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7		
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10	Los Angeles, CA 90017 Telephone: (213) 489-0028	
11	Facsimile: (213) 489-0552	
12	Attorneys for Defendants SHUN FAT SUPERMARKET, INC. and	
13	SF SUPERMARKET, INC.	
14		
15	SUPERIOR COURT OF TH	E STATE OF CALIFORNIA
16	FOR THE CITY AND CO	UNTY OF SACRAMENTO
17	UNLIMITED CIV	IL JURISDICTION
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19	RUSSELL BRIMER,	Case No. 06AS04218
20	Plaintiff, v.	STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT
21	SHUN FAT SUPERMARKET, INC.; SF	
22	SUPERMARKET, INC.; and DOES 1 through 150, inclusive,	
23	Defendants.	
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### 1. <u>INTRODUCTION</u>

# 1.1 Russell Brimer, Shun Fat Supermarket, Inc. and SF Supermarket, Inc.

This Consent Judgment is entered into by and between plaintiff Russell Brimer (hereinafter "Brimer" or "Plaintiff") and defendants Shun Fat Supermarket, Inc. and SF Supermarket, Inc., (hereinafter "Shun Fat" or "Defendants"), with Brimer and Shun Fat 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 Defendants

Shun Fat Supermarket, Inc. and SF Supermarket, Inc. each employ ten or more persons and are both a person in the course of doing business for purposes of Proposition 65.

# 1.4 General Allegations

Brimer alleges that Shun Fat has manufactured, distributed and/or sold in the State of California certain rice bowls and other ceramic containers with colored artwork or designs on the exterior and/or food contact surface intended for the consumption of food or beverages containing lead as well as liquor bottles and other glassware containers intended for the consumption of food or beverages with colored artwork or designs on the exterior containing lead. Lead is listed pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§25249.6 et seq. (hereinafter, "Proposition 65"), as a chemical known to the State of California to cause cancer, birth defects and other reproductive harm. Lead shall be referred to herein as the "Listed Chemical."

# 1.5 <u>Product Description</u>

The products that are covered by this Consent Judgment fall into two categories and are defined as follows: Category #1: rice bowls and other ceramic containers intended for the consumption of food or beverages with colored artwork or designs on the exterior (e.g., including but not limited to teacups, saucers, bowls, plates, mugs, teapots, spoons and ladles); and rice bowls

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and other ceramic containers intended for the consumption of food or beverages with colored artwork or designs on the food contact surface (*e.g.*, including but not limited to teacups, saucers, bowls, plates, mugs, teapots, spoons and ladles). All such ceramic products that contain the Listed Chemical shall be referred to herein as the "Ceramic Products." Category #2: liquor bottles and other glassware containers intended for the consumption of food or beverages with colored artwork or designs painted directly onto the exterior of the liquor bottle or glassware container (as opposed to colored artwork or designs printed on labels). All such liquor bottles and glassware containers with painted decorations on the exterior that contain the Listed Chemical shall be referred to herein as the "Liquor Products." The Ceramic Products and Liquor Products include but are not limited to, the products identified in Exhibit A to this Consent Judgment.

### 1.6 Notices of Violation

On November 23, 2005, Brimer served Shun Fat and various public enforcement agencies with a document entitled "60-Day Notice of Violation" that alleged that Shun Fat was in violation of California Health & Safety Code §25249.6 for failing to warn consumers, customers, employees and others that rice bowls and other ceramic containers intended for the consumption of food or beverages with colored artwork or designs (containing lead) on the exterior that Shun Fat sold in California contained the Listed Chemical. On June 27, 2006, Brimer served Shun Fat and various public enforcement agencies with a document entitled "Supplemental 60-Day Notice of Violation" that alleged that Shun Fat was in violation of California Health & Safety Code §25249.6 for failing to warn consumers, customers, employees and others that rice bowls and other ceramic containers intended for the consumption of food or beverages with colored artwork or designs (containing lead) on the food contact surface that Shun Fat sold in California contained the Listed Chemical. On November 7, 2006, Brimer served Shun Fat and various public enforcement agencies with a document entitled "Second Supplemental 60-Day Notice of Violation" that alleged that Shun Fat was in violation of California Health & Safety Code §25249.6 for failing to warn consumers, customers, employees and others that liquor bottles and other glassware containers intended for the consumption of food or beverages with colored artwork or designs (containing lead) on the exterior sold in California contained the Listed Chemical. The foregoing three notices shall be

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referred to collectively herein as the "Notices."

