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6	PAUL WOZNIAK			
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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
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10	COUNTY OF ALAMEDA			
11	UNLIMITED CIVIL JURISDICTION			
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15	PAUL WOZNIAK,	Case No. RG14744068		
16	Plaintiff,	[PROPOSED] CONSENT JUDGMENT		
16 17	Plaintiff, v.	[PROPOSED] CONSENT JUDGMENT (Health & Safety Code § 25249.6 et seq.)		
17	v.			
17 18	v. THE REGENT GROUP, INC., et al.			
17 18 19	v. THE REGENT GROUP, INC., et al.			
17 18 19 20	v. THE REGENT GROUP, INC., et al.			
17 18 19 20 21	v. THE REGENT GROUP, INC., et al.			
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17 18 19 20 21 22 23	v. THE REGENT GROUP, INC., et al.			
17 18 19 20 21 22 23 24	v. THE REGENT GROUP, INC., et al.			
17 18 19 20 21 22 23 24 25	v. THE REGENT GROUP, INC., et al.			

1. INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between plaintiff Paul Wozniak ("Wozniak"), and defendants The Regent Group, Inc. and Regent Products Corp. (collectively, "Regent"), with Wozniak and Regent each individually referred to as a "Party" and collectively as the "Parties."

1.2 Plaintiff

Wozniak 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 Regent

Regent employs ten or more 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 section 25249.6 *et seq.* ("Proposition 65").

1.4 General Allegations

Wozniak alleges that Regent manufactures, imports, sells, or distributes for sale in California, nylon cooking utensils that contain 4,4'-methylenedianiline ("4,4'-MDA") without first providing the exposure warning required by Proposition 65. 4,4'-MDA is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer.

1.5 Product Description

The products covered by this Consent Judgment are nylon cooking utensils containing 4,4'-MDA that are manufactured, imported, sold, or distributed for sale in California by Regent including, but not limited to, *Good Old Values Solid Spoon*, *G25423*, *UPC #7 21003 25423 7*, hereinafter the "Products".

1.6 Notice of Violation

On or about July 30, 2014, Wozniak served Regent, Inventory Liquidators Corp., and certain requisite public enforcement agencies with a "60-Day Notice of Violation" ("Notice") alleging that Regent violated Proposition 65 by failing to warn it's customers and consumers in California that the

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26 27 Products expose users to 4,4'-MDA. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.7 **Complaint**

On October 10, 2014, Wozniak filed the instant action ("Complaint") naming Regent as a defendant for the alleged violations of Health and Safety Code section 25249.6 that are the subject of the Notice.

1.8 No Admission

Regent denies the material, factual, and legal allegations contained in the Notice and Complaint, and maintains that all of the products it has sold and 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. This Section shall not, however, diminish or otherwise affect Regent'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 Regent as to the allegations contained in the Complaint, that venue is proper in the County of Alameda, 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 section 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: REFORMULATION**

2.1 **Reformulated Products**

Commencing on December 31, 2015, and continuing thereafter, Regent shall only purchase for sale, or manufacture for sale in California, "Reformulated Products." For purposes of this Consent Judgment, Reformulated Products shall:

- *i.* contain less than or equal to 200 parts per million ("ppm") 4,4'-MDA by weight using validated preparation and analytical methods used to detect the presence of 4,4'-MDA in a solid substance; and
- ii. produce a leach result of 10 ug/L or less 4,4'-MDA by digesting the food contact end of the product into 100 ml of 3% acetic acid de-ionized water for 2 hours at 100°C, replenishing the acetic acid solution as needed to maintain 100 ml, and analyzing the leachate using a validated method to detect the presence of 4,4'-MDA in a liquid.

The testing shall be conducted in an accredited laboratory with qualified personnel. All analytical reports must contain quality control data that verify the laboratory's performance for the results in each analytical report.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payments

Pursuant to Health & Safety Code § 25249.7(b), in settlement of all the claims referred to in this Consent Judgment, Regent shall pay \$7,500 in civil penalties. The civil penalty payment shall be allocated according to Health and Safety Code section 25249.12(c)(1) and (d), with seventy-five percent (75%) of the funds paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and twenty-five percent (25%) of the funds remitted to Wozniak. Regent shall provide its payment in two checks for the following amounts made payable to: (a) "OEHHA" in the amount of \$5,625; and (b) "Paul Wozniak, Client Trust Account" in the amount of \$1,875, as set forth in Sections 3.3 and 3.4

