	Clifford A. Chanler, State Bar No. 135534 Josh Voorhees, State Bar No. 241436 THE CHANLER GROUP 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565 Telephone: (510) 848-8880 Facsimile: (510) 848-8118	F[][] MAY 3 1 2011		
	5 Attorneys for Plaintiff	KIN TORNER Court Effeurive Oricer MARIN COUNT SUPERIOR COURT By A Garcia, Deguty		
	6 JOHN MOORE	By: J Garria. Beguis		
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	8 SUPERIOR COURT OF	THE STATE OF CALIFORNIA		
	9 COUNT	COUNTY OF MARIN		
. 1	0 UNLIMITED (CIVIL JURISDICTION		
1	1			
12	JOHN MOORE,) Case No.: CIV-1002842		
13	Plaintiff,)		
14	v.	TO TERMS OF PROPOSITION 65 SETTLEMENT AND CONSENT		
1.	BELL SPORTS, INC.; et al.,	JUDGMENT		
16	Defendants.) Date: May 31, 2011		
17	′	Time: 9:00 a.m. Dept.: L		
18		Judge: Hon. Lynn Duryee		
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In the above-entitled action, Plaintiff JOHN MOORE and Defendants W.J. DENNIS & COMPANY and RCR INTERNATIONAL INC. having agreed through their respective counsel that a judgment be entered pursuant to the terms of the Consent Judgment entered into by the parties in resolution of this Proposition 65 action, and following the issuance of an order approving the Parties' settlement agreement on May 31, 2011.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that pursuant to Health & Safety Code § 25249.7(f)(4) and Code of Civil Procedure § 664.6, judgment is hereby 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.

JUDGE OF THE SUPERIOR COURT

Clifford A. Chanler, State Bar No. 135534 Josh Voorhees, State Bar No. 241436 Gregory M. Sheffer, State Bar No. 173124 THE CHANLER GROUP 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565 Telephone: (510) 848-8880 Facsimile: (510) 848-8118

Attorneys for Plaintiff JOHN MOORE

Douglas A. Winthrop, State Bar No. 183532 HOWARD RICE NEMEROVSKI CANADY FALK & RABKIN A Professional Corporation Three Embarcadero Center, Seventh Floor San Francisco, CA 94111-4024 Telephone: (415) 434-1600 Facsimile: (415) 677-6262

Attorneys for Defendants W.J. DENNIS & COMPANY and RCR INTERNATIONAL INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE CITY AND COUNTY OF MARIN UNLIMITED CIVIL JURISDICTION

JOHN MOORE,) Case No. CIV-1002842
Plaintiff, v.) [PROPOSED] CONSENT JUDGMENT) AS TO W.J. DENNIS & COMPANY) AND RCR INTERNATIONAL INC.
BELL SPORTS, INC., et al., Defendants.	Dept: Judge: Date: None set
)

1. INTRODUCTION

1.1 John Moore, W.J. Dennis & Company and RCR International Inc.

This Consent Judgment is entered into by and between plaintiff John Moore ("Moore" or "Plaintiff") on the one hand, and W.J. Dennis & Company and RCR International Inc. (collectively "Defendants"), on the other hand, with Plaintiff and Defendants collectively referred to as the "parties."

1.2 John Moore

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

1.3 W.J. Dennis & Company and RCR International Inc.

Plaintiff alleges that Defendants each employ ten or more persons and are each persons 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

Moore alleges that Defendants have manufactured, imported, distributed and/or sold vinyl flooring which contains di(2-ethylhexyl)phthalate ("DEHP") without the requisite Proposition 65 warnings. DEHP is on the Proposition 65 list as known to cause cancer as well as birth defects and other reproductive harm.

1.5 Product Description

The products that are covered by this Consent Judgment are defined as follows: vinyl flooring containing DEHP including, but not limited to, *Crystal Clear Vinyl Carpet Protector*, *VPCLP06 (# 0 59494 00713 2)* All such vinyl flooring products containing DEHP are referred to hereinafter as the "Products").

1.6 Notice of Violation

On April 9, 2010, Moore served W.J. Dennis & Company, RCR International Inc., and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (the

"Notice") that provided Defendants and public enforcers with notice of alleged violations of California Health & Safety Code § 25249.6 for failing to warn consumers that the Products sold by Defendants exposed users in California to DEHP. To the best of the parties' knowledge, no public enforcer has prosecuted the allegations set forth in the Notice.

