1 2 3 4 5 6	Clifford A. Chanler, State Bar No. 135534 Christopher M. Martin, State Bar No. 186021 Stephen E. Cohen, State Bar No. 284416 THE CHANLER GROUP 2560 Ninth Street, Suite 214 Berkeley, CA 94710 Telephone: (510) 848-8880 Facsimile: (510) 848-8118 Attorneys for Plaintiff JOHN MOORE		
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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
9	COUNTY OF MARIN		
10	UNLIMITED CIVIL JURISDICTION		
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12	JOHN MOORE	Case No. CIV 1105657	
13	Plaintiff,	IDDODOGEDI CONCENT HIDOMENT	
14	V.	[PROPOSED] CONSENT JUDGMENT	
15	PAN AM RAILWAYS, INC.; and DOES 1- 150, inclusive,		
16	Defendants.		
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	[PROPOSED] CO	ONSENT JUDGMENT	

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1.

INTRODUCTION

1.1 John Moore and Pan Am Railways, Inc.

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

1.2 Plaintiff

Moore represents that he 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

Pan Am 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

16 Moore alleges that Pan Am manufactured, imported, distributed, sold and/or offered for 17 sale passport covers and luggage tags containing di(2-ethylhexyl)phthalate ("DEHP") in the 18 State of California without the requisite Proposition 65 health hazard warnings. Moore further 19 alleges that Pan Am has manufactured, distributed, sold, and/or offered for sale bags containing 20 DEHP without the requisite Proposition 65 health hazard warnings. DEHP is listed pursuant to 21 Proposition 65 as known to the State of California to cause birth defects and other reproductive 22 harm. Pan Am denies those allegations and denies that it has or had any obligations to provide 23 warnings under Proposition 65 or otherwise, as stated more fully in Paragraph 1.8 below.

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1.5 <u>Product Description</u>

The products that are covered by this Consent Judgment include: (a) passport covers
containing DEHP including, but not limited to, the *Originals – Passport Cover*, #37SP08FB/VW
and luggage tags containing DEHP including, but not limited to, the *Originals – Luggage Tag*,

#36SP10PAB/VW, which Pan Am allegedly manufactured, imported, distributed, sold and/or offered for sale directly or indirectly in the State of California, hereinafter referred to collectively as the "Initial Noticed Products;" and (b) bags containing DEHP including, but not limited to, the *Pan Am Originals Explorer Bag, #15SP07 PAB/VW (#817607010598)*, which Pan Am allegedly manufactured, imported, distributed, sold and/or offered for sale directly or indirectly in the State of California, hereinafter referred to as the "Supplemental Noticed Products." Initial Noticed Products and Supplemental Noticed Products are collectively referred to as "Covered Products." Covered Products does not include any passport covers, luggage tags, and/or bags bearing the *Paul Frank* brand name including, but not limited to, the *Paul Frank Passport Cover*, the *Paul Frank Luggage Tag*, or the *Paul Frank Mini Explorer*.

As of the date this agreement is executed, Moore, through his counsel and to the best of their knowledge, are unaware of any Pan Am products, other than products covered by this Consent Judgment, that are manufactured, imported, distributed, sold and/or offered for sale in California that violate Proposition 65.

1.6 <u>Notices of Violation</u>

On September 1, 2011, Moore served Pan Am 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 the Initial Noticed Products 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 or about March 5, 2013, Moore served Pan Am 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 Pan Am for failing to warn consumers that the Supplemental Noticed Products 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 Supplemental Notice. The Initial Notice and the Supplemental Notice are collectively referred to as the "Notices."

1.7 <u>Complaint</u>

On or about November 16, 2011, 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 Marin against Pan Am Railways, Inc. and Does 1 through 150, alleging, *inter alia*, violations of Proposition 65 based on the alleged exposures to DEHP contained in the Initial Noticed Products.

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 alleged violations of Proposition 65 based on the alleged exposures to DEHP contained in the Supplemental Noticed Products.

