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7	Attorneys for Plaintiff WHITNEY R. LEEMAN, PH.D.		
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10	SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SANTA CLARA		
11	UNLIMITED CIVIL JURISDICTION		
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14	WHITNEY R. LEEMAN, PH.D.,	Case No. 16CV293479	
15	Plaintiff,	[PROPOSED] CONSENT JUDGMENT	
15 16	Plaintiff, v.	(Health & Safety Code § 25249.6 et seg. and	
	v. COMMERCIAL VEHICLE GROUP, INC.,		
16	v. COMMERCIAL VEHICLE GROUP, INC., et al.,	(Health & Safety Code § 25249.6 et seg. and	
16 17	v. COMMERCIAL VEHICLE GROUP, INC.,	(Health & Safety Code § 25249.6 et seg. and	
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16 17 18 19 20 21 22 23 24	v. COMMERCIAL VEHICLE GROUP, INC., et al.,	(Health & Safety Code § 25249.6 et seg. and	
16 17 18 19 20 21 22 23 24 25	v. COMMERCIAL VEHICLE GROUP, INC., et al.,	(Health & Safety Code § 25249.6 et seg. and	

1. <u>INTRODUCTION</u>

1.1 Parties

This Consent Judgment is entered into by and between plaintiff Whitney R. Leeman, Ph.D. ("Leeman") and Commercial Vehicle Group, Inc. ("CVG"), with Leeman and CVG each individually referred to as a "Party" and collectively as the "Parties."

1.2 Plaintiff

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

1.3 **CVG**

CVG is a Delaware Corporation with its principal place of business in Ohio.

1.4 General Allegations

Leeman alleges that CVG employs more than 10 individuals and is a "person in the course of doing business" for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code § 25249.6 *et seq.* ("Proposition 65"). Leeman further alleges that CVG, either directly or indirectly through subsidiaries, imports, sells, or distributes for sale in California commercial vehicle seats with vinyl/PVC upholstery that contains di(2-ethylhexyl)phthalate ("DEHP"), and that it does so without first providing the exposure warning required by Proposition 65. DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm.

1.5 Product Description

The products covered by this Consent Judgment are any and all Commercial Vehicle Seats with vinyl/PVC upholstery containing DEHP that are purchased for sale, imported for sale, or sold in California by CVG or its subsidiaries ("Products") and, thereafter, sold or distributed for sale in California by those downstream entities in CVG's and its subsidiaries' chain of distribution including, without limitation, the Releasees and Downstream Releasees (as defined in § 4.1, below).

For purposes of this Consent Judgment, Commercial Vehicle Seats are defined as seats and/or chairs used or sold for use by drivers, passengers, and operators in commercial applications including, but not exclusively, all motorized vehicles, trucks, vans, motor coaches, tractor trailers, cranes and other construction equipment, and combines, tractors, and other agricultural equipment. Such Products include, but are not limited to, the *Commercial Vehicle Group National Seating National 2000 Series* 20" BLK VYN CAPTAIN, #2295, Part No. 50765.005, the Bostrom Patriot Seat, and other National or Bostrom seats.

1.6 Notice of Violation

On September 15, 2015, Leeman served CVG, and the requisite public enforcement agencies, with a 60-Day Notice of Violation ("Notice"), alleging that CVG violated Proposition 65 by failing to warn its customers and consumers in California of the health hazards associated with exposures to DEHP from the Products. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting an action to enforce the violations alleged in the Notice.

1.7 Complaint

On April 4, 2016, Leeman filed the instant action ("Complaint"), naming CVG as a defendant for the alleged violations of Proposition 65 that are the subject of the Notice.

1.8 No Admission

CVG denies the material, factual, and legal allegations contained in the Notice and Complaint, and maintains that all of the products it has sold or distributed for sale 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 of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Consent Judgment constitute or be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law, such being specifically denied by CVG and its subsidiaries. This Section shall not, however, diminish or otherwise affect CVG's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over CVG as to the allegations in the Complaint, that venue is proper in the County of Santa Clara, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure § 664.6.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" means the date on which the Motion for Approval of the Consent Judgment is granted by the Court.

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS

2.1 Commitment to Reformulate or Warn

Commencing on the Effective Date and continuing thereafter, CVG shall only import, sell, or distribute for sale in California Reformulated Products or Products that are offered with a clear and reasonable warning pursuant to Section 2.3.

