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San Francisco, CA 94111-4024
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Writer's Information:
Richard C. Jacobs
Direct. 415.765.4690
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TSCAS Confidential Business Information Center (7407M)
EPA East-Room 6428 Attn: FYI
U. S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D. C. 20460-0001

CONTAIN NO CBI



Re: FYI Submission Regarding Lead In Jewelry

Dear Gentlemen and Ladies:

We write on behalf of Longs Drug Stores California, Inc. ("Longs"), regarding a letter dated April 30, 2007, from James B. Willis, the Director of the Chemical Control Division of the Office of Pollution Prevention and Toxics to William J. Rainey, General Counsel of Longs. A copy of that letter is attached as Exhibit A. Mr. Willis's letter refers to Longs "having participated in a recall related to lead in a consumer product or a settlement with the State of California last year regarding lead in jewelry."

Longs was not involved in any recall last year related to lead in a consumer product. However, Longs was sued in 2004 under California's Proposition 65 (California Health and Safety Code §§25249.5 *et seq.*) by a private party regarding possible lead in jewelry it sells at retail. This litigation also named numerous other California retailers as defendants. At approximately the same time, the California Attorney General filed similar litigation against other jewelry retailers and distributors.

These cases were eventually consolidated, and the parties agreed—in significant part at the urging of Longs—to a voluntary mediation in an attempt to develop appropriate statewide health and safety standards regarding lead in jewelry sold in California. That mediation was ultimately successful, and virtually all of the parties to the two consolidated cases, including Longs, stipulated to entry of a consent judgment embodying those standards. That judgment was entered, as amended, on February 26, 2006, and a copy is attached as Exhibit B.

The standards in that consent judgment have now been codified in California law, and each California retailer is now obligated, after March 2008, to comply with the standards. A copy of the California law is attached as Exhibit C.

Longs is pleased to have participated in the voluntary mediation that resulted in these new health and safety standards. Longs did not perform any independent testing on its jewelry products as part of the litigation or mediation. In addition, Longs does not believe that Section

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TSCAS Confidential Business Information Center (7407M)

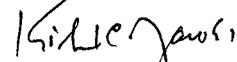
May 17, 2007

Page 2

8(e) of the Toxic Substances Control Act, 15 U.S.C. Section 2607(e), applies to non-chemical supply retailers. Under these circumstances, Longs does not believe it had any obligation to file a notification under Section 8(e), but is filing this "for your information" response in light of Mr. Willis's letter.

We would be pleased to provide any additional information about the mediation and consent judgment if the Environmental Protection Agency believes it necessary.

Very truly yours,



Richard C. Jacobs

RCJ/tlm

Enclosures

cc: James B. Willis (w/o enc.)
William J. Rainey Esq. (w/o enc.)

EXHIBIT A



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON D.C., 20460

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OFFICE OF
PREVENTION, PESTICIDES AND
TOXIC SUBSTANCES

April 30, 2007

Received

MAY 07 2007

Law Department

Mr. William J. Rainey
General Counsel
Longs Drug Stores California, Inc.
P.O. Box 5222
Walnut Creek, CA 94596

Dear Mr. Rainey:

The U.S. Environmental Protection Agency (EPA or Agency) is committed to doing its part to contribute to the federal goal of eliminating childhood lead poisoning by 2010, and is concerned about a number of reports involving lead in toy jewelry and other products intended for use by children.¹ You are receiving this letter because Longs Drug Stores California, Inc. is one of many companies that EPA has identified as having participated in a recall related to lead in a consumer product or a settlement with the State of California last year regarding lead in jewelry. For this reason, EPA is writing to ensure that you are aware of the reporting requirements under the Toxic Substances Control Act (TSCA) section 8(e) (15 U.S.C. § 2607(e)), which provides:

Any person who manufactures, processes, or distributes in commerce a chemical substance or mixture and who obtains information which reasonably supports the conclusion that such substance or mixture presents a substantial risk of injury to health or the environment shall immediately inform the Administrator of such information unless such person has actual knowledge that the Administrator has been adequately informed of such information.

Toxicity data that indicate a substantial risk of injury to health or the environment are the most common kinds of information received by EPA under TSCA section 8(e), but the Agency also often receives information on exposure, environmental persistence or other kinds of information that indicate a substantial risk of injury to health or the environment.

The health of consumers who are exposed to lead through use of lead-containing products

¹See e.g., CDC, *Morbidity and Mortality Weekly* vol. 55, March 23, 2006; available at: <http://www.cdc.gov/mmwr/PDF/wk/mm55d323.pdf>

may be at risk. For example, young children often put objects in their mouths. When those objects, such as toy jewelry, contain lead, a child can suffer from lead poisoning as a result of this exposure. Lead may cause a range of health effects, from behavioral problems and learning disabilities, to seizures and death. For more information on the health effects of lead please visit the EPA's lead homepage at www.epa.gov/lead.

As you probably know, the U.S. Consumer Product Safety Commission (CPSC) has authority under the Consumer Product Safety Act and the Federal Hazardous Substances Act to take certain actions to address risks from consumer products. The CPSC has undertaken numerous recalls and other actions in an attempt to reduce risks from lead in toy jewelry. On January 9, 2007, CPSC published an advance notice of proposed rulemaking (72 FR 920) to ban children's metal jewelry containing more than 0.06% lead. EPA also is working to address health risks from lead in children's products, by assessing the problem and gathering information that may be useful in determining future efforts to reduce risks from these products.

Your company can play a role in identifying and reducing these potential risks. In addition to possible obligations under the Consumer Product Safety Act and the Federal Hazardous Substances Act, persons who manufacture, process, or distribute lead in products also may have obligations under TSCA.

With respect to TSCA section 8(e), EPA guidance issued in September 2006 and currently available on the Agency's website² states:

Q.25. Are studies or reports showing absorption from manufactured products or articles of a chemical known to be capable of causing serious health effects potentially reportable under TSCA section 8(e)? For example, are studies or reports showing absorption of lead following oral or dermal exposure to a particular type of article for which it was not previously known that such absorption could occur potentially reportable under TSCA 8(e)?

A.25. Yes – The discovery of previously unknown and significant human exposure to a chemical, when combined with knowledge that the subject chemical is recognized or suspected as being capable of causing serious adverse health effects (e.g., cancer, birth defects, neurotoxicity), provides a sufficient basis to require the reporting of the new-found exposure data to EPA under section 8(e).

Q.26. Is the discovery of a hazardous or toxic constituent in a product reportable under TSCA section 8(e)?