# 1.7 Complaint and First Amended Complaint

On February 15, 2006, Brimer filed a private enforcement action in the Superior Court in and for the City and County of San Francisco against Shun Fat Supermarket, Inc., SF Supermarket, Inc. and Does 1 through 150, (Brimer v. Shun Fat Supermarket, Inc. and SF Supermarket, Inc., Case No. CGC 06-449467) alleging violations of Health & Safety Code §25249.6 based on the alleged exposures to the Listed Chemical contained in the Products sold by Shun Fat. On October 16, 2006, the case was transferred to the Superior Court in and for the County of Sacramento. (Brimer v. Shun Fat Supermarket, Inc. and SF Supermarket, Inc., Case No. 06AS04218). On November 15, 2006, the complaint was amended to include the products noticed in the Supplemental 60-Day Notice of Violation served on June 27, 2006. The First Amended Complaint shall be deemed amended to allege exposures to lead from the Liquor Products, as described in the Second Supplemental 60-Day Notice of Violation, as of the sixty-sixth (66<sup>th</sup>) day following the date of the Second Supplemental 60-Day Notice, provided that no public enforcement authority designated under Health & Safety Code §25249.7 has filed a complaint against the Defendants on behalf of the public interest with respect to those new allegations set forth in the Second Supplemental 60-Day Notice. The foregoing shall hereafter be collectively referred to as the "Complaint" or the "Action."

#### 1.8 No Admission

Shun Fat denies the material factual and legal allegations contained in Brimer's Notices and Complaint and maintains that all products that it has sold and distributed in California, including the Ceramic Products and Liquor Products, have been and are in compliance with all laws.

Nothing in this Consent Judgment shall be construed as an admission by Shun Fat 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 Shun Fat of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Shun Fat. However, this Section shall not diminish or otherwise affect the obligations, responsibilities and duties of Shun Fat 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 Shun Fat as to the allegations contained in the Complaint and Notices, that venue is proper in the County of Sacramento 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 January 5, 2006.

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

After the Effective Date, Shun Fat shall not sell, ship or offer to be shipped for sale in California the Ceramic and the Liquor Products unless such Ceramic Products and Liquor Products are: sold or shipped with the clear and reasonable warnings set out in Section 2.1; exempt pursuant to Section 2.2; or in compliance with the Reformulation Standards set forth in Section 2.3. Shun Fat satisfies its obligations under this Consent Judgment by compliance with any one of these options as to the Ceramic Products and any one of these options as to the Liquor Products.

# 2.1 <u>Product Warnings</u>

Any warning issued pursuant to this Section shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices so as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or, for Ceramic Products or Liquor Products shipped directly to an individual in California, before use. Any warning issued pursuant to this Section shall be provided in a manner such that a reasonable consumer or user would understand to which *specific* product or category/type of products the warning applies, so as to minimize the chance that an overwarning situation will arise.

Section 2.1(a) describes Shun Fat's options for satisfying its warning obligations. Shun Fat may satisfy its warning obligations by product labeling or point-of-sale warnings as set forth in sections (i) and (ii) below.

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#### (a) Retail Store Sales

(i) Product Labeling. From the Effective Date, a warning will be affixed to the packaging, labeling or directly on the Ceramic Product or Liquor Product, that states the following or substantially similar language!:

WARNING: The painted artwork or designs used on this product contain lead, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm.

obligations by insuring to the greatest extent possible that signs are posted at its retail outlets in the State of California where the Ceramic Products or Liquor Products are sold. Point-of-sale warnings shall be provided through one or more signs posted in close proximity to the point of display of the Ceramic Products or Liquor Products that state the following or substantially similar language<sup>2</sup>:

WARNING: The painted artwork or designs used on the products in this section contain lead, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm.