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1.8 <u>No Admission</u>

14 Pan Am denies the material, factual, and legal allegations contained in Moore's Notices 15 and Complaint and maintains that all Covered Products it has produced, sold or distributed, 16 directly or indirectly, in California have been and are in compliance with all laws, including 17 Proposition 65. Nothing in this Consent Judgment shall be construed as an admission by Pan 18 Am or any other party released by this Consent Judgment of any fact, finding, conclusion, issue 19 of law, or violation of law; nor shall compliance with this Consent Judgment constitute or be 20 construed as an admission by Pan Am of any fact, finding, conclusion, issue of law, or violation 21 of law, such being specifically denied by Pan Am. However, this section shall not diminish or 22 otherwise affect Pan Am's obligations, responsibilities, and duties under this Consent Judgment.

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1.9 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Pan Am as to the allegations contained in the Complaint as amended, 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 under Code of Civil Procedure § 664.6, as a full, final,

and binding resolution of all claims which were raised or could have been raised in the Complaint against Pan Am, based on the facts alleged by Moore in the Notices and Complaint.

1.10 Effective Date

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

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INJUNCTIVE RELIEF: REFORMULATION

7 Commencing on the Effective Date, Pan Am shall only manufacture, cause to be 8 manufactured, import, cause to be imported and/or acquire for distribution and/or sale in 9 California Covered Products that are "Reformulated Products." For purposes of this Consent 10 Judgment, "Reformulated Products" shall mean that Accessible Components of Covered 11 Products do not contain DEHP in concentrations exceeding 1,000 parts per million (0.1%) when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 12 13 8270C or any other reliable methodology utilized by federal or state agencies for the purpose of 14 determining DEHP content in a solid substance, and suitable for the materials comprising the 15 Covered Products.

16 "Accessible Components" as used in this Consent Judgment means a component of a
17 Covered Product that can be touched by a person during normal, intended and reasonably
18 foreseeable use of an undamaged Covered Product.

Reformulated Products shall be deemed to comply with Proposition 65 as it relates to the
presence of DEHP in the Covered Products and shall be exempt from any Proposition 65
warning requirements regarding DEHP. Pan Am's compliance with the injunctive terms of this
Section 2 constitutes compliance with Proposition 65 by all Releasees with respect to DEHP as
to all Covered Products manufactured, imported and/or acquired for distribution and/or sale in
California by Pan Am prior to the Effective Date.

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3.

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

In settlement of all the claims referred to in this Consent Judgment, Pan Am shall pay a
total of \$55,000 in civil penalties in accordance with this Section. Each penalty payment will be

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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:

3.1 Initial Civil Penalty

Pan Am shall pay an initial civil penalty in the amount of \$20,000 on or before March 31, 2013. Pan Am shall issue two separate checks to: (a) "OEHHA" in the amount of \$15,000; and (b) "The Chanler Group in Trust for John Moore" in the amount of \$5,000. All penalty payments shall be delivered to the addresses listed in Section 3.3 below.

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3.2 <u>Final Civil Penalty</u>

10 Pan Am shall pay a final civil penalty of \$35,000 on or before May 15, 2013. The final 11 civil penalty shall be waived in its entirety, however, if, no later than May 1, 2013, an officer of 12 Pan Am provides Moore with written certification that, as of the date of such certification and 13 continuing into the future, Pan Am has met the reformulation standard specified in Section 2 14 above, such that all Covered Products manufactured, caused to be manufactured, imported, caused to imported, and/or acquired for distribution and/or sale in California by Pan Am are 15 16 Reformulated Products. The certification in lieu of a final civil penalty payment provided by this 17 Section is a material term, and time is of the essence. Pan Am shall issue two separate checks for 18 its final civil penalty payments to: (a) "OEHHA" in the amount of \$26,250; and (b) "The Chanler 19 Group in Trust for John Moore" in the amount of \$8,750.