A.26. Reporting of the presence of a hazardous or toxic constituent that was previously unknown to be contained in a product, including manufactured articles, should occur

²“September 2006 Frequent Questions,” available at <http://www.epa.gov/oppt/tscas8e/pubs/frequentlyaskedquestionsfaqs.htm#health2>.

under TSCA section 8(e) where data shows that widespread or significant exposure to the toxic component has occurred or is substantially likely to occur, and such exposure presents a substantial risk of injury to health or the environment. Persons subject to TSCA 8(e) reporting should consider the toxicity of the constituent, the constituent's concentration in the product, and whether significant exposure to the toxic component has occurred or is likely to occur at any stage in the product's lifecycle from production through disposal. In cases of extremely toxic chemical substances in products in commerce, exposure may generally be presumed.

We hope this letter will assist you in assessing your company's potential obligations under TSCA. More information on TSCA section 8(e) reporting is available on the TSCA section 8(e) website at www.epa.gov/opptintr/tsca8e; directions on how to send 8(e) submissions to EPA is provided at <http://www.epa.gov/oppt/tsca8e/pubs/contactus.htm>. Please refer questions on TSCA section 8(e) requirements to Walter Cybulski at (202) 564-2409.

If you have general questions regarding TSCA requirements, please contact the TSCA Assistance Information Service (TSCA Hotline) at (202) 554-1404. The TSCA Hotline can also be reached via email at tsca-hotline@epa.gov.

Sincerely,


6

James B. Willis
Director
Chemical Control Division
Office of Pollution Prevention and Toxics

cc: Lori Saltzman, CPSC

EXHIBIT B

1 **FULBRIGHT & JAWORSKI L.L.P.**
2 **A REGISTERED LIMITED LIABILITY**
3 **PARTNERSHIP**
4 **JEFFREY B. MARGULIES (BAR NO. 126002)**
5 **SUSAN Y. LEE (BAR NO. 222347)**
6 **555 South Flower Street**
7 **Forty-First Floor**
8 **Los Angeles, California 90071**

9 Defendants' Liaison Counsel

ENDORSED
FILED
ALAMEDA COUNTY

FEB 21 2006

CLERK OF THE SUPERIOR COURT
By HOLLIE M. ADAMIC
Deputy

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF ALAMEDA

12 PEOPLE OF THE STATE OF CALIFORNIA, ex) Lead Case No. RG 04-162075
13 rel. BILL LOCKYER, Attorney General,)
14 Plaintiff,) (Consolidated with Case Nos.
15) RG 04-162037 and RG 04-169511
16 v.) **ORDER ON**
17) STIPULATION FOR ENTRY OF
18) JUDGMENT: ORDER (PROPOSED)
19 BURLINGTON COAT FACTORY)
20 WAREHOUSE CORPORATION; et al.,) Date: February 21, 2006
21 Defendants.) Time: 3:00 p.m.
22) Place: Department: 21 **ROBERT FREEMAN**
23) Judge: Hon. James Richman
24) Reservation Number: 558614
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19 WHEREAS, Plaintiffs People of the State of California ex rel. Bill Lockyer, Attorney
20 General, Center for Environmental Health, and As You Sow, and Settling Retailer Defendants
21 AIJ Enterprises, Inc.; American Eagle Outfitters, Inc.; Aeropostale, Inc.; Burlington Coat
22 Factory Warehouse Corporation; CBI Distributing Corp.; Charlotte Russe, Inc.; Claire's
23 Boutiques, Inc.; Cost Plus, Inc.; Express, LLC; The Limited Stores, Inc.; Victoria's Secret Stores,
24 LLC; Victoria's Secret Direct, LLC; Federated Department Stores, Inc.; Bloomingdales; Forever
25 21, Inc.; Forever 21 Retail, Inc.; Gottschalks, Inc.; Group USA Apparel, Inc.; Hot Topic, Inc.;
26 Hub Distributing, Inc.; J.C. Penney Corporation, Inc.; Joe Boxer Company, LLC; Kmart
27 Corporation; Kohl's Department Stores, Inc.; Kohl's Corporation; Lane Bryant, Inc.; Catherines,
28

1 Inc.; Fashion Bug Retail Companies, Inc.; Lerner New York, Inc.; Limited Too Store Planning,
2 Inc.; Justice Stores LLC; Longs Drug Stores California, Inc.; Macy's West, Inc.; Mervyn's, LLC;
3 Monogram International, Inc.; Nordstrom, Inc.; Rainbow Apparel of America, Inc.; Rainbow
4 Apparel Distribution Center Corp.; Ross Stores, Inc.; dd's DISCOUNTS; Sears Roebuck and Co.
5 Styles For Less, Inc.; Target Corporation; The Associated Merchandising Corporation; The
6 Buckle, Inc.; Federated Retail Holdings, Inc. (sued and served herein as "The May Department
7 Stores, Inc."); The New 5-7-9 And Beyond, Inc.; Toys "R" Us, Inc.; Walt Disney World Co.
8 (erroneously sued and served herein as Disney Consumer Products International, Inc. Disneyland
9 International, and Walt Disney Company); Disney Enterprises, Inc.; Walgreen Co.; The Wet Seal
10 Inc.; The Wet Seal Retail, Inc.; Too, Inc.; and Zumiez, Inc., and Initial Settling Vendors Adina
11 Inc.; Arden Jewelry Manufacturing Company, Inc.; Ballet Jewels L.L.C.; Bernardo
12 Manufacturing; Buy-Rite Costume Jewelry, Inc. and Buy-Rite Designs, Inc.; Carol Dauplaise
13 Ltd.; Carol for Eva Graham, Inc.; Carole Inc.; Retail Brand Alliance, Inc. d/b/a Carolee;
14 Catherine Stein Designs, Inc.; Crimson Rose Accessories, Inc.; Danecraft, Inc.; Erica Lyons;
15 FAD Treasures; F.A.F. Inc.; Fashion Accents, Inc.; Fiesta Jewelry, Inc.; Finesse Novelty Corp..
16 d/b/a Accessory Solutions, Ambiance Accessory, and Jewelry Sales; Gigi Accessories; Habitat,
17 Inc.; JJamz, Inc.; K&M Associates, L.P.; Kenilworth Creations; Kerissa Creations; Key Item
18 Sales, Inc.; Liz Claiborne, Inc.; Haskell Jewels, LTD; MJM Jewelry Corp., d/b/a Berry Jewelry
19 Company; Orion Fashions, Inc.; Rainbow Sales Incorporated; Jewelry Fashions, Inc.; Scorpio
20 Accessories, LLC; Shalom International Corp.; Stephan & Co.; Tanya Creations, Inc.; TSI
21 Holding Company; Vetta Jewelry, Inc.; and Victoria + Co. LTD have reached agreement on the
22 terms of a settlement that are incorporated in the proposed Consent Judgment attached hereto as
23 Exhibit A;

24 WHEREAS, the parties to this Stipulation agree to file a joint noticed motion for approval
25 of the Stipulation;

26 WHEREAS, the parties intend to offer other parties to this matter and other non-parties
27 the opportunity to participate in the Consent Judgment by becoming Add-On Settling Defendants;

28

1 **IT IS HEREBY STIPULATED** among the above parties, by and through Plaintiffs'
2 Liaison Counsel, Defendants' Liaison Counsel and counsel of record for the Initial Settling
3 Vendors as follows:

4 1. An entity is eligible to become an Add-On Settling Defendant to the Consent
5 Judgment, as that term is defined in Section 2.9 of the Consent Judgment, if it is a "person in the
6 course of doing business" as that term is defined in California Health and Safety Code section
7 25249.11, subdivision (b), and if it either:

8 (a) did not receive a 60-Day Notice for any Covered Product prior to January
9 13, 2006; or

10 (b) is a Non-Settling Defendant, as defined in Section 1.3 of the Consent
11 Judgment.

