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5	Attorneys for Plaintiff JOHN MOORE		
6 7	STIDEDTOD COLIDA OF A	THE STATE OF CALIFORNIA	
	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
8	COUNTY OF ALAMEDA		
9	UNLIMITED CIVIL JURISDICTION		
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11	JOHN MOORE,	Case No. RG12652928	
12	Plaintiff,		
13	v.	[PROPOSED] CONSENT JUDGMENT	
14	ORGILL, INC.; and DOES 1-150, inclusive,		
15	Defendants.		
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	[PROPOSED] CONSENT JUDGMENT		
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### 1. INTRODUCTION

### 1.1 John Moore and Orgill, Inc.

This Consent Judgment is entered into by and between plaintiff John Moore ("Moore" or "Plaintiff") and defendant Orgill, Inc. ("Orgill" or "Defendant"), with Plaintiff and Defendant collectively referred to as the "Parties" and each individually referred to as a "Party."

### 1.2 Plaintiff

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

### 1.3 Defendant

Orgill employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.6 *et seq.* ("Proposition 65").

### 1.4 General Allegations

Moore alleges that Orgill manufactured, imported, distributed, sold and/or offered for sale tools with grips containing di(2-ethylhexyl)phthalate ("DEHP") and PVC/vinyl rainwear containing DEHP in the State of California without the requisite Proposition 65 health hazard warnings. DEHP is listed pursuant to Proposition 65 as known to the State of California to cause birth defects and other reproductive harm.

### 1.5 Product Description

The products that are covered by this Consent Judgment are defined as: (1) tools with grips bearing the TopMost, ToolBasix, Mintcraft or Mintcraft Pro brand label containing DEHP including, but not limited to, the *TopMost 10 in. Groove Joint Pliers, SKU# 546-6370 (#0 45734 90782 9)*, sold or offered for sale or use by Orgill in the State of California, hereinafter referred to as the "Initial Noticed Products;" and (2) PVC/vinyl rainwear containing DEHP including, but not limited to, the *Diamondback 2 Piece Rain Suit, SKU No. 603-5547 (#0 45734 90646 4)*, sold or offered for sale or use by Orgill in the State of California, hereinafter referred

to as the "Supplemental Noticed Products." The Initial Noticed Products and the Supplemental Noticed Products are hereinafter referred to collectively as the "Covered Products."

#### 1.6 **Notices of Violation**

On April 5, 2012, Moore served Orgill and various public enforcement agencies with a document entitled "60-Day Notice of Violation" ("Initial Notice") that provided the recipients with notice of alleged violations of Proposition 65 for failing to warn consumers that hand tool grips exposed users in California to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Initial Notice.

On April 10, 2013, Moore served Orgill and various public enforcement agencies with a document entitled "Supplemental 60-Day Notice of Violation" ("Supplemental Notice") that provided the recipients with notice of alleged violations of Proposition 65 by Orgill for failing to warn consumers that hand tool grips and the Supplemental Noticed Products exposed users in California to DEHP. The Initial Notice and the Supplemental Notice are hereinafter collectively referred to as the "Notices."

#### 1.7 **Complaint**

On or about October 22, 2012, Moore, who was and is acting in the interest of the general public in California, filed a complaint ("Complaint" or "Action") in the Superior Court in and for the County of Alameda against Orgill and Does 1 through 150, alleging, inter alia, violations of Proposition 65 based on the alleged exposures to DEHP contained in hand tool grips manufactured, imported, distributed, sold and/or offered for sale in California by Orgill. In the event that no public enforcer undertakes diligent prosecution of the allegations set forth in the Supplemental Notice, and upon entry of this Consent Judgment by the Court, the Complaint shall be deemed amended to include violations of Proposition 65 based on the alleged exposures to DEHP contained in the Supplemental Noticed Products.

