1 2 3 4 5 6	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  Attorneys for Plaintiff PAUL WOZNIAK		
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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
10	COUNTY OF ALAMEDA  UNLIMITED CIVIL JURISDICTION		
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12	PAUL WOZNIAK,	Case No. RG14750998	
13	Plaintiff,	[PROPOSED] CONSENT JUDGMENT	
14	v.	(Health & Safety Code § 25249.6 et seq.)	
15	TABLETOPS UNLIMITED, INC.; SEARS		
16	HOLDINGS CORPORATION; KMART CORPORATION; and DOES 1-150, inclusive,		
17	Defendants.		
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#### 1. <u>INTRODUCTION</u>

#### 1.1 Parties

This Consent Judgment is entered into by and between Paul Wozniak ("Wozniak") and Tabletops Unlimited, Inc. ("Tabletops"), with Wozniak and Tabletops 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 Defendant

Tabletops 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 Tabletops 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 prior to use and purchase of the items. 4,4'-MDA is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer, and has been listed as such since January 1, 1989.

#### 1.5 Product Description

The products covered by this Consent Judgment are the nylon cooking utensils containing 4,4'-MDA, that are manufactured, imported, sold, or distributed for sale in California by Tabletops, and that are specifically listed on Exhibit A, hereto, hereinafter the "Products". Products include the utensils whether sold individually (as replacements, for example) or as a set. Products also include any product branded under a third party name, such as a retailer's private label line.

#### 1.6 Notice of Violation

On or about September 30, 2014, Wozniak served Tabletops, Sears Holdings Corporation, Kmart Corporation, and certain requisite public enforcement agencies with a "60-Day Notice of

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Violation" ("Notice") alleging that Tabletops violated Proposition 65 by failing to warn its customers and consumers in California that the 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. Since the Notice, Tabletops asserts that it tested its products to confirm the 4'4,-MDA reformulation standards set forth below would be met.

#### 1.7 Complaint

On December 10, 2014, Wozniak filed the instant action ("Complaint") naming Tabletops, and certain retailers, as defendants for the alleged violations of Health and Safety Code section 25249.6 that are the subject of the Notice.

#### 1.8 No Admission

Tabletops denies the material, factual, and legal allegations contained in the Notice and Complaint, and it maintains that all of the products that 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 Tabletops' 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 Tabletops 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 June 1, 2016.

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

#### 2.1 Reformulated Products

Commencing on the Effective Date, and continuing thereafter, Tabletops shall only purchase, manufacture or import for sale, or otherwise sell in California, "Reformulated Products."

For purposes of this Consent Judgment, Reformulated Products shall:

- *i.* contain a maximum of 200 parts per million 4,4'-MDA by weight, utilizing European Standard EN-14362, or other equivalent methodologies used to detect 4,4'-MDA in a solid substance, and analyzed using gas chromatography with mass spectrometer detection (GC-MS) to determine 4,4'-MDA content by weight in a solid substance
- *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.

Products in the stream of commerce (i.e., those manufactured prior to the execution of this Consent Judgment) sold or distributed for sale in California by Tabletops prior to May 31, 2016 for which a civil penalty has been assessed in Section 3.1 of this Consent Judgment, may be sold without further alleged violation. On or before May 31, 2016, an officer of Tabletops shall provide in writing to Plaintiff that Tabletops has met reformulation standards set forth above.

#### 3. MONETARY SETTLEMENT TERMS

### 3.1 Civil Penalty

Pursuant to Health & Safety Code § 25249.7(b), in settlement of all the claims referred to in this Consent Judgment, Tabletops shall pay \$24,000 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.

#### 3.1.1 Civil Penalty Payment

Tabletops shall make a civil penalty payment of \$24,000 in two checks for the following amounts made payable to: (a) "OEHHA" in the amount of \$18,000 and (b) "Paul Wozniak, Client Trust Account" in the amount of \$6,000 as set forth in Sections 3.3 and 3.4

#### 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, Tabletops expressed a desire to resolve Wozniak's fees and costs. The Parties then attempted to (and did not) reach an accord on the compensation due to Wozniak and his counsel under the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5. The Parties do agree, however, that Wozniak and his counsel are entitled to their reasonable attorneys' fees and costs under the California Law, including the prerequisites set forth by Code of Civil Procedure section 1021.5.