12 2. An entity may become an Add-On Settling Defendant by providing written notice
13 to Plaintiffs' Liaison Counsel, with a copy to Defendants' Liaison Counsel, that it seeks to
14 become an Add-On Settling Defendant. The notice must be received in electronic or paper
15 format by Plaintiffs' Liaison Counsel no later than ⁴⁵~~30~~ days after entry of the Consent Judgment,
16 and the executed signature page and all payments required of the Add-On Settling Defendant by
17 Section 5.2 of the Consent Judgment must be received no later than 45 days after entry of the
18 Consent Judgment.

19 3. No later than ⁶⁵~~50~~ days after entry of the Consent Judgment, Plaintiffs' Liaison
20 Counsel shall prepare a final list of all Add-On Settling Defendants that have executed the
21 Consent Judgment, and serve the list on all parties via electronic mail.

22 4. Within ⁹⁰~~75~~ days of the entry of the Consent Judgment, Plaintiffs' Liaison Counsel
23 and Defendants' Liaison Counsel may jointly file an amended Consent Judgment that
24 incorporates any modifications to Sections 1.2 and 5.2 and Exhibits A, E, and F, reflecting the
25 incorporation of Add-On Defendants to the Consent Judgment, as well as signature pages for the
26 Add-On Defendants. The amended Consent Judgment shall be filed and served on all Parties. If
27
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1 no Party objects within 15 days of service thereof, the Court will enter the Amended Consent
2 Judgment and this Consent Judgment will be deemed so amended.

3 5. Nothing in this Stipulation or Consent Judgment shall preclude any Party from
4 resolving any claim against an entity that is not a Settling Defendant on different terms than are
5 contained in the Consent Judgment.

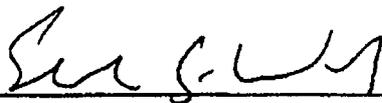
6 6. All of the foregoing Plaintiff parties have authorized Plaintiffs' Liaison Counsel to
7 sign this stipulation on their behalf. All of the foregoing Settling Retailer Defendant have
8 authorized Defendants' Liaison Counsel to sign this stipulation on their behalf.

9 7. For purposes of this Stipulation, Plaintiffs' Liaison Counsel is Deputy Attorney
10 General Harrison M. Pollak, Office of the California Attorney General, 1515 Clay Street, 20th
11 Floor, P.O.B. 70550, Oakland, CA, 94612, harrison.pollak@doj.ca.gov, tel: (510) 622-2183.
12 Defendants' Liaison Counsel is Jeffrey B. Margulies, Esq., Fulbright & Jaworski LLP, 555 South
13 Flower Street, 41st Floor, Los Angeles, CA, 90071, jmargin@fulbright.com, tel: (213) 892-
14 9286.

15
16 IT IS SO STIPULATED

17 DATED: January 25, 2006

BILL LOCKYER, ATTORNEY GENERAL OF THE
STATE OF CALIFORNIA

19
20 By 
Harrison M. Pollak, Deputy Attorney General

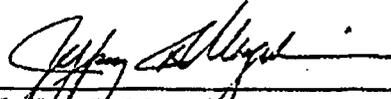
21 And

22 Plaintiffs' Liaison Counsel on behalf of Plaintiffs
23 Center for Environmental Health and As You Sow

1 DATED: January 25, 2006

FULBRIGHT & JAWORSKI L.L.P.

2
3
4 By


Jeffrey B. Margules

5 Counsel for Defendants AIJJ Enterprises, Inc.;
6 Burlington Coat Factory Warehouse
7 Corporation; Federated Department Stores, Inc.;
8 Bloomingdale's; Hot Topic, Inc.; J.C. Penney
9 Corporation, Inc.; Kohl's Department Stores,
10 Inc.; Kohl's Corporation; Macy's West, Inc.;
11 Mervyn's, LLC; Monogram International, Inc.;
12 Nordstrom, Inc.; Rainbow Apparel of America,
13 Inc.; Rainbow Apparel Distribution Center
14 Corp.; Ross Stores, Inc.; dd's DISCOUNTS;
15 Target Corporation; The Associated
16 Merchandising Corporation; The Buckle, Inc.;
17 Federated Retail Holdings, Inc. (sued and served
18 herein as The May Department Stores, Inc.);
19 The New 5-7-9 And Beyond, Inc.; Toys "R" Us,
20 Inc. and Walt Disney World Co. and Disney
21 Enterprises, Inc.

22 And

23 Defendants' Liaison Counsel on behalf of
24 Defendants American Eagle Outfitters,
25 Inc.; Aeropostale, Inc.; CBI Distributing
26 Corp.; Charlotte Russe, Inc.; Claire's
27 Boutiques, Inc.; Cost Plus, Inc.; Express,
28 LLC; The Limited Stores, Inc.; Victoria's
Secret Stores, LLC; Victoria's Secret
Direct, LLC; Forever 21, Inc.; Forever 21
Retail, Inc.; Gottschalks, Inc.; Group USA
Apparel, Inc.; Hub Distributing, Inc.; Joe
Boxer Company, LLC; Kmart Corporation;
Lane Bryant, Inc.; Catherines, Inc.; Fashion
Bug Retail Companies, Inc.; Lerner New
York, Inc.; Limited Too Store Planning,
Inc.; Justice Stores LLC; Longs Drug
Stores California, Inc.; Sears Roebuck and
Co.; Styles For Less, Inc.; Walgreen Co.;
The Wet Seal, Inc.; The Wet Seal Retail,
Inc.; Too, Inc.; Windsong Allegiance
Group, LLC; and Zumiez, Inc.