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3.3

Payment Procedures

3.3.1 Issuance of Payments. Payments shall be delivered as follows:

(a) All payments owed to Moore, pursuant to Sections 3.1 through 3.2,

shall be delivered to the following payment address:

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

1	(b) All payments owed to OEHHA (EIN: 68-0284486), pursuant to		
2	Sections 3.1 through 3.2, shall be delivered directly to OEHHA		
3	(Memo line "Prop 65 Penalties") at the following addresses:		
4	For United States Postal Service Delivery:		
5	Mike Gyrics		
6	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment		
7	P.O. Box 4010 Sacramento, CA 95812-4010		
8	For Non-United States Postal Service Delivery:		
9	Mike Gyrics		
10	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 1001 I Street		
11	Sacramento, CA 95814		
12	With a copy of the checks payable to OEHHA mailed to The Chanler		
13	Group at the address set forth above in 3.3.1(a), as proof of payment to		
14	OEHHA.		
15	3.3.2 Issuance of 1099 Forms. After each penalty payment, Pan Am shall issue		
16	separate 1099 forms for each payment to Moore, whose address and tax identification number		
17	shall be furnished upon request after this Consent Judgment has been fully executed by the		
18	Parties, and OEHHA at the addresses listed in Section 3.3.1 above.		
19	4. <u>REIMBURSEMENT OF FEES AND COSTS</u>		
20	The Parties acknowledge that Moore and his counsel offered to resolve this dispute		
21	without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving		
22	this fee issue to be resolved after the material terms of the agreement had been settled. Moore		
23	then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms		
24	had been finalized. The Parties then attempted to (and did) reach an accord on the compensation		
25	due to Moore and his counsel under general contract principles (with the sole contract being this		
26	Consent Judgment) and the private attorney general doctrine codified at California Code of Civil		
27	Procedure § 1021.5, for all work reasonably and actually performed in this matter, except fees that		
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1 may be incurred on appeal through the mutual execution of this agreement. Under these legal 2 principles Pan Am shall pay \$92,000 for all fees and costs actually incurred (and yet to be 3 incurred) investigating, bringing this matter to Pan Am's attention, litigating, negotiating a settlement in the public interest and obtaining court approval thereof. Pan Am shall issue a 4 separate 1099 for fees and costs (EIN: 94-3171522), shall make the check payable to "The 5 Chanler Group" and shall deliver payment on or before March 31, 2013 to the address listed in 6 7 Section 3.3.1 above.

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CLAIMS COVERED AND RELEASED

5.1 Moore's Public Release of Proposition 65 Claims

10 Moore, acting on his own behalf and in the public interest, releases Pan Am, each person 11 that has distributed or sold and/or offered for sale Covered Products provided directly or 12 indirectly by Pan Am, including but not limited to downstream distributors, wholesalers, 13 customers, retailers, franchisees, cooperative members, licensors, and licensees, and all of their 14 predecessors and successors in interest, parent, subsidiary and affiliated entities under common 15 ownership or control, directors, officers, employees, agents, shareholders, members and attorneys 16 ("Releasees"), from all claims for violations of Proposition 65 with respect to Initial Noticed 17 Products manufactured, imported, acquired for distribution, distributed, sold, and/or offered for 18 sale, directly or indirectly, by Pan Am up through the Effective Date based on actual or alleged 19 exposure to DEHP from the Initial Noticed Products as set forth in the Initial Notice. Compliance 20 with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect 21 to actual or alleged exposures to DEHP from Initial Noticed Products as set forth in the Initial 22 Notice.

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In the event that the Complaint is deemed amended pursuant to Section 1.7 above to 24 include the allegations found in the Supplemental Notice, Moore, acting on his own behalf and in the public interest, further releases Releasees from all claims for violations of Proposition 65 with respect to Supplemental Noticed Products manufactured, imported, acquired for distribution, 26 27 distributed, sold, and/or offered for sale, directly or indirectly, by Pan Am up through the

Effective Date based on actual or alleged exposure to DEHP from the Supplemental Noticed Products as set forth in the Supplemental Notice. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to actual or alleged exposures to DEHP from Supplemental Noticed Products as set forth in the Supplemental Notice.