# 2.2 Exemptions

The warning requirements set forth in Section 2.1 shall not apply to:

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

Substantially similar language" shall mean the warning unconditionally identifies lead as a toxin; the colored artwork as a source of lead; and birth defects and other reproductive harm as health hazards.

<sup>&</sup>lt;sup>2</sup> See Footnote 1.

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 Section 2.1: [t]he products must only utilize decorating materials that contain six one-hundredths of one percent (0.06%) or less of lead by weight; and there must be no detectable lead in either the "lip-and-rim area" or in the area of the product that a reasonable consumer or user would consider to be the food contact surface area.

### 2.4 Reformulation Goal

Shun Fat hereby commits to exercise reasonable care to ensure that either: (a) at least eighty percent (80%) of all Ceramic Products it offers for sale in California six months after the Effective Date, will be Reformulated Products as defined in Section 2.3 or (b) at least eighty percent (80%) of all Ceramic Products that are not Reformulated Products as defined in Section 2.3 will no longer be sold.

#### 3. MONETARY PAYMENTS

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

Pursuant to Health & Safety Code §25249.7(b), Shun Fat shall pay \$10,000 in civil penalties in two installments. The first payment of \$5,000 shall be made on or before the Effective Date. The second payment of \$5,000 shall be payable on or before one month after the Effective Date. Said payments shall be made payable to "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

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<sup>&</sup>lt;sup>3</sup>"Lip-and-Rim Area" is defined as the exterior top twenty (20) millimeters of a hollowware food or beverage Product.

# 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. The Parties 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, Shun Fat shall reimburse Brimer and his counsel for fees and costs incurred as a result of investigating, bringing this matter to Shun Fat's attention, litigating and negotiating a settlement in the public interest and seeking the Court's approval of the settlement agreement. Shun Fat shall pay Brimer and his counsel \$45,000 for all attorneys' fees, expert and investigation fees, litigation and related costs in two installments. The first payment of \$22,500 shall be made on or before the Effective Date. The second payment of \$22,500 shall be payable on or before one month after the Effective Date. These payments shall be made payable to HIRST & CHANLER LLP and shall be delivered on or before the above-referenced dates 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 Shun Fat and Downstream Customers

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

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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 waive all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, including, without limitation, all complaints, 60-Day Notice of Violations, actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, controversies, 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 Shun Fat and each of its downstream distributors, wholesalers, licensors, licensees, auctioneers, retailers, franchisees, dealers, customers, owners, members, shareholders, purchasers, users, parent companies, affiliated entities, related entities, named entities, subsidiaries, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities, whether or not named in the Notices or Complaint (collectively "Releasees"). This release is limited to those claims that arise under Proposition 65, as such claims relate to the Releasees' alleged failure to warn about exposures to or identification of the Listed Chemical or any other substances contained in each of the products or types of products identified in the Notices, and any additional claims arising out of or in connection with the Ceramic Products, Liquor Products and/or the facts relating to or alleged in the Action or Notices.

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 who sold the Products or any component parts thereof to Shun Fat.

### 5.2 Shun Fat's Release of Brimer

Shun Fat 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 in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against Shun Fat in this Action.

#### 6. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved and entered by the Court and

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year after it has been fully executed by all Parties, in which event any monies that have been provided to Plaintiff, or his counsel pursuant to Section 3 and/or Section 4 above, shall be refunded to Shun Fat within fifteen (15) days after receiving written notice from Shun Fat that the one-year period has expired. 7. **SEVERABILITY** 

shall be null and void if, for any reason, it is not approved and entered by the Court within one

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. **INTEGRATION**

This Stipulation And Order Re: Consent Judgment is intended by the Parties as the final expression of their agreement and therefore incorporates all their negotiations and is their entire agreement. The Parties acknowledge that they are not relying on any written or oral agreement, representation, warranty, or understanding of any kind except for the agreements set forth herein.

#### 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 Shun Fat 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 or categories/types of products identified in the Notices 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 Shun Fat:

Shun Fat Supermarket, Inc.