1 DATED: January 19, 2006

2 ALLEN MATKINS LECK GAMBLE & MALLORY
3 LLP

4 By Eileen M. Nottoli

5 Eileen M. Nottoli
6 Counsel for Initial Settling Vendors Adina Inc.;
7 Arden Jewelry Manufacturing Company, Inc.;
8 Ballet Jewels L.L.C.; Bernardo Manufacturing;
9 Buy-Rite Costume Jewelry, Inc. and Buy-Rite
10 Designs, Inc.; Carol Dauplaise Ltd.; Carol for Eva
11 Graham, Inc.; Carole Inc.; Retail Brand Alliance,
12 Inc. d/b/a Carolee; Catherine Stein Designs, Inc.;
13 Crimzon Rose Accessories, Inc.; Danecraft, Inc.;
14 Erica Lyons; FAD Treasures; F.A.F, Inc.; Fashion
15 Accents, Inc.; Fiesta Jewelry, Inc.; Finesse Novelty
16 Corp., d/b/a Accessory Solutions. Ambiance
17 Accessory, and Jewelry Sales; Gigi Accessories;
18 Habitat, Inc.; JJamz, Inc.; K&M Associates, L.P.;
19 Kenilworth Creations; Kerissa Creations; Key Item
20 Sales, Inc.; Liz Claiborne, Inc.; Haskell Jewels,
21 LTD; M/M Jewelry Corp., d/b/a Berry Jewelry
22 Company; Orion Fashions, Inc.; Rainbow Sales
23 Incorporated; Jewelry Fashions, Inc.; Scorpio
24 Accessories, LLC; Shalom International Corp.;
25 Stephan & Co.; Tanya Creations, Inc.; TSI Holding
26 Company; Vetta Jewelry, Inc.; and Victoria - Co.
27 LTD
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Good cause appearing therefor,

IT IS SO ORDERED.

Dated: February 21, 2006

ROBERT FREEDMAN

~~Hon. James Richman~~

EXHIBIT A

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA
UNLIMITED JURISDICTION

PEOPLE OF THE STATE OF CALIFORNIA, ex) Case No. RG 04-162075
rel. BILL LOCKYER, Attorney General, et al.,)
) (Consolidated with RG 04-162037, RG
Plaintiffs.) 04-169511)
)
vs.) [PROPOSED] CONSENT JUDGMENT
)
BURLINGTON COAT FACTORY)
WAREHOUSE CORPORATION, et al.)
)
Defendants.)
)
)
)
)
AND RELATED CONSOLIDATED CASES.)

1. INTRODUCTION

1.1 On June 23, 2004, plaintiffs the Attorney General of the State of California, on behalf of the People of the State of California ("People"), and the Center for Environmental Health ("CEH"), filed complaints for civil penalties and injunctive relief in this Court. On August 10, 2004, plaintiff As You Sow ("AYS") filed a similar complaint. The complaints allege that the defendants violated the Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65") and the Unfair Competition Law by selling jewelry that contains lead, a chemical known to

1 the State of California to cause cancer and birth defects or other reproductive harm, without
2 providing a clear and reasonable warnings that use of the jewelry would result in exposure to lead.

3 1.2 On August 27, 2004, the People amended their complaint to substitute the true
4 name of a "Doe" defendant and dismissed a defendant. The following defendants were named and
5 appeared in the People's amended complaint: Burlington Coat Factory Warehouse Corporation;
6 CBI Distributing Corp. Claire's Boutiques, Inc.; Express, LLC; Federated Department Stores,
7 Inc.; J. C. Penney Corporation, Inc.; Kmart Corporation; Macy's West, Inc.; Merrylyn's;
8 Nordstrom, Inc. Ross Stores, Inc.; Sears, Roebuck and Company; Target Corporation; and Toys
9 "R" Us, Inc. On January 25, 2006, the People amended their complaint to add the following
10 defendants Adina Inc.; Arden Jewelry Manufacturing Company, Inc.; Ballet Jewels L.L.C.;
11 Bernardo Manufacturing; Buy-Rite Costume Jewelry, Inc. and Buy-Rite Designs, Inc.; Carol
12 Dupleise Ltd.; Carol for Eva Graham, Inc.; Carole Inc.; Retail Brand Alliance, Inc. d/b/a Carolee;
13 Catherine Stein Designs, Inc.; Christian Rose Accessories, Inc.; Dancemart, Inc.; Erica Lyons;
14 FAD Treasures; F.A.F., Inc.; Fashion Accents, Inc.; Fiesta Jewelry, Inc.; Finesse Novelty Corp.,
15 d/b/a Accessory Solutions, Ambiance Accessory, and Jewelry Sales; Gigi Accessories; Habitat,
16 Inc.; JJamz, Inc.; K&M Associates, L.P.; Kenilworth Creations; Kerissa Creations; Key Item
17 Sales, Inc.; Liz Claiborne, Inc.; Haskell Jewels, LTD; MJM Jewelry Corp., d/b/a Berry Jewelry
18 Company; Orion Fashions, Inc.; Rainbow Sales Incorporated; Jewelry Fashions, Inc.; Scorpio
19 Accessories, LLC; Shalom International Corp.; Stephan & Co.; Tanya Creations, Inc.; TSI
20 Holding Company; Vetta Jewelry, Inc.; and Victoria + Co. LTD ("Initial Settling Vendors"). In
21 addition, on January 25, 2006, the People amended their complaint to add as named defendants the
22 entities listed on Exhibit A as "Affiliate Settling Defendants." Wal-Mart Stores, Inc. was also
23 named in the People's complaint and is not a party to this Consent Judgment. With the exception
24 of Wal-Mart Stores, Inc., the defendants named in the People's complaint that have not been
25 dismissed, are referred to herein as "Attorney General Defendants."

26 1.3 On October 15, 2004, CEH filed its First Amended Complaint. Since that date,
27 CEH has further amended its First Amended Complaint to substitute the true name of several
28 "Doe" defendants and dismissed several other defendants. The following defendants were named