In an effort to save resources, the Parties have agreed to have the outstanding fee and cost issue adjudicated by mediation initially. If the mediation is unsuccessful after 4 hours, the Parties have further agreed to convey the necessary authority to the neutral conducting the mediation to determine a sum that it deems to be the reasonable attorneys' fees and costs recoverable by plaintiff's counsel. The parties agree that if the mediator is required to make a determination of Wozniak's reasonable fees and costs, that determination shall be final and binding upon the Parties. The cost of mediation shall be equally divided between Wozniak and Tabletops. Nothing in this Consent Judgment shall prohibit Wozniak from seeking recovery of 100% of the fees and costs incurred seeking to recover his attorneys' fees and costs, including those fees and costs associated with the mediation process if authorized under California law.

The parties agree, in an effort to keep the ADR process shortened, (i) to use a single neutral rather than three neutrals; (ii) that the mediation proceedings shall be confidential and privileged except for the written fee and cost award which shall be limited to the amount of the award; and (iii) the briefs be limited to ten (10) pages or less, plus any necessary declarations.

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The mediation shall take place through AAA or JAMS in San Francisco, California on or before December 15, 2015, with payment to occur within 10 calendar days of the date the mediator awards attorneys' fees and costs or the date the Parties negotiate a fixed sum under mediation, whichever is sooner. Plaintiff shall initiate the mediation process and both parties agree to respond to the list of potential neutrals within three days of the ADR service providing the parties with a list of available neutrals. The funds shall be held in trust and thereafter paid to "The Chanler Group" following the procedure set forth in Sections 3.3 and 3.4.

#### 3.3 Payments Held in Trust

All payments due under this Consent Judgment shall be held by Tabletop's counsel in trust until such time as the Court approves the Parties' settlement.

The initial civil penalty payment required by Section 3.1.1 shall be delivered within seven (7) business days of the date that this Consent Judgment is fully executed by the Parties, and held in trust by Tabletops' counsel until the Court grants the motion for approval of this Consent Judgment contemplated by Section 5.

The attorneys' fee award set forth in Section 3.2 shall be held in trust by Tabletops' counsel until the Court grants the motion for approval of this Consent Judgment contemplated by Section 5.

Within seven (7) business days of receiving payments to be held in trust, Tabletops shall confirm in writing to Wozniak's counsel that the funds have been deposited into a trust account. Within seven (7) business days of the Court's approval of this Consent Judgment, Tabletops' counsel shall tender the payments held in trust pursuant to Sections 3.1 through 3.3 to the address below.

#### 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

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## 3.5 Tax Related Documents

Tabletops agrees to provide an IRS 1099 form for its payments under this Consent Judgment to each of the following payees: (a) "Office of Environmental Health Hazard Assessment"; (b) "Paul Wozniak"; and (c) "The Chanler Group." After this Consent Judgment is fully executed by the Parties, Wozniak or his counsel shall provide Tabletops' counsel of record with addresses and tax identification numbers for all of the above payees.

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

#### 4.1 Wozniak's Public Release of Proposition 65 Claims

Wozniak, acting on his own behalf and in the public interest, waives all claims and fully releases Tabletops and its 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, its downstream distributors, wholesalers, customers, retailers (including, but not limited, to Sears, Roebuck and Co., erroneously sued herein as Sears Holdings Corporation; and Kmart Corporation), franchisers, cooperative members, licensors and licensees ("Downstream Releasees") for any violations arising under Proposition 65 for unwarned exposures to 4,4'-MDA from Products manufactured, imported, sold or distributed for sale in California by Tabletops 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 failures to warn about 4,4'-MDA from the Products manufactured, imported, sold or distributed for sale in California by Tabletops before the Effective Date.

#### 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 Tabletops, 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

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exposures to 4,4'-MDA in the Products manufactured, imported, sold or distributed for sale in California by Tabletops before the Effective Date.

#### 4.3 **Tabletops' Release of Wozniak**

Tabletops, on its own behalf, and on behalf of its 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 through the Effective Date.

#### 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, 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. **SEVERABILITY**

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 Tabletops 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 Tabletops from any obligation to comply with any pertinent state or federal toxics control laws. Notably, this Consent Judgment shall not apply to or govern sales of Products to consumers outside the State of California.

#### 8. NOTICE

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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 Tabletops:

Mohsen Asgari, President Tabletops Unlimited, Inc. 23000 Avalon Boulevard Carson, CA 90745

#### with a copy to:

Donald R. Ramenian, Esq. LA Law Firm, P.C. 11355 W. Olympic Blvd, Suite 300 Los Angeles, CA 90064 Attorneys for Tabletops Unlimited, Inc.