2.2 Reformulated Products

For purposes of this Consent Judgment, "Reformulated Products" are Products containing DEHP in a maximum concentration of 0.1 percent (1,000 parts per million) in any accessible component (i.e., any component that may be touched during a reasonably foreseeable use) when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or equivalent methodologies utilized by federal or state agencies for the purpose of determining DEHP content in a solid substance.

2.3 Clear and Reasonable Warnings

Commencing on the Effective Date and continuing thereafter, for any Products sold or distributed for sale in California by CVG that are not Reformulated Products, CVG will only offer such Products for sale with a clear and reasonable warning in accordance with this Section. CVG further agrees that any warning used will be prominently placed in relation to the Product with such conspicuousness when compared with other words, statements, designs, or devises as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or

use. For purposes of this Consent Judgment, a clear and reasonable warning for the Products satisfying these criteria shall consist of a warning affixed directly to a Product or its accompanying labeling or packaging sold in California containing either one of the following statements, which CVG may choose at its sole discretion:

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

or

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

In the event that CVG sells Products via an internet website directly to customers located in California, the warning requirements of this section shall be satisfied if the foregoing warning appears either: (a) on the same web page on which a Product is displayed and/or described; (b) on the same page as the price for the Product; or (c) on one or more web pages displayed to a purchaser prior to purchase during the checkout process. Alternatively, a symbol may appear adjacent to or immediately following the display, description, price, or checkout listing of the Product, provided that the warning statement appears elsewhere on the same web page in a manner that clearly associates it with the product(s) to which the warning applies.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payments

Pursuant to California Health and Safety Code § 25249.7(b), and in settlement of all the claims alleged in the Notice, Complaint, and this Consent Judgment, CVG shall pay, in the aggregate, \$35,000 in civil penalties. The civil penalty payment, paid in bifurcated amounts or in the aggregate, shall be allocated according to California Health and Safety Code § 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) of the penalty

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retained by Leeman. Leeman's counsel shall be responsible for delivering OEHHA's portion of any penalty payment(s) made under this Consent Judgment to OEHHA.

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3.1.1 Initial Civil Penalty

CVG shall make an initial civil penalty payment of \$12,000. CVG shall provide its payment in a single check made payable to "Whitney R. Leeman, Client Trust Account."

3.1.2 Final Civil Penalty

On or before November 30, 2016, CVG shall make a final civil penalty payment of \$23,000. Pursuant to Title 11, California Code of Regulations, § 3203(c), Leeman agrees that the final civil penalty payment shall be waived in its entirety if, no later than November 15, 2016, an officer of CVG provides Leeman with a signed declaration certifying that all of the Products it is selling, shipping for sale, or distributing for sale in California as of the date of its declaration are Reformulated Products as defined by Section 2.2 and that CVG will continue to offer only Reformulated Products for sale in California in the future. The option to certify to complete reformulation in lieu of making the final civil penalty payment required by this Section is a material term, and time is of the essence.

3.2 Reimbursement of Attorney's Fees and Costs

The parties acknowledge that Leeman and her counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of this Consent Judgment had been settled. Shortly after the other settlement terms had been finalized, the Parties negotiated the compensation due to Leeman and her 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 Consent Judgment, and through court approval of the same, but exclusive of fees and costs on appeal, if any. CVG shall pay \$31,500 for all fees and costs incurred by Leeman and her counsel investigating, bringing this matter to CVG's attention, litigating and negotiating a settlement in the public interest.

3.3 Payment Timing; Payments Held in Trust

All payments due under this Consent Judgment shall be held in trust until such time as the Court approves the Parties' settlement. Except the final civil penalty payment required by Section 3.1.2, all payments due under this agreement shall be delivered to CVG's counsel within five (5) days of the date that this Consent Judgment is fully executed by the Parties, and held in trust by CVG's counsel until the Effective Date. CVG's counsel shall confirm in writing to Leeman's counsel that it has received CVG's settlement payments. Within five days of the Court's approval of this Consent Judgment, CVG's counsel shall deliver the initial civil penalty and attorneys' fee reimbursement payments to Leeman's counsel at the address in Section 3.4. In the event that the final civil penalty payment required by Section 3.1.2 has not been waived and becomes due prior to the Effective Date, the penalty payment shall be tendered to CVG's counsel when due and held in trust until, and disbursed within five days after, the Effective Date.

