY XOXO MUG	Mug
5309	HE VAL HERSHEY XOXO MUG	Mug
5309	HE VAL HERSHEY XOXO MUG	Mug
5309	HE VAL HERSHEY XOXO MUG	Mug
5321	HE VAL HERSHEY CARRIAGE CANDY	Mug
5321	HE VAL HERSHEY CARRIAGE CANDY	Mug
5327	PP VALENTINE MUG	Mug
5327	PP VALENTINE MUG	Mug
5357	HE VAL HERSHEY'S MUG- TA	Mug
5401	HE VAL HERSHEY XOXO MUG- KM	Mug
5409	PP VALENTINE MUG- WA	Mug
5409	PP VALENTINE MUG- WA	Mug
5419	HE VAL HERSHEY'S MUG- WA	Mug
5419	HE VAL HERSHEY'S MUG- WA	Mug
5469	PP PRECIOUS MOMENTS HEART VASE	Other
9594	PP VALENTINE CANDY MUG- KM	Mug
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EXHIBIT B—COMBINED POINT OF SALE WARNINGS [YELLOW TRIANGLE]

PROP 65 WARNING

Consuming foods or beverages that have been kept or served in leaded crystal products, certain tableware products, or certain glassware products with colored decorations on the exterior will expose you to lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

The products for which this warning is given are identified with this symbol:



displayed on or next to the product.

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Piper Rudnick 333 Market Street, Suite 3200

-COMBINED POINT OF SALE WARNINGS

PROP 65 WARNING

Consuming foods or beverages that have been kept or served in leaded crystal products will expose you to lead, a chemical known to the State of California to cause birth defects or other reproductive harm [If any of the following products are sold, include: "This warning does not apply to Bacarrat decanters, flacons, stoppered pitchers, mustard and jam pots."]

Use of the following tableware products will expose you to lead, a chemical known to the State of California to cause birth defects or other reproductive harm: [List each manufacturer and pattern or product name for which a warning is given].

The materials used as colored decorations on the exterior of the following glassware products sold in this store contain lead, a chemical known to the State of California to cause birth defects or other reproductive harm: [List each manufacturer and pattern or product name for which a warning is given).

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Piper Authick | 333 Market Street, Suite 3200

EXHIBIT D—TESTING PROTOCOL

TEST PROTOCOL FOR LEAD RELEASE

Externally Decorated Glassware Externally Decorated Ceramic Mugs

Decorated Glassware:

- 1. Wash glass and dry.
- 2. Totally immerse glass in beaker of acetic acid for 24 hours.
- 3. Measure ppm lead in acid, compare to internal volume of glass.
- 4. This procedure is attached.

<u>Ceramic Muqs</u>: Use the ASTM C 738-81 test modified for total immersion and comparison to internal volume.

<u>Lip and Rlm Testing</u>: Not done as such. Since all drinking vessels are totally immersed, the lip and rim area is tested as a part of the whole.

Samples:

Six samples of each article, i.e., six randomly selected samples of each type decorated sample article. If a manufacturer wishes to distribute multiple different designs, six sample articles of each design should be submitted for testing. Six sample articles of each type design will be subjected to total immersion in acetic acid only.

Reagents:

- Deionized or distilled deionized water.
- Acetic acid 4% solution by volume; 1 volume of glacial acetic acid to 24 volumes of distilled deignized water

Sample Preparation:

Thoroughly cleanse each sample to be tested by immersing in a detergent rinse of a suitable household alkaline detergent. Rinse several times with deionized water followed by several rinses with distilled deionized water. Place the sample articles in a clean aluminum basket, (covered with clean paper towels), or suitable clean rack and allow to air dry. Reduce contamination to a Minimum at all times.