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### 1.8 No Admission

Orgill denies the material factual and legal allegations contained in Moore's Notices and Complaint and maintains that all Covered Products sold and distributed in California have been and are in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission by Orgill 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 Orgill of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Orgill. However, this section shall not diminish or otherwise affect Orgill's obligations, responsibilities, and duties 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 Orgill as to the allegations contained in the Complaint, that venue is proper in the County of Alameda, and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

#### **1.10** Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date this Consent Judgment is approved by the Court.

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

### 2.1 Reformulation Standard and Obligation

On or before May 30, 2013, Orgill shall provide the reformulation standards for Reformulated Products to its then-current Vendors of the Covered Products that will be sold or offered for sale to California consumers and shall instruct each Vendor to use reasonable efforts to provide Reformulated Products expeditiously. As used herein the term "Vendor" means a person or entity that manufactures, imports, distributes, or otherwise supplies Covered Products to Orgill. Additionally, as used herein, the term "Reformulated Products" shall mean Covered Products containing components that, during their normal intended use, are handled, touched, or mouthed by a consumer, and which components yield less than 1,000 parts per million (0.1%)

of DEHP when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C, or any method utilized by state or federal agencies for the purposes of determining DEHP content in a solid substance. In addressing the obligation set forth in this Section, Orgill shall not employ statements that will encourage a Vendor to delay compliance with the reformulation standards. Orgill shall provide Moore with copies of such Vendor notification. Neither Moore nor his counsel shall disclose such notification or any information derived from such notification to any person, nor shall either Moore or his counsel use such information for any purpose other than to enforce the provisions of this Consent Judgment.

Commencing on May 30, 2013, Orgill shall not purchase, import, and/or manufacture any Covered Product for distribution or sale in California unless it is a Reformulated Product, or, alternatively, unless the Covered Product contains clear and reasonable warnings as set forth herein.

### 2.2 Warnings Commitment

Orgill shall, for all Covered Products, other than Reformulated Products, purchased, imported, and/or manufactured, for distribution or sale in California on or after May 30, 2013, 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* Covered Product the warning applies, so as to minimize the risk of consumer confusion. The bracketed language is required for all Supplemental Noticed Products and Initial Noticed Products bearing the TopMost brand label and optional for all other Covered Products.

(i) **Product Labeling.** Orgill shall affix a warning to the packaging, labeling, or directly on each Covered Product sold in retail outlets in California by Orgill or any person selling the Covered Products, that states:

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**WARNING:** This product contains chemicals[, including the phthalate chemical DEHP,] known to the State of California to cause birth defects and other reproductive harm.

(ii) Point-of-Sale Warnings. Alternatively, Orgill may provide warning signs in the form below to its customers in California with instructions to post the warnings in close proximity to the point of display of the Covered Products. Such instruction sent to Orgill's customers shall be sent by certified mail, return receipt requested.

**WARNING:** This product contains chemicals[, including the phthalate chemical DEHP,] known to the State of California to cause birth defects and other reproductive harm.

Where more than one Covered Product is sold in proximity to other like items or to those that do not require a warning (*e.g.*, Reformulated Products as defined in Section 2.1), the following statement shall be used:<sup>1</sup>

**WARNING:** The following products contain chemicals[, including the phthalate chemical DEHP,] known to the State of California to cause birth defects and other reproductive harm:

[list products for which warning is required]

### 3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)

In settlement of all the claims referred to in this Consent Judgment, Orgill shall pay a total of \$40,000 in civil penalties in accordance with this Section. Each penalty payment will be allocated in accordance with California Health & Safety Code § 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to Moore as follows:

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<sup>&</sup>lt;sup>1</sup> For purposes of the Consent Judgment, "sold in proximity" shall mean that the Covered Product and another similar product are 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.

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#### 3.1 **Initial Civil Penalty**

Orgill shall pay an initial civil penalty in the amount of \$10,000. Orgill shall issue two separate checks to: (a) "OEHHA" in the amount of \$7,500 on or before the Effective Date; and (b) "The Chanler Group in Trust for John Moore" in the amount of \$2,500 on or before the Effective Date. All penalty payments shall be delivered to the addresses listed in Section 3.4 below.

#### 3.2 **Payment in Lieu of Civil Penalty**

On or before the Effective Date, Orgill shall pay the sum of \$5,000 to Silent Spring Institute ("Silent Spring"), a not-for-profit institution, in lieu of further civil fines pursuant to Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 3202(b). Silent Spring will use such funds to continue its work identifying the links between exposure to environmental chemicals, including DEHP, and reproductive and developmental harm, as well as educating the public about such potential exposures. Silent Spring will conduct exposure- and risk-based prioritization of chemicals listed under Proposition 65, or chemicals OEHHA has identified as candidates for listing, in order to identify exposures of potential public health significance. Silent Spring may also use a portion of such funds to monitor compliance with the reformulation and warnings requirements of this and other similar consent judgments addressing Proposition 65-listed chemical exposures, as well as to conduct additional exposure measurements that evaluate the levels of chemical exposures to users of products that contain phthalate chemicals and lead. Orgill shall issue a check to "The Chanler Group in Trust for Silent Spring Institute" in the amount of \$5,000.