1.7 Complaint

On June 2, 2010, Moore filed a complaint in the Superior Court in and for the County of Marin against Natco Products Corporation and Does 1 through 150, *Moore v. Natco, et al.*, Case No. CIV-1002842 (the "Action"), alleging violations of California Health & Safety Code § 25249.6, based on the alleged exposures to DEHP contained in certain vinyl flooring products sold by Natco. On July 2, 2010, Moore filed a First Amended Complaint (the "Complaint") in the Action, renaming it as *Moore v. Bell Sports, Inc., et al.*, adding W. J. Dennis & Company, RCR International Inc., and others as defendants, alleging additional violations of California Health & Safety Code § 25249.6 based on the alleged exposures to DEHP contained in Products sold by the Defendants.

1.8 Answer

On August 13, 2010, Defendants responded to the Complaint by filing a general denial and affirmative defenses, denying all claims alleged by Plaintiff.

1.9 No Admission

Defendants deny the material, factual and legal allegations contained in Moore's Notice and Complaint and maintain that all products that they have sold, manufactured, imported and/or 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 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.

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1.10 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 Marin and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

1.11 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean January 25, 2011.

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

2.1 Reformulation Standards

Reformulated Products are defined as those Products containing DEHP in concentrations less than 0.1 percent (1,000 parts per million) in each accessible component when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or any other methodology utilized by federal or state agencies for the purpose of determining DEHP content in a solid substance.

2.2 **Product Warnings**

Commencing on the Effective Date, Defendants shall, for all Products other than Reformulated Products, provide clear and reasonable warnings as set forth in subsections 2.2(a) and (b). Each warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Product the warning applies, so as to minimize the risk of consumer confusion. The parties agree and acknowledge that Defendants may use the warning labels attached hereto as Exhibits A & B, as interim warnings for all Products currently in the stream of commerce in the State of California. Any Product not yet shipped from Defendants' headquarters shall contain the following language:

1	WARNING:	This product contains DEHP, a phthalate chemical known to the State of California to	
2		cause cancer, and birth defects or other reproductive harm.	
3	(a) Retail Store Sales.		
4	(i)	Product Labeling. Defendants shall affix a warning to the	
5	packaging, labeling, or directly on each Product sold in retail outlets in California by Defendants		
6	any person selling the Products, that states:		
7	WARNING.	This product contains DEHP, a phthalate	
8	WARTING.	chemical known to the State of California to cause cancer, and birth defects or other reproductive harm.	
9	. (ii)	Point-of-Sale Warnings. Alternatively, Defendants may provide	
10	, ,		
11	warning signs in the form below to its customers in California with instructions to post the		
12	warnings in close proximity to the point of display of the Products. Such instruction sent to		
13	Defendants' customers shall be sent by certified mail, return receipt requested.		
14	WARNING:	This product contains DEHP, a phthalate chemical known to the State of California to	
15		cause cancer, and birth defects or other reproductive harm.	
16	Where more than one Product is sold in proximity to other like items or to those that do no		
17	require a warning (e.g., Reformulated Products as defined in Section 2.1), the following statement		
18	must be used:1		
19	WARNING:	The following products contain DEHP, a	
20	1	phthalate chemical known to the State of California to cause cancer, and birth defects or	
21		other reproductive harm:	
22		[list products for which warning is required]	
23	(b) Mail C	Order Catalog and Internet Sales. In the event that Defendants sell	
24	Products via mail order catalo	og and/or the internet, to customers located in California, after the	
25	Effective Date, that are not Reformulated Products, Defendants shall provide a warning for such		
26		,	
27	¹ For purposes of the Consent Judgn	- nent, "sold in proximity" shall mean that the Product and another product are	
28	offered for sale close enough to each other that the consumer, under customary conditions of purchase, could not reasonably determine which of the two products is subject to the warning sign.		

Products sold via mail order catalog or the internet to California residents. Warnings given in the mail order catalog or on the internet shall identify the *specific* Product to which the warning applies as further specified in Sections 2.2(b)(i) and (ii).

(i) Mail Order Catalog Warning. Any warning provided in a mail order catalog shall be in the same type size or larger than the Product description text within the catalog. The following warning shall be provided on the same page and in the same location as the display and/or description of the Product:

WARNING: This product contains DEHP, a phthalate chemical known to the State of California to cause cancer, and birth defects or other reproductive harm.

Where it is impracticable to provide the warning on the same page and in the same location as the display and/or description of the Product, Defendants may utilize a designated symbol to cross reference the applicable warning and shall define the term "designated symbol" with the following language on the inside of the front cover of the catalog or on the same page as any order form for the Product(s):

WARNING: Certain products identified with this symbol

▼ and offered for sale in this catalog contain

DEHP, a phthalate chemical known to the

State of California to cause cancer, and birth

defects or other reproductive harm.