Regent, and any other entity released by this Consent Judgment, understands that the sales data it provided to Wozniak was a material factor upon which Wozniak has relied to determine the amount of civil penalties assessed pursuant to Health & Safety Code § 25249.7 in this Consent Judgment. To the best of Regent's knowledge the sales data provided by Regent to Wozniak is full and complete, and is a true and accurate reflection of any and all sales of the Products in California during the relevant period. If, within nine months of the Effective Date, Wozniak discovers and presents Regent with evidence that, prior to execution of this Consent Judgment, the Product has been distributed by Regent in sales volumes materially different than those identified by Regent prior to

well as additional attorney fees expended by Wozniak in the public interest. In the event Wozniak believes there is evidence that the Product has been distributed by Regent in sales volumes materially different than those identified by Regent, Wozniak shall provide Regent with a written demand for additional penalties and attorney fees under this Section. After service of such demand, Regent shall have 30 days to meet and confer regarding the demand and submit such payment to Wozniak in accordance with the method of payment of penalties identified in this Section 3. Should this 30 day period pass without any such resolution between the Parties and payment of such additional penalties and fees, Wozniak shall be entitled to file a formal legal claim including, but not limited to, a claim for damages for breach of this contract, and the prevailing party shall be entitled to all reasonable attorney fees and costs relating to that action.

execution of this Consent Judgment, then Regent may be liable for an additional penalty amount as

3.2 Reimbursement of Attorney's Fees and Costs

The parties acknowledge that Wozniak 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 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, Regent expressed a desire to resolve Wozniak's fees and costs. The Parties then attempted to (and did) reach an accord on the compensation due to Wozniak and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5 for all work performed through the mutual execution of this Consent Judgment. Regent shall pay \$32,000 to "The Chanler Group" for the fees and costs incurred by Wozniak investigating, bringing this matter to Regent's attention, litigating and negotiating a settlement in the public interest, following the payment procedures set forth in section 3.3 and 3.4.

3.3 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. All payments due under this agreement shall be delivered within five (5) days of the date that this Consent Judgment is fully executed by the Parties, and held in trust by Regent's counsel until the Court grants the motion for approval of this Consent Judgment

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contemplated by Section 5. Within two business days of the Court's approval of this Consent Judgment, Regent's counsel shall tender the civil penalty payments and attorneys' fee and costs reimbursements required by Sections 3.1 and 3.2, to the address set forth in Section 3.4.

3.4 **Payment Address**

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

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

CLAIMS COVERED AND RELEASED 4.

4.1 Wozniak's Public Release of Proposition 65 Claims

Wozniak, acting on his own behalf and in the public interest, releases Regent and it's parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, and attorneys ("Releasees") and each entity to whom it directly or indirectly distributes or sells the Products including, but not limited to, it's downstream distributors, wholesalers, customers, retailers, franchisers, cooperative members, licensors and licensees ("Downstream Releasees") for any violations arising under Proposition 65 for unwarned exposures to 4,4'-MDA from Products sold by Regent 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 4,4'-MDA in the Products sold by Regent before the Effective Date, as set forth in the Notice.

4.2 Wozniak's Individual Release of Claims

Wozniak, in his individual capacity only and *not* in his representative capacity, also provides a release to Regent, 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 Wozniak of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to 4,4'-MDA in the Products sold or distributed for sale by Regent before the Effective Date.

4.3 Regent's Release of Wozniak

Regent, on it's own behalf, and on behalf of it's past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Wozniak and his attorneys and other representatives(or those that could have been taken or made), for any and all actions taken or statements made by Wozniak and his 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. <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 the Parties.

6. <u>SEVERABILITY</u>

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, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Regent may provide written notice to Wozniak of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Regent from any obligation to comply with any pertinent state or federal toxics control laws.

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:

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For Regent:

Michael DePaul, President The Regent Group, Inc. Regent Products Corp. 8999 Palmer Street River Grove, IL 60171 Laura P. Worsinger, Esq. Dykema Gossett PLLC 333 South Grand Avenue Suite 2100 Los Angeles, CA 90071

For Wozniak:

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

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. COUNTERPARTS; FACSIMILE SIGNATURES

This Consent Judgment may be executed in counterparts and by facsimile or portable document format (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

Wozniak agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 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 by the Court; or (ii) a successful motion or application of any Party, and the entry of a modified consent judgment by the Court.