#### 3.3 **Final Civil Penalty**

Orgill shall pay a final civil penalty of \$25,000 on or before December 31, 2013. The final civil penalty shall be waived in its entirety, however, if, no later than December 15, 2013, an officer of Orgill provides Moore with written certification that, as of the date of such certification and continuing into the future, Orgill has met the reformulation standard specified in Section 2.1 above, such that seventy-five percent (75%) or more of the Covered Products

1	manufactured, imported, distributed, sold and offered for sale in California by Orgill are		
2	Reformulated Products. The certification in lieu of a final civil penalty payment provided by this		
3	Section is a material term, and time is of the essence. Orgill shall issue two separate checks for		
4	its final civil penalty payments to: (a) "OEHHA" in the amount of \$18,750; and (b) "The		
5	Chanler Group in Trust for John Moore" in the amount of \$6,250.		
6	3.4 Payment Procedures		
7	3.4.1 Issuance of Payments. Payments shall be delivered as follows:		
8	(a) All payments owed to Moore, pursuant to Sections 3.1 and 3.3, and the		
9	payment owed to Silent Spring, pursuant to Section 3.2, shall be		
10	delivered to the following payment address:		
11	The Chanler Group Attn: Proposition 65 Controller		
12	2560 Ninth Street Parker Plaza, Suite 214		
13	Berkeley, CA 94710		
14	(b) All payments owed to OEHHA (EIN: 68-0284486), pursuant to		
15	Sections 3.1 and 3.3, shall be delivered directly to OEHHA (Memo		
16	line "Prop 65 Penalties") at the following addresses:		
17	For United States Postal Service Delivery:		
18	Mike Gyrics Fiscal Operations Branch Chief		
19	Office of Environmental Health Hazard Assessment P.O. Box 4010		
20	Sacramento, CA 95812-4010		
21	For Non-United States Postal Service Delivery:		
22	Mike Gyrics Fiscal Operations Branch Chief		
23	Office of Environmental Health Hazard Assessment 1001 I Street		
24	Sacramento, CA 95814		
25	With a copy of the checks payable to OEHHA mailed to The Chanler		
26	Group at the address set forth above in 3.4.1(a), as proof of payment to		
27	ОЕННА.		
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3.4.2 Issuance of 1099 Forms. After each penalty payment, Orgill shall issue separate 1099 forms for each payment to: (1) Moore, whose address and tax identification number shall be furnished upon request after this Consent Judgment has been fully executed by the Parties; (2) Silent Spring Institute, 29 Crafts Street, Newton, Massachusetts 02458, whose information shall be provided by email or other means within five (5) calendar day of final execution of this agreement; and (3) OEHHA at the addresses listed in Section 3.4.1 above.

### 4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that Moore 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. Moore 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 Moore and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this agreement. Orgill shall pay \$65,000 for fees and costs incurred as a result of investigating, bringing this matter to Orgill's attention, and negotiating a settlement in the public interest. Orgill shall issue a separate 1099 for fees and costs (EIN: 94-3171522), shall make the check payable to "The Chanler Group" and shall deliver payment on or before the Effective Date, to the address listed in Section 3.4.1 above.

### 5. CLAIMS COVERED AND RELEASED

### 5.1 Moore's Public Release of Proposition 65 Claims

In consideration of the promises and commitments herein contained, Moore on behalf of himself and his past and current agents, representatives, attorneys, successors, and/or assignees, and in the public interest, hereby waive and release Orgill, all of its parents, subsidiaries, affiliated entities that are under common ownership or control, directors, officers, employees, and attorneys ("Releasees") and each entity to whom they directly or indirectly distribute or sell Covered Products and all distributors, wholesalers, customers, retailers, franchisees, cooperative

members, licensors, and licensees ("Downstream Releasees"), from all claims for violations of Proposition 65 based on exposure to DEHP from the Initial Noticed Products arising up through the date on which the Court enters this Consent Judgment. This waiver and release is limited to those claims that arise under Proposition 65 with respect to DEHP in the Initial Noticed Products associated with Orgill, as such claims relate to the alleged failure to warn under Health & Safety Code § 25249.6 and apply only as to DEHP. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DEHP from the Initial Noticed Products.