1 and appeared in CEH's amended complaint: AIJJ Enterprises, Inc.; American Eagle Outfitters,
2 Inc.; Aeropostale, Inc.; Burlington Coat Factory Warehouse Corporation; CBI Distributing Corp.;
3 Claire's Boutiques, Inc.; Cost Plus, Inc.; Federated Department Stores, Inc.; Forever 21, Inc.;
4 Forever 21 Retail, Inc.; Hot Topic, Inc.; Hub Distributing, Inc.; J.C. Penney Corporation, Inc.; Joe
5 Boxer Company, LLC; Kmart Corporation; Kohl's Department Stores, Inc.; Kohl's Corporation;
6 Lane Bryant, Inc.; Lerner New York, Inc.; Limited Too Store Planning, Inc.; Longs Drug Stores
7 California, Inc.; Macy's West, Inc.; Mervyn's, LLC; Monogram International, Inc.; Nordstrom,
8 Inc.; Rainbow Apparel of America, Inc.; Rainbow Apparel Distribution Center Corp.; Sears
9 Roebuck and Co.; Styles For Less, Inc.; Target Corporation; The Buckle, Inc.; The May
10 Department Stores, Inc.; The New 5-7-9 And Beyond, Inc.; Walt Disney World Co. (erroneously
11 sued and served herein as Disney Consumer Products International, Inc. Disneyland International
12 and Walt Disney Company); Walgreen Co.; The Wet Seal, Inc.; The Wet Seal Retail, Inc.; Too,
13 Inc.; and Z Gallerie, Inc. The following defendants that also were named in CEH's amended
14 complaint are not parties to this Consent Judgment: Cornerstone Apparel, Inc.; Jordache
15 Enterprises, Inc.; Royal Items, Inc.; The Gerson Company; Wal-Mart Stores, Inc. and Windsong
16 Allegiance Group, LLC ("Non-Settling Defendants"). With the exception of the Non-Settling
17 Defendants, the defendants named in CEH's complaint or any amendment thereto, that have not
18 been dismissed, are referred to herein as "CEH Defendants."

19 1.4 The cause of action against the following CEH Defendants was limited to alleged
20 violations of the Unfair Competition Law: Burlington Coat Factory Warehouse Corporation; CBI
21 Distributing Corp; Claire's Boutiques, Inc.; Federated Department Stores, Inc.; J. C. Penney
22 Company, Inc.; Kmart Corporation; Macy's West, Inc.; Mervyn's, LLC; Nordstrom, Inc; Sears,
23 Roebuck and Company; and Target Corporation..

24 1.5 The following defendants were named and appeared in the complaint by AYS:
25 Gottschalks, Inc.; Group USA Apparel, Inc.; and Charlotte Russe, Inc. The defendants named in
26 AYS's complaint or any amendment thereto, that have not been dismissed, are referred to herein
27 as "AYS Defendants."
28

1 1.6 The amended complaints filed by the Attorney General and CEH and the complaint
2 filed by AYS are collectively called the "Complaints."

3 1.7 On November 8, 2004, the Court ordered that the cases be consolidated for pre-trial
4 purposes. The parties hereby stipulate that the cases now shall be consolidated for purposes of
5 entry of this Consent Judgment.

6 1.8 The People, CEH, and AYS ("Plaintiffs") and the Attorney General Defendants,
7 CEH Defendants, and AYS Defendants, and any Add-On Defendants as defined in Section 2.9
8 added to the People's Complaint pursuant to the Stipulation for Entry of Judgment (collectively
9 "Settling Defendants") are Parties, and each is a Party to this Consent Judgment.

10 1.9 Each Settling Defendant is a corporation or other business entity that employs 10 or
11 more persons, or employed 10 or more persons at some time relevant to the allegations of the
12 complaint, and which manufactures, distributes and or sells Covered Products in the State of
13 California or has done so in the past.

14 1.10 For purposes of this Consent Judgment only, the parties stipulate that this Court has
15 jurisdiction over the allegations of violations contained in the Complaints and personal jurisdiction
16 over each Settling Defendant as to the acts alleged in the Complaints, venue is proper in the
17 County of Alameda, and that this Court has jurisdiction to enter this Consent Judgment as a full
18 and final resolution of all claims which were or could have been raised in the Complaints based on
19 the facts alleged therein.

20 1.11 The People, CEH, AYS, and Settling Defendants enter into this Consent Judgment
21 as a full and final settlement of all claims that were raised in the Complaints, or which could have
22 been raised in the Complaints, arising out of the facts or conduct alleged therein. By execution of
23 this Consent Judgment and agreeing to comply with its terms, the Parties do not admit any facts or
24 conclusions of law, including, but not limited to, any facts or conclusions of law suggesting or
25 demonstrating any violations of Proposition 65, the Unfair Competition Act or any other statutory,
26 common law or equitable requirements relating to chromium, lead and/or nickel in jewelry.
27 Nothing in this Consent Judgment shall be construed as an admission by the Parties of any fact,
28 conclusion of law, issue of law or violation of law, nor shall compliance with the Consent

1 Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law,
2 issue of law, or violation of law. Nothing in this Consent Judgment shall prejudice, waive or
3 impair any right, remedy, argument or defense the Parties may have in this or any other or future
4 legal proceedings. This Consent Judgment is the product of negotiation and compromise and is
5 accepted by the Parties for purposes of settling, compromising and resolving issues disputed in
6 this action.

7 2. DEFINITIONS

8 2.1 The term "Person" shall have the same meaning as that term is defined in
9 California Health & Safety Code section 25249.11, subdivision (a).

10 2.2 The term "Covered Products" means (a) the following ornaments worn by a person:
11 an anklet, arm cuff, bracelet, brooch, chain, crown, cuff link, decorated hair accessories, earring,
12 necklace, pin, ring, and Body Piercing Jewelry, or (b) any bead, chain, link, pendant, or other
13 component of such an ornament.

14 2.3 The term "Body Piercing Jewelry" means any part of a Covered Product that is
15 manufactured or sold for placement in new piercings and/or mucous membranes, and does not
16 include those parts of Covered Products not placed within new piercings and/or mucous
17 membranes.

18 2.4 The term "Children's Products" means Covered Products that are made for,
19 marketed for use by, or marketed to, Children.

20 2.4.1 For purposes of this Consent Judgment, the term "Children" means
21 children aged 6 and younger.

22 2.4.2 A Covered Product is made for, marketed for use by, or marketed to
23 Children if it is either:

24 2.4.2.1 Represented in its packaging, display, or advertising, as appropriate
25 for use by Children; or

26 2.4.2.2 Sold in conjunction with, attached to, or packaged together with
27 other products that are packaged, displayed, or advertised as appropriate for use by Children; or

28 2.4.2.3 Sized for Children and not intended for use by adults.

1 2.4.2.4 **Sold in**

2 2.4.2.4.1 a vending machine; or

3 2.4.2.4.2 a retail store, catalogue, or online website, in which
4 the Settling Defendant exclusively offers for sale products that are packaged, displayed, or
5 advertised as appropriate for use by Children; or

6 2.4.2.4.3 those discrete portions of a retail store, catalogue, or
7 online website, in which the Settling Defendant offers for sale products that are packaged,
8 displayed, or advertised as appropriate for use by Children.

9 2.5 The term "Supplier" means a Person that directly supplies Covered Products to a
10 Settling Defendant or to another entity that offers Covered Products that are or will be offered for
11 retail sale in California. For purposes of Section 3 only, a Settling Defendant shall not be
12 considered a Supplier with respect to any Covered Products it sells to another Settling Defendant
13 that is its parent or subsidiary, or with which it shares a common parent.