The designated symbol must appear on the same page and in close proximity to the display and/or description of the Product. On each page where the designated symbol appears, Defendants must provide a header or footer directing the consumer to the warning language and definition of the designated symbol.

(ii) Internet Website Warning. A warning shall be given in conjunction with the sale of the Products via the internet, and shall appear either: (a) on the same web page on which a Product is displayed; (b) on the same web page as the order form for a Product; (c) on the same page as the price for any Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The following warning statement shall be used and shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the

Product for which it is given in the same type size or larger than the Product description text:

WARNING: This product contains DEHP, a phthalate chemical known to the State of California to cause cancer, and birth defects or other reproductive harm.

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

WARNING: Products identified on this page with the following symbol ▼ contain DEHP, a phthalate chemical known to the State of California to cause cancer, and birth defects or other reproductive harm.

3. PAYMENT OF PENALTIES

3.1 Initial Civil Penalty

In settlement of all the claims referred to in this Consent Judgment, Defendants shall collectively pay \$8,500 in initial civil penalties, to be apportioned in accordance with California Health & Safety Code § 25249.12(c) & (d), 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 John Moore. Defendants shall issue two separate checks for the penalty payment: (a) one check made payable to "The Chanler Group in Trust For OEHHA" in the amount of \$6,375, representing 75% of the total penalty; and (b) one check to "The Chanler Group in Trust for John Moore" in the amount of \$2,125, 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) John Moore, whose information shall be provided five calendar days before the payment is due.

Payment shall be delivered to Moore's counsel on or before January 28, 2011, at the following address:

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

3.2 Final Civil Penalty

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Defendants shall collectively pay a final civil penalty of \$30,000 on May 15, 2011. As an incentive for achievement reformulating the Products, however, the final civil penalty shall be waived in its entirety if an Officer of each of the Defendants certifies in writing that it, as of May 1, 2011, has sold, shipped and offered for sale in California only Reformulated Products and that it will continue to sell, ship and offer for sale in California only Reformulated Products. Such certification must be received by The Chanler Group on or before May 15, 2011. The final civil penalty payment shall be apportioned in accordance with California Health & Safety Code §25249.12(c) & (d), 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 John Moore. Defendants shall issue two separate checks for the final civil penalty payment: (a) one check made payable to "The Chanler Group in Trust For OEHHA" in the amount of \$22,500 representing 75% of the total penalty; and (b) one check to "The Chanler Group in Trust for John Moore" in the amount of \$7,500 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) John Moore, whose information shall be provided five calendar days before the payment is due (if different than the information already provided to Defendants under Section 3.1 above).

Payment shall be delivered to Moore's counsel at the following address:

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

4. REIMBURSEMENT OF ATTORNEY'S FEES AND COSTS

The parties reached an accord on the compensation due to Moore and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure (CCP) §1021.5. Defendants shall reimburse Moore and his counsel \$37,500 for fees and costs incurred as a result of investigating, bringing this matter to its attention, and

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negotiating a settlement in the public interest. This figure includes Moore's future fees and costs including attorney's fees to be incurred in seeking judicial approval of this Consent Judgment as well as any other legal work performed after the execution of this Consent Judgment incurred in an effort to obtain finality of the case. This Section 4 of the Consent Judgment defines the extent to which Defendant shall have any obligation to Plaintiff and/or his counsel attorneys' fees and costs in connection with this action.

The check for reimbursement of fees and costs shall be made payable to "The Chanler Group" and shall be delivered to the following address on or before January 28, 2011, at the following address:

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

A separate 1099 shall be issued to "The Chanler Group" (EIN: 94-3171522) for the amount of the reimbursement of Plaintiff's fees and costs.

5. JOINT AND SEVERAL LIABILITY

Defendants shall be jointly and severally liable for the payments required under Sections 3 and 4 of this Consent Judgment.

6. RELEASE OF ALL CLAIMS

6.1 Moore's Release of Defendants

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4, Moore, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, and in the interest of the general public pursuant to Health & Safety Code § 25249.7(d), hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, agreements, promises, royalties, accountings, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorney's fees) of any

nature whatsoever, whether known or unknown, fixed or contingent (collectively "claims"), against Defendants and each of their downstream wholesalers, licensors, licensees, auctioneers, retailers, distributors, franchisees, dealers, customers, owners, purchasers, users, parent companies, corporate affiliates, subsidiaries, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities, (collectively "Releasees") that arise under Proposition 65, as such claims relate in any way to Defendants' alleged failure to warn about exposures to DEHP contained in the Products..The parties further understand and agree that this release shall not extend upstream to any entities that manufactured the Products for Defendants or any component parts thereof or to any distributors or suppliers who sold the Products or any component parts thereof to Defendants.