3.4 Payment Address

All payments required by this Consent Judgment shall be delivered to:

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

4. <u>CLAIMS COVERED AND RELEASED</u>

4.1 Leeman's Public Release of Proposition 65 Claims

Consistent with California Health and Safety Code § 25249.7(d), Leeman, acting on her own behalf and on behalf of her past and current agents, representatives, attorneys, successors, and assignees, and in the public interest, releases CVG, its subsidiaries, brands, shareholders, directors, officers, employees, attorneys, agents and affiliated entities including, without limitation, CVG National Seating Company, LLC (formerly known as National Seating Company) (collectively "Releasees"), and each entity to whom Releasees directly or indirectly distributes or sells the Products including, without limitation, its downstream customers, distributors, dealers, wholesalers, and retailers (collectively "Downstream Releasees") from any liability for any violation arising

1 under Proposition 65, pertaining to the failure to warn about exposures to DEHP from Products sold 2 3 4 5 6 7

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or distributed for sale by Releasees prior to the Effective Date, as set forth in the Notice. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DEHP from Products sold or distributed for sale by Releasees or Downstream Releasees after the Effective Date. The Parties agree and acknowledge that the releases provided under this Consent Judgment shall not extend upstream to any entity, other than

Releasees, that manufactured the Products, or any components part thereof, or to any entity that distributed or sold the Products, or any component parts thereof, to Releasees.

4.2 Leeman's Individual Release of Claims

Leeman, in her individual capacity only and *not* in her representative capacity, also provides a release from any liability to Releasees and Downstream Releasees 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 Leeman of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of Products sold or distributed for sale by Releasees before the Effective Date.

4.3 CVG's Release of Leeman

CVG, on its own behalf, and on behalf of the Releasees, hereby waives any and all claims against Leeman and her attorneys and other representatives, for any and all actions taken or statements made by Leeman and her attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

5. **COURT APPROVAL**

This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if it is not approved and entered by the Court within one year after it has been fully executed by the Parties, or within such additional time as the Parties may agree to in writing.

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6. **SEVERABILITY**

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If, subsequent to the Court's approval and entry of this Consent Judgment as a judgment, any provision is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. **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 CVG may provide written notice to Leeman of any asserted change in the law, and shall have no further injunctive obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Products are so affected.

8. NOTICE

Unless specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered, or certified mail, return receipt requested; or (iii) a recognized overnight courier to the following addresses:

For CVG:

Patrick E. Miller, President Commercial Vehicle Group, Inc. 7800 Walton Parkway New Albany, OH 43054

with a copy to CVG's counsel:

Jordan Lipp, Esq. Davis Graham & Stubbs LLP 1550 Seventeenth Street, Suite 500 Denver, CO 80202

For Leeman:

Proposition 65 Coordinator The Chanler Group 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

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

9. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>

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.

10. POST EXECUTION ACTIVITIES

Leeman agrees to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f) and make payment to OEHHA as provided for in Section 3.1. The Parties further acknowledge that, pursuant to California Health and Safety Code § 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement. In furtherance of obtaining such approval, the Parties agree to mutually employ their best efforts, and those of their counsel, to support the entry of this agreement as judgment, and to obtain judicial approval of their settlement in a timely manner. For purposes of this Section, "best efforts" shall include, at a minimum, cooperating on the drafting and filing of the necessary moving papers, supporting the motion, and appearing at the hearing before the Court.

11. MODIFICATION

This Consent Judgment may be modified only by: (i) a written agreement of the Parties and entry of a modified consent judgment thereon by the Court; or (ii) a successful motion or application of any Party, and the entry of a modified consent judgment thereon by the Court.

12. <u>AUTHORIZATION</u>

The undersigned are authorized to execute this Consent Judgment and acknowledge that they have read, understand, and agree to all of the terms and conditions contained herein.

1	AGREED TO:	AGREED TO:
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3	Date: 7/13/2016	Date: 7-13-16
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5	By: Whitney R LEEMAN, PH.D.	Patrick E. Miller, President
6		COMMERCIAL VEHICLE GROUP, INC.
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