14 2.6 Any time a measurement of lead content is referred to in this Consent Judgment by
15 a percentage, it means percent lead by weight.

16 2.7 The term "Shipping Compliance Date" means (a) August 1, 2007 for all Covered
17 Products other than Children's Products; and (b) February 1, 2007 for all Children's Products.

18 2.8 The term "Final Compliance Date" means (a) March 1, 2008 for all Covered
19 Products other than Children's Products; and (b) September 1, 2007 for all Children's Products.

20 2.9 The term "Initial Settling Defendants" means those Settling Defendants that were
21 named in one or more of the amended complaints filed contemporaneously herewith. The term
22 "Initial Retailer Settling Defendants" means those Initial Settling Defendants who are not Initial
23 Settling Vendors. The term "Add-On Settling Defendants" means those Settling Defendants that
24 join in the Consent Judgment pursuant to the process set forth in the Stipulation for Entry of
25 Judgment. Exhibit A to this Consent Judgment identifies each of the Initial Retailer Settling
26 Defendants, Initial Settling Vendors, and Add-On Settling Defendants that are parties to this
27 Consent Judgment.

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CONSENT JUDGMENT

1 **3. INJUNCTIVE RELIEF**

2 3.1 Reformulation of Covered Products. After the Shipping Compliance Date, a
3 Settling Defendant that is a Supplier shall not ship Covered Products to a third party for retail sale
4 in California unless the Covered Product complies with Section 3.2 or, for Children's Products,
5 Section 3.3 or, for Body Piercing Jewelry, Section 3.4 of this Consent Judgment. After the Final
6 Compliance Date, no Settling Defendant shall: (i) manufacture; (ii) ship; or (iii) sell or offer for
7 sale, Covered Products for retail sale in California unless the Covered Product complies with
8 Section 3.2 or, for Children's Products, Section 3.3 or, for Body Piercing Jewelry, Section 3.4 of
9 this Consent Judgment. Each Settling Defendant shall provide the requirements of this Consent
10 Judgment to its Suppliers of Covered Products no later than 90 days after the Effective Date, and
11 shall request each Supplier to use best efforts to provide compliant product as soon as
12 commercially practicable.

13 3.2 General Reformulation Requirements. Covered Products that are not Children's
14 Products or Body Piercing Jewelry, shall be made entirely from Class 1, Class 2, and Class 3
15 Components, or any combination thereof, as these terms are defined below and in Exhibit B.

16 3.2.1 A "Class 1 Component" is the portion of a Covered Product that contains
17 one or more of the following materials:

18 3.2.1.1 Stainless and surgical steels.

19 3.2.1.2 Karat gold.

20 3.2.1.3 Sterling silver.

21 3.2.1.4 Platinum, palladium, iridium, ruthenium, rhodium, or osmium

22 ("platinum group metals").

23 3.2.1.5 Natural and cultured pearls.

24 3.2.1.6 Glass, ceramic, and crystal decorative components (e.g., cat's eye,
25 cubic zirconia (sometimes called cubic zirconium, CZ), glass, rhinestones, cloisonné).

26 3.2.1.7 Any gemstone that is cut and polished for ornamental purposes
27 except the following: aragonite, bayldonite, boleite, cerussite, crocoite, ekanite, linarite, mimetite,
28 phosgenite, samarskite, vanadinite, and wulfenite.

1 3.2.1.8 Elastic, fabric, ribbon, rope, and string with no intentionally-added
2 lead and not otherwise listed as a Class 2 component.

3 3.2.1.9 Natural decorative materials (e.g., amber, bone, coral, feathers, fur,
4 horn, leather, shell, wood) that are in their natural state or are treated in a way that does not add
5 lead.

6 3.2.1.10 Adhesives.

7 3.2.2 A "Class 2 Component" is the portion of a Covered Product that contains
8 one or more of the following materials:

9 3.2.2.1 Metal alloys with less than 10 percent lead by weight ("S5 metal")
10 that are electroplated with suitable under and finish coats and that are plated utilizing the Best
11 Management Practices described in Exhibit C. For Covered Products shipped by a Settling
12 Defendant that is a Supplier after December 31, 2008 to a third party for retail sale in California,
13 and for products sold or offered for retail sale in California by a Settling Defendant after August
14 31, 2009, this standard shall be metal alloys with less than 6 percent lead by weight ("92 metal")
15 that are electroplated with suitable under and finish coats and that are plated utilizing the Best
16 Management Practices described in Exhibit C.

17 3.2.2.2 Unplated metal containing less than 1.5 percent lead that is not
18 defined as a Class 1 Component.

19 3.2.2.3 Plastic or rubber (e.g., acrylic, polystyrene, plastic beads/stones, and
20 polyvinyl chloride (PVC)) containing less than 0.06 percent (600 parts per million) lead. For
21 Covered Products shipped by a Settling Defendant that is a Supplier after December 31, 2008 to a
22 third party for retail sale in California, and for products sold or offered for retail sale in California
23 by a Settling Defendant after August 31, 2009, this standard shall be no more than 0.02 percent
24 (200 ppm) lead by weight

25 3.2.2.4 Dyes, and Surface Coatings containing less than 0.06 percent (600
26 parts per million) lead. For purposes of this Consent Judgment, "Surface Coating" shall carry the
27 same meaning as "Paint or other similar surface coating" under 16 CFR § 1303.2(b)(1) ("Paint and
28 other similar surface-coating materials means a fluid, semi-fluid, or other material, with or without

1 a suspension of finely divided coloring matter, which changes to a solid film when a thin layer is
2 applied to a metal, wood, stone, paper, leather, cloth, plastic, or other surface. This term does not
3 include printing inks or those materials which actually become a part of the substrate, such as the
4 pigment in a plastic article, or those materials which are actually bonded to the substrate, such as
5 by electroplating or ceramic glazing.”).

6 3.2.3 A “Class 3 Component” is any part of a Covered Product that is not a
7 Class 1 or Class 2 Component. Class 3 Components must contain less than 0.06 percent (600
8 parts per million) lead.

9 3.3 Children’s Products. Children’s Products shall be made entirely from:

10 3.3.1 Non-metallic materials that are Class 1 Components;

11 3.3.2 Non-metallic materials that are Class 2 Components;

12 3.3.3 Metallic materials that are either Class 1 Components or contain less than
13 0.06 percent (600 parts per million) lead.

14 3.3.4 Glass and crystal decorative components in an amount of no more than 1.0
15 grams total;

16 3.3.5 Class 3 Components that contain less than 0.02 percent (200 parts per
17 million) lead; or

18 3.3.6 Any combination thereof.