Moore also, on behalf of himself and his agents, attorneys, representatives, successors and assigns, in his individual capacity only 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 Moore of any nature, character or kind, known or unknown, suspected or unsuspected, arising out of the subject matter of this dispute. Moore acknowledges that he is 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 or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor. Moore, in his individual capacity only and *not* in his representative capacity, on behalf of himself and his agents, attorneys, representatives, successors and assigns, 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

The parties further understand and agree that this release shall not extend upstream to any entities that manufactured the Products for the Defendants or any component parts thereof or to any distributors or suppliers who sold the Products or any component parts thereof to the Defendants.

any such additional or different claims or facts arising out of the released matters.

6.2 Defendants' Release of Moore

Defendants, on behalf of themselves and their Releasees, waive any and all claims against Moore, his attorneys, and other representatives for any and all actions taken by Moore and his attorneys and other representatives 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.

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 one year after it has been fully executed by all parties.

8. <u>SEVERABILITY</u>

If, subsequent to the entry 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.

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, preempted or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Consent Judgment are rendered inapplicable or no longer require as a result of any such repeal or preemption or rendered inapplicable by reason of law generally as to the Products, then Defendants shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Products are so affected.

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10. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and (i) personally delivered; (ii) sent by first-class, (registered or certified mail) return receipt requested; or (iii) sent by overnight courier to one party from the other party at the following addresses:

To Defendants:

To Moore:

Douglas A. Winthrop, Esq. Howard Rice Nemerovski Canady Falk & Rabkin A Professional Corporation Three Embarcadero Center, Seventh Floor San Francisco, CA 94111-4024 Proposition 65 Coordinator The Chanler Group 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

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

11. COUNTERPARTS; FACSIMILE SIGNATURES

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

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

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

13. ADDITIONAL POST EXECUTION ACTIVITIES

Moore and Defendants agree to mutually employ their, and their counsel's, 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 California Health & Safety Code § 25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment, which Moore shall draft and file, and Defendants shall join. If any third party objection to the noticed motion is filed, Moore and Defendants shall work together to file a joint reply and appear at any hearing before the Court. This provision is a material component of the Consent Judgment and shall be treated as such in the event of a breach. If the Superior Court does

1	14. <u>MODIFICATION</u>	
2	This Consent Judgment may be	modified only: (1) by written agreement of the parties and
3	upon entry of a modified Consent Judgment by the Court thereon; or (2) upon a successful motion	
4	of any party and entry of a modified Consent Judgment by the Court.	
5	15. <u>AUTHORIZATION</u>	
6	The undersigned are authorized to execute this Consent Judgment and have read, understood	
7	and agree to all of the terms and conditions of this Consent Judgment.	
8		
9	AGREED TO:	AGREED TO:
10	Date:	Date: $\frac{2011 - 01 - 21}{2}$
11		2046
12	By:Plaintiff, John Moore	By: Defendant, W.J. Dennis & Company
13	Plaintiff, John Moore	PAUL GAUTHIER
14		AGREED TO:
15		Date: 2011-01-21
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17		By:
18		Defendant, RCR International Inc. André Daigle
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20	IT IS SO ORDERED:	
21		JUDGE OF THE SUPERIOR COURT
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1	14.	MODIFICATION		
2	This Consent Judgment may be modified only: (1) by written agreement of the parties and			
3	upon	upon entry of a modified Consent Judgment by the Court thereon; or (2) upon a successful motion		
4	of any	of any party and entry of a modified Consent Judgment by the Court.		
5	15. <u>AUTHORIZATION</u>			
6	The undersigned are authorized to execute this Consent Judgment and have read, understood			
7	and agree to all of the terms and conditions of this Consent Judgment.			
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9	AG	REED TO:	AGREED TO:	
10	Dat	e: DECEMBER 13, 2010	Date:	
11	,	the Alam		
12	By:	Plaintiff, John Moore	By: Defendant, W.J. Dennis & Company	
13		r ianum, John Woole		
14			AGREED TO:	
15			Date:	
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17			By:	
18			Defendant, RCR International Inc.	
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20	IT I	S SO ORDERED:		
21			JUDGE OF THE SUPERIOR COURT	
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