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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 plaintiff 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 Covered Products manufactured, imported, distributed, sold and/or offered for sale by Releasees.

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5.3 Pan Am's Release of Plaintiff

Pan Am 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 Covered Products.

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COURT APPROVAL

6.1 <u>Motion to Approve</u>

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 file, and which Pan Am shall not oppose. The Parties agree to mutually employ their, and their counsel's, reasonable 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. If any third party objection to the noticed motion is filed, Moore and Pan Am shall work together to file a joint reply and appear at any hearing before the Court.

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6.2 Effect of Non-Approval

This Consent Judgment is not effective until it is approved and entered by the Court as a final judgment. If the Superior Court denies or otherwise does not grant the motion to approve this Consent Judgment, and the Parties choose not to pursue a modified Consent Judgment within 30 days of said denial or other non-approval, or in the event that the Superior Court approves this Consent Judgment and any person successfully appeals that approval, all payments made pursuant to this Consent Judgment will be returned to Pan Am within fifteen (15) days, and the Action shall return to *status quo ante* as if there had been no settlement, and nothing in or about the settlement, this proposed Consent Judgment, or any act, agreement or statement of Pan Am or any other Release related thereto shall be admissible, discoverable or otherwise considered for any purpose whatsoever.

7.

SEVERABILITY

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.

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GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the State of 18 California and apply within the State of California. In the event that Proposition 65 is repealed, 19 preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the 20 Covered Products, then Pan Am 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. 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:

1	To P	an Am:	To Moore:	
2		Paul S. Rosenlund	Proposition 65 Coordinator	
3		Jessica La Londe Duane Morris LLP	The Chanler Group 2560 Ninth Street	
4		Spear Tower	Parker Plaza, Suite 214	
5		One Market Plaza, Suite 2200 San Francisco, CA 94105	Berkeley, CA 94710-2565	
6	With	a copy to:		
7	Robert Culliford			
8	Pan Am Railways, Inc. 44 Industrial Park Drive			
9		Dover, NH 03820		
10		Any Party, from time to time, may s	specify in writing to the other Party a change of	
11	address to which all notices and other communications shall be sent.			
12	10. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>			
13	This Consent Judgment may be executed in counterparts and by facsimile or portable			
14	document format (".pdf"), each of which shall be deemed an original, and all of which, when			
15	taken together, shall constitute one and the same document. A facsimile or .pdf signature shall			
16	be as valid as the original.			
17	11.	COMPLIANCE WITH HEALTH	& SAFETY CODE § 25249.7(f)	
18		Moore shall comply with the reporting	ng form requirements referenced in California Health	
19	& Safety Code § 25249.7(f) and as otherwise provided by law.			
20	12. <u>MODIFICATION</u>			
21		This Consent Judgment may be mod	ified only: (1) by written agreement of the parties	
22	and upon entry of a modified Consent Judgment by the Court thereon; or (2) upon a successful			
23	motion of any Party and entry of a modified Consent Judgment by the court as provided by law.			
24	13. <u>ENTIRE AGREEMENT</u>			
25		This Consent Judgment contains the	sole and entire agreement and understanding of the	
26	Parties with respect to the entire subject matter hereof, and any and all prior discussions,			
27	negotiations, commitments, and understandings related hereto. No representations, oral or			
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	[PROPOSED] CONSENT JUDGMENT			

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.

14. 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.

8	AGREED TO:		AGREED TO:
9	Date: MARCH 19, 2013	Date:	
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₁₁	By: that	By:	
12	John Moore		Pan Am Railways, Inc.
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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.

4 14. <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.

8	AGREED TO:	AGREED TO:
9	Date:	Date: 3/14/13
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11	By:	By: Att all
12	John Moore	Pan Am Railways, Inc.
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