19 3.4 Body Piercing Jewelry. Body Piercing Jewelry shall be made of one of the
20 following materials:

21 3.4.1 Surgical Implant Stainless Steel

22 3.4.2 Surgical Implant grades of Titanium

23 3.4.3 Niobium (Nb)

24 3.4.4 Solid 14 karat or higher white or yellow nickel-free gold

25 3.4.5 Solid platinum

26 3.4.6 A dense low porosity plastic such as Tygon or PTFE with no intentionally
27 added lead.

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CONSENT JUDGMENT

1 **4. ENFORCEMENT**

2 **4.1 General Enforcement Provisions.** The Attorney General, CEH, or AYS may, by
3 motion or application for an order to show cause before this Court, enforce the terms and
4 conditions contained in this Consent Judgment, subject to the following:

5 4.1.1 Any action to enforce the terms of Section 3 of this Consent Judgment
6 shall be brought exclusively pursuant to this Section 4.

7 4.1.2 The Attorney General may enforce the provisions of this Consent
8 Judgment as to any Settling Defendant.

9 4.1.3 Subject to Section 4.1.4, CEH and AYS may each enforce the provisions
10 of this Consent Judgment as to the CEH Defendants and AYS Defendants, respectively.

11 4.1.4 No action to enforce this Consent Judgment may be brought by CEH or
12 AYS unless the Attorney General either joins in such action or provides written non-objection to
13 the proposed enforcement proceedings at the conclusion of the meet-and-confer requirement of
14 Section 4.2.3. The Attorney General agrees to provide either a written objection or written non-
15 objection to a proposed enforcement proceeding within 15 days of receipt of a written request for
16 such a response from CEH or AYS, provided that the Attorney General may extend such 15 day
17 response time by a single extension of an additional 15 days by writing to the requesting party.
18 The fact that the Attorney General provides a written non-objection shall not be construed as
19 endorsement of or concurrence in an enforcement action. Any written non-objection shall be
20 admissible in court only if a Settling Defendant challenges the right of CEH or AYS to enforce
21 this Consent Judgment for failure to obtain the written non-objection.

22 **4.2 Enforcement of Materials Violation.**

23 4.2.1 Notice of Violation. In the event that, at any time following the
24 Compliance Date, the Attorney General, CEH, or AYS ("Notifying Person") identifies one or
25 more Covered Products that the Notifying Person believes in good faith do not comply with
26 Section 3 of this Consent Judgment, the Notifying Person may issue a Notice of Violation
27 pursuant to this Section

28 4.2.2 Service of Notice of Violation and Supporting Documentation.

1 4.2.2.1 The Notice of Violation shall be served on any Settling Defendant(s)
2 that the Notifying Person knows offered the Covered Product for retail sale in California. The
3 Notice of Violation shall also be served on any Settling Defendant that is a Supplier of the
4 Covered Products identified by Brand Names listed on Exhibit E for the Covered Product(s) in
5 question.

6 4.2.2.2 The Notice of Violation shall be sent to the person(s) identified in
7 Exhibit F to receive notices for such Settling Defendants, and must be served within 45 days of
8 the date the alleged violation(s) was or were observed.

9 4.2.2.3 The Notice of Violation shall, at a minimum, set forth for each
10 Covered Product: (a) the date(s) the alleged violation(s) was observed, (b) the location at which
11 the Covered Product was offered for sale, (c) a description of the Covered Product giving rise to
12 the alleged violation, and (d) all test data obtained by the Notifying Person regarding the Covered
13 Product and supporting documentation sufficient for validation of the test results, including all
14 laboratory reports, quality assurance reports and quality control reports associated with testing of
15 the Covered Products. Such Notice of Violation shall be based upon test data that meets the
16 criteria of Exhibit D. Wipe, swipe, and swab testing are not sufficient to support a Notice of
17 Violation.

18 4.2.2.4 The Notifying Person shall promptly make available for inspection
19 and/or copying upon request all supporting documentation related to the testing of the Covered
20 Products and associated quality control samples, including chain of custody records, all laboratory
21 logbook entries for laboratory receiving, sample preparation, and instrumental analysis, and all
22 printouts from all analytical instruments relating to the testing of Covered Product samples and
23 any and all calibration, quality assurance, and quality control tests performed or relied upon in
24 conjunction with the testing of the Covered Products, obtained by or available to the Notifying
25 Person that pertains to the Covered Product's alleged noncompliance with Section 3 and, if
26 available, any exemplars of Covered Products tested.

27 4.2.3 Notice of Election of Response. No more than 30 days after receiving a
28 Notice of Violation, the Settling Defendant shall provide written notice to the Notifying Person

1 whether it elects to contest the allegations contained in a Notice of Violation ("Notice of
2 Election").

3 4.2.3.1 If a Notice of Violation is contested the Notice of Election shall
4 include all then-available documentary evidence regarding the alleged violation, including all test
5 data, if any. If a Settling Defendant or Notifying Person later acquires additional test or other data
6 regarding the alleged violation, it shall notify the other party and promptly provide all such data or
7 information to the party. Any test data used to rebut a Notice of Violation shall meet the criteria
8 of Exhibit D.

9 4.2.3.2 If a Notice of Violation is not contested, the Notice of Election shall
10 include a description of the Settling Defendant's corrective action pursuant to Section 4.2.6. The
11 Notice of Election shall include the name, address, telephone number, and other contact
12 information, of the Settling Defendant's Supplier(s) of each Covered Product identified in the
13 Notice of Violation, and any other Settling Defendant to whom it sold any Covered Products
14 identified in the Notice of Violation.

15 4.2.4 Meet and Confer. If a Notice of Violation is contested, the Notifying
16 Person, the Attorney General, and all affected Settling Defendants shall meet and confer to attempt
17 to resolve their dispute. Within 30 days of serving a Notice of Election contesting a Notice of
18 Violation, and if no enforcement action has been filed, the Settling Defendant may withdraw the
19 original Notice of Election contesting the violation and serve a new Notice of Election conceding
20 the violation. If no informal resolution of a Notice of Violation results, the Notifying Person may
21 by motion or order to show cause before the Superior Court of Alameda, seek to enforce the terms
22 and conditions contained in this Consent Judgment. In any such proceeding, the Attorney
23 General, CEH, and AYS may seek whatever fines, costs, penalties, or remedies are provided by
24 law for failure to comply with the Consent Judgment.

25 4.2.5 Non-Contested Matters. If the Settling Defendant elects not to contest
26 the allegations in a Notice of Violation, it shall undertake corrective action pursuant to Section
27 4.2.6 and shall make any contributions required by Section 4.2.7.