In the event that the Complaint is deemed amended pursuant to Section 1.7 above to include the allegations found in the Supplemental Notice, Moore, on behalf of himself and in the public interest, hereby waives and releases Orgill, Releasees and Downstream Releasees from all claims for violations of Proposition 65 based on exposure to DEHP from the Supplemental Noticed Products arising up through the date on which the Court enters this Consent Judgment. This waiver and release is limited to those claims that arise under Proposition 65 with respect to DEHP in the Supplemental Noticed Products associated with Orgill, as such claims related to the alleged failure to warn under Health & Safety Code § 25249.6 and apply only as to DEHP. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DEHP from the Supplemental Noticed Products.

### 5.2 <u>Moore's Individual Release of Claims</u>

Moore also, in his individual capacity only and *not* in his representative capacity, provides a 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, whether known or unknown, suspected or unsuspected, limited to and arising out of alleged or actual exposures to DEHP in the Covered Products manufactured, imported, distributed, sold and/or offered for sale by Orgill.

### 5.3 Orgill's Release of Moore

Orgill on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Moore, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Moore and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the Covered Products.

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

This Consent Judgment is not effective until it is approved and entered by the court and shall be null and void if, for any reason, it is not approved and entered by the court within one year after it has been fully executed by all Parties.

### 7. <u>SEVERABILITY</u>

If, subsequent to the execution 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. 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 Covered Products, then Orgill shall provide written notice to Moore 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 Covered Products are so affected.

### 9. <u>NOTICES</u>

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 Orgill: To Moore: 1 2 Proposition 65 Coordinator Ron Beal, President Orgill, Inc. The Chanler Group 3 3742 Tyndale Drive 2560 Ninth Street Memphis, TN 38125 Parker Plaza, Suite 214 4 Berkeley, CA 94710 5 With a copy to: 6 Michael Jacob Steel, Esq. 7 Morrison & Foerster LLP 425 Market Street, 31<sup>st</sup> Floor 8 San Francisco, CA 94105 9 Any Party, from time to time, may specify in writing to the other Party a change of 10 address to which all notices and other communications shall be sent. 11 10. **COUNTERPARTS; FACSIMILE SIGNATURES** 12 This Consent Judgment may be executed in counterparts and by facsimile or portable 13 document format (".pdf"), each of which shall be deemed an original, and all of which, when 14 taken together, shall constitute one and the same document. A facsimile or .pdf signature shall 15 be as valid as the original. 16 **COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)** 11. 17 Moore agrees to comply with the reporting form requirements referenced in California 18 Health & Safety Code § 25249.7(f). 19 **12.** ADDITIONAL POST EXECUTION ACTIVITIES 20 The Parties agree to mutually employ their, and their counsel's, reasonable best efforts to 21 support the entry of this agreement as a Consent Judgment and obtain approval of the Consent 22 Judgment by the Court in a timely manner. The Parties acknowledge that, pursuant to 23 California Health & Safety Code § 25249.7, a noticed motion is required to obtain judicial 24 approval of this Consent Judgment, which Moore shall file, and which Orgill shall not oppose. 25 If any third party objection to the noticed motion is filed, Moore and Orgill shall work together 26

to file a joint reply and appear at any hearing before the Court. If the Court does not approve

the motion to approve this Consent Judgment, and the Parties choose not to pursue a modified

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Consent Judgment within 30 days of said denial, or in the event that the Court approve this Consent Judgment and any person successfully appeals that approval, all payments made pursuant to this Consent Judgment will be returned to Orgill.

#### 13. MODIFICATION

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

### 14. ENTIRE AGREEMENT

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties.

### 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: April 22, 2013	Date:
By: John Moore	By: Orgill, Inc.

Consent Judgment within 30 days of said denial, or in the event that the Court approve this Consent Judgment and any person successfully appeals that approval, all payments made pursuant to this Consent Judgment will be returned to Orgill.

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AGREED TO:	AGREED TO:
Date:	Date: 4 22 13
By: John Moore	By: Orgill, Inc.