#### 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, which Wozniak will file with the court. In furtherance of obtaining such approval, Wozniak and

1 Tabletops agree to fully support the entry of this Consent Judgment and to obtain judicial approval of 2 their settlement in a timely manner. 3 11. **MODIFICATION** 4 This Consent Judgment may be modified only by: (i) a written agreement of the Parties and 5 entry of a modified consent judgment by the Court; or (ii) a successful motion or application of any 6 Party, and the entry of a modified consent judgment by the Court. Any motion to modify this 7 Consent Judgment or document filed with the Court after the Effective Date shall be served on the 8 Office of the Attorney General as well. 9 **12. AUTHORIZATION** 10 The undersigned are authorized to execute this Consent Judgment and have read, understood, 11 and agree to all of the terms and conditions contained herein. 12 **AGREED TO: AGREED TO:** 13 Date: 11/3/2015 Date: 14 15 16 By:\_ PAUL WOZMAK Mohsen Asgari, President 17 Tabletops Unlimited, Inc. 18 19 20 21 22 23 24 25 26 27 28

Tabletops agree to fully support the entry of this Consent Judgment and to obtain judicial approval of their settlement in a timely manner.

#### 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. Any motion to modify this Consent Judgment or document filed with the Court after the Effective Date shall be served on the Office of the Attorney General as well.

#### 12. <u>AUTHORIZATION</u>

ACREED TO:

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

ACREED TO:

AGREED TO.	AGREED 10.
Date:	Date:11/3/15
By:	By:
PAUL WOZNIAK	Mohsen Asgari, Fresident Tabletops Unlimited, Inc.

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#### ADDENDUM TO CONSENT JUDGMENT

Wozniak v. Tabletops Unlimited, Inc., et al. (Case No. RG14750998)

Pursuant to Section 3.2 of the Consent Judgment, the Parties agreed to have plaintiff's fees and costs adjudicated by a third-party neutral. However, before engaging a neutral, the Parties negotiated the compensation due to Wozniak's counsel under the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5. Tabletops will pay Wozniak's counsel \$38,000 in complete resolution of any claim for compensation by Wozniak and his counsel under the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5, for all work Wozniak's counsel performed investigating, litigating, and enforcing this matter, including the fees and costs incurred (and yet to be incurred) negotiating, drafting, and obtaining the Court's approval of this Consent Judgment. Defendant shall make a payment in the amount of \$38,000 to its counsel on or before January 15, 2016, which payment shall be held in trust until such time as the Court approves the parties' settlement. Pursuant to Section 3.3 of the Consent Judgment, within seven (7) business days of receiving payments, Tabletops' counsel shall confirm in writing to Wozniak's counsel that the funds have been deposited into a trust account. Within seven (7) business days of the Court's approval of this Consent Judgment, Tabletops' counsel shall tender the payments held in trust pursuant to Sections 3.1 through 3.3 to the address set forth in Section 3.4.

AGREED 1	Ľ	U	:
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Date: 12/2/2015

Paul Wozmak

**AGREED TO:** 

Mohsen Asgari, President Tabletops Unlimited, Inc.

**AGREED TO:** 

ADDENDUM TO CONSENT JUDGMENT

Wozniak v. Tabletops Unlimited, Inc., et al. (Case No. RG14750998)

Pursuant to Section 3.2 of the Consent Judgment, the Parties agreed to have plaintiff's fees and costs adjudicated by a third-party neutral. However, before engaging a neutral, the Parties negotiated the compensation due to Wozniak's counsel under the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5. Tabletops will pay Wozniak's counsel \$38,000 in complete resolution of any claim for compensation by Wozniak and his counsel under the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5, for all work Wozniak's counsel performed investigating, litigating, and enforcing this matter, including the fees and costs incurred (and yet to be incurred) negotiating, drafting, and obtaining the Court's approval of this Consent Judgment. Defendant shall make a payment in the amount of \$38,000 to its counsel on or before January 15, 2016, which payment shall be held in trust until such time as the

Wozniak's counsel that the funds have been deposited into a trust account. Within seven (7) business

Court approves the parties' settlement. Pursuant to Section 3.3 of the Consent Judgment, within

seven (7) business days of receiving payments, Tabletops' counsel shall confirm in writing to

days of the Court's approval of this Consent Judgment, Tabletops' counsel shall tender the payments

**AGREED TO:** 

held in trust pursuant to Sections 3.1 through 3.3 to the address set forth in Section 3.4.

Date:	Date:
By:	By:
Paul Wozniak	Mohsen Asgari, President Tabletops Unlimited, Inc.