1	IVIE, MCNEILL & WYATT, PC	
2	Citigroup Center 444 S. Flower Street, 18 <sup>th</sup> Floor	
3	Los Angeles, CA 90071	
4	To Brimer:	
5	Proposition 65 Coordinator HIRST & CHANLER LLP	
6	2560 Ninth Street Parker Plaza, Suite 214	
7	Berkeley, CA 94710-2565	
8	Any Party, from time to time, may specify in writing to the other Party a change of address	
9	to which all notices and other communications shall be sent.	
10	11. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>	
11	This Consent Judgment may be executed in counterparts and by facsimile, each of which	
12	shall be deemed an original, and all of which, when taken together, shall constitute one and the	
13	same document.	
14	12. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)	
15	Brimer agrees to comply with the reporting form requirements referenced in Health &	
16	Safety Code §25249.7(f).	
17	13. <u>ADDITIONAL POST EXECUTION ACTIVITIES</u>	
18	Brimer and Shun Fat agree to mutually employ their best efforts to support the entry of this	
19	Agreement as a Consent Judgment and obtain approval of the Consent Judgment by the Court in a	
20	timely manner. The Parties acknowledge that, pursuant to Health & Safety Code § 25249.7, a	
21	noticed motion is required to obtain judicial approval of this Consent Judgment. Accordingly,	
22	Plaintiff agrees to file a Motion to Approve the Agreement. Shun Fat shall have no additional	
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24	regard to reimbursement of any fees and costs incurred with respect to the preparation and filing of	
25	the Motion or with regard to Plaintiff's counsel appearing for a hearing thereon.	
26	14. MODIFICATION	
27	This Consent Judgment may be modified only: (1) by written agreement of the Parties and	
28	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 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.

# 15. <u>AUTHORIZATION</u>

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: 1-4:07	Date:
By: Plaintiff Russell Brimer	By:
	Date:
	By:
APPROVED AS TO FORM:	APPROVED AS TO FORM:
Date: 1/4/07	Date:
HIRST & CHANLER LLP	IVIE, MCNEILL & WYATT, P.C.
By: Aparia L. Reddy Attorneys for Plaintiff RUSSELL BRIMER	By:  Audrey C. Fong Attorneys for Defendant SHUN FAT SUPERMARKET, INC. and SF SUPERMARKET, INC.
T IS SO ORDERED.	•
Date:	JUDGE OF THE SUPERIOR COURT

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of any Party and 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.

#### 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:	Date: 12/26/06
By:Plaintiff Russell Brimer	By:
	Date: 13/26/06
	By:
APPROVED AS TO FORM:	APPROVED AS TO FORM:
APPROVED AS TO FORM:  Date:	
	APPROVED AS TO FORM:  Date: 12/28/06  IVIE, MCNEILL & WYATT, P.C.
Date:	Date: 12/28/06
Date: HIRST & CHANLER LLP  By: Aparna L. Reddy Attorneys for Plaintiff RUSSELL BRIMER	Date: 12/28/06  IVIE, MCNEILL & WYATT, P.C.  By: Audrey C. Fong Attorneys for Defendant SHUN FAT SUPERMARKET, INC. and
Date: HIRST & CHANLER LLP  By: Aparna L. Reddy Attorneys for Plaintiff RUSSELL BRIMER  IT IS SO ORDERED.	Date: 12/28/06  IVIE, MCNEILL & WYATT, P.C.  By: Audrey C. Fong Attorneys for Defendant SHUN FAT SUPERMARKET, INC. and
Date: HIRST & CHANLER LLP  By: Aparna L. Reddy Attorneys for Plaintiff RUSSELL BRIMER	Date: 12/28/06  IVIE, MCNEILL & WYATT, P.C.  By: Audrey C. Fong Attorneys for Defendant SHUN FAT SUPERMARKET, INC. and

# Exhibit A The Products that are covered by this Consent Judgment include, but are not limited to: 1. Rice Bowl, Japan 2. Bowl, Flowers 3. Han Imported Vodka (# 8 57796 00013 0)