Procedure for Leaching Lead, (4% Acetic Acid Solution):

Once all the samples have been properly immersed in a suitable household alkaline detergent, subjected to proper rinses and air dried, place each sample individually into an appropriately sized acid cleaned, (lead free), glass beaker or clean Nalgene plastic beaker. Using prenumbered labels, label the outside of each beaker containing a sample and record this number on the worksheet. Add 4% acetic acid to each beaker containing a sample, filling the sample and the space between the sample and the beaker while covering the rim of the sample with the acetic acid solution. Record the volume of leaching solution used in milliliters next to the sample number on the worksheet. (Cover each beaker completely with aluminum foll to shield the contents from light.) Record the time and allow the beakers to remain undisturbed for a period of 24 hours at 20 to 24° C (68 to 75° F). At the end of the 24 hour period mix the contents of each beaker well. To avoid contamination, wear disposable gloves and working with

one beaker at a time, lift up the sample and pour the contents of the sample into the respective beaker. Using a clean disposable plastic pipet, swirl the contents of the beaker to properly mix the contents, drain the pipet into the solution and draw off an aliquot of sample and place it into corresponding specifically numbered clean plastic snap cap test tube. The number on the outside of the beaker and the number on the test tube should correspond. Once the aliquot of sample has been drawn off, rinse the sample under running water, dry the bottom of the sample with a paper towel and transfer the prenumbered label from the outside of the respective beaker to the bottom of the sample.

Testing:

Perform testing for lead using atomic absorption spectrophotometry as prescribed in ASTM methodology C 738-81 or C 927-80. Run each sample in duplicate along with appropriate standards as well as aliquots of 4% acetic acid solution and distilled deionized water in plastic test tubes. Correct for the blank if necessary. If a sample of unknown goes off scale make necessary dilutions using 4% acetic acid from the same batch prepared for leaching. Record results in ppm using the following calculations:

ug/dl x dilution = ug/dl + 100 = ug/ml Pb x volume of leaching solution used (ml) ≃

Total ug/Pb : internal volume of the article to 7 mm(ml) = ppm leachable lead relative to the internal volume.

See attached laboratory report forms.

To Determine The Internal Volume:

Mark each unit 7 mm (1/4") below the rim on the outside of the sample. Fill each unit from a graduated cylinder to approximately 1/4" (6 to 7 mm) of overflowing. Measure and record the internal volume of each unit in milliliters.

When Reporting Final Results Include The Following:

- The amount of leachable lead in ppm relative to the internal volume of the sample, average of six if possible.
- 2. The distance of decoration below the rim in mm.

Materials Used In Testing Procedure:

Beakers - Nalgene, polypropylene, graduated 2000 ml.
Test tubes - Polystyrene with friction fit snap cap, sterile, 17x100m
Pipets - Kimble, serological, polystyrene, sterile, 10 ml.x 1/10.
Carboys - Nalgene, 20 liter, for mixing acetic acid solution.
Aluminum Baskets

Utility bath - 18-8 stainless steel, deep drawn, seamless construction with cover; holds 31 quarts. Overall dimensions length 21 3/4", width 13 3/4", depth 8".

Utility bath - same as above, holds 20 quarts.

Gloves - vinyl, disposable.

Hot plate - VWR Scientific, Thermolyne, Type 2200, length 24", width 12" Aluminum foil ~ to cover samples during the 24 hour period.

References:

1982 Annual Book Of ASTM Standards, Part 17, <u>Refractories</u>, <u>Glass</u>, <u>Ceramic Materials</u>; <u>Carbon and Graphite Products</u>:

pg. 757-759 ASTM Designation: C 738-81 pg. 999-1002 ASTM Designation: C 927-80

pg. 682 ASTM Designation: C 676-74 (reapproved 1980)

<u>Lead and Cadmium in Decorated Glass Tumblers</u> - Interagency Task Force Report, November 13, 1978.

	1	EXH	BIT E—PERSONS TO WHOM NOTICE IS TO BE GIVEN		
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	3	Contact Person:	Stephen S. Sayad, Chanler Law Group		
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	11	Party Name:	Houston Harvest Gift Products LLC		
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333 M San Fe	13	Mailing address:	3501 Mt. Prospect Road. Franklin Park, IL 60131		
 ¥	- 14	Telephone:	(847) 957-2530		
	15	Facsimile:	(847) 957-8886		
Piper Audnick	16	Email address:			
==	17				
	18	Copy of any communication should be submitted to:			
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