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CONSENT JUDGMENT

1 **4.2.6 Corrective Action in Non-Contested Matters.** A Settling Defendant that
2 elects not to contest the allegation shall include in its Notice of Election a detailed description of
3 corrective action that it has undertaken or proposes to undertake to remove the Covered Product(s)
4 identified in the Notice of Violation for sale in California. Corrective action must include
5 instructions to the Settling Defendant's stores and/or its customers that offer the Covered Product
6 for sale to consumers to cease offering the Covered Product(s) identified in the Notice of Violation
7 for sale in California as soon as practicable. The Settling Defendant shall make available to the
8 Notifying Person for inspection and/or copying records and correspondence regarding the
9 corrective action. If there is a dispute over the corrective action, the Parties shall meet and confer
10 pursuant to Section 4.2.4 before seeking any remedy in court.

11 **4.2.7 Required Contributions to Proposition 65 Jewelry Testing Fund in**
12 **Non-Contested Matters.** The Settling Defendant shall be required to make a contribution to the
13 Proposition 65 Jewelry Testing Fund as specified below.

14 **4.2.7.1** If the Settling Defendant serves a Notice of Election not to contest
15 the allegations in a Notice of Violation within 15 days of receipt of the Notice of Violation, it shall
16 not be required to make any contributions pursuant to this Section.

17 **4.2.7.2** If the Settling Defendant serves a Notice of Election not to contest
18 the allegations in a Notice of Violation more than 15 days but less than 31 days after receipt of the
19 Notice of Violation, the Settling Defendant shall make a required contribution in the amount of
20 \$2,500.00 for each Supplier from whom it purchased the Covered Product(s) identified in any
21 Notices of Violation served within a 30-day period. A Settling Defendant retailer is not required
22 to make any payment pursuant to this Section for a Notice of Violation that is served less than six
23 months after the Final Compliance Date.

24 **4.2.7.3** If the Settling Defendant withdraws a Notice of Election contesting
25 the violation and serves a new Notice of Election not to contest the allegations in a Notice of
26 Violation within 60 days after receipt of the Notice of Violation, and before any enforcement
27 action concerning the violations alleged in the Notice of Violation is filed, the Settling Defendant
28 shall make a required contribution in the amount of \$7,500.00 for each Supplier from whom it

1 purchased the Covered Product(s) identified in any Notices of Violation served within a 30-day
2 period.

3 4.2.7.4 The contributions shall be paid within 15 days of service of a Notice
4 of Election.

5 4.2.7.5 A Settling Defendant's liability for required contributions shall be
6 limited as follows:

7 4.2.7.5.1 A Settling Defendant that is a Supplier to one or
8 more retailers shall be liable for one required contribution within any 30-day period, regardless of
9 the number of retailers to whom the Covered Product is distributed.

10 4.2.7.5.2 If more than one Settling Defendant has
11 manufactured, sold, or distributed a Covered Product identified in a Notice of Violation, only one
12 required contribution may be assessed against all Settling Defendants potentially liable therefor in
13 any 30-day period, in the following order of priority: (1) Manufacturers; (2) Importers; (3)
14 Distributors, and (4) Retailers.

15 4.2.7.5.3 A Settling Defendant's monetary liability to make
16 required contributions under Section 4.2.7.2 shall be limited to \$5,000 for each 30-day period. A
17 Settling Defendant's monetary liability to make required contributions under Section 4.2.7.3 shall
18 be limited to \$15,000 for each 30-day period.

19 4.2.7.6 If a Settling Defendant has paid either of the payments set forth in
20 Sections 4.2.7.2 and 4.2.7.3 more than six times in any 18-month period, or more than three times
21 in any 12-month period for Covered Products sold to the Settling Defendant from the same
22 Supplier then, at the Notifying Person's option, the Notifying Person may seek whatever fines,
23 costs, penalties, or remedies are provided by law for failure to comply with the Consent Judgment.

24 4.2.8 Limitation on Liability. The liability of a Settling Defendant that elects
25 not to contest a Notice of Violation shall be limited to the contributions required by Section 4.2.7.

26 **5. PAYMENTS**

27 5.1 Payments by Initial Settling Defendants. Within fifteen days of the Effective
28 Date: (i) each Initial Settling Defendant or group of Initial Settling Defendants identified by a

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1 separate number on Exhibit A shall pay the sum of \$25,000; and (ii) each Affiliate Settling
2 Defendant listed on Exhibit A shall pay the sum of \$10,000, for an aggregate payment of
3 \$1,875,000. The settlement payment shall be by check made payable to the Lexington Law
4 Group, LLP Attorney Client Trust Account. The funds paid by the Initial Settling Defendants
5 shall be aggregated and distributed as follows:

6 5.1.1 The sum of \$250,000 shall be paid to the Proposition 65 Jewelry Testing
7 Fund, to be used for the purpose of obtaining and testing of Covered Products, and for the purpose
8 of preparing and compiling the information and documentation to support a Notice of Violation,
9 pursuant to sections 4.2.2.3 and 4.2.2.4.

10 5.1.2 The sum of \$246,853 as payment to private Plaintiffs in lieu of penalty
11 pursuant to Health and Safety Code section 25249.7(b), and California Code of Regulations, title
12 11, section 3202(b), to be distributed as follows:

13 5.1.2.1 The sum of \$186,511 to CEH. CEH shall use such funds to continue
14 its work educating and protecting people from exposures to toxic chemicals, including heavy
15 metals. CEH shall submit a proposal to the Attorney General for use of the funds, approval of
16 which shall not be unreasonably withheld.

17 5.1.2.2 The sum of \$60,342 to AYS. AYS shall use such funds to continue
18 its work educating and protecting people from exposures to toxic chemicals, including heavy
19 metals. AYS shall submit a proposal to the Attorney General for use of the funds, approval of
20 which shall not be unreasonably withheld.

21 5.1.3 As reimbursement of Plaintiffs' attorney's fees and investigation costs, as
22 follows:

23 5.1.3.1 The sum of \$383,993 to the Office of California Attorney General.

24 5.1.3.2 The sum of \$811,870 to CEH.

25 5.1.3.3 The sum of \$ 82,284 to AYS.

26 5.1.4 The amount of \$100,000 as a civil penalty pursuant to Health and Safety
27 Code section 25249.7(b), and California Code of Regulations, title 11, section 3202(b). The civil
28 penalty shall be distributed entirely from settlement proceeds paid for by the Initial Settling

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1 Vendors, however this allocation shall not change the amount paid by each Settling Defendant
2 under Section 5.1. The \$25,000 portion of the \$100,000 penalty allocated pursuant to Health and
3 Safety Code Section 25192(a)(2) shall be divided as follows: \$13,250 to CEH; \$9,500 to the
4 Office of the California Attorney General; and \$2,250 to AYS.

5 5.1.5 All funds paid to the Attorney General pursuant to Sections 5.1.3.1,
6 5.2 1.3.3, and 5 2.1.4 shall be placed in an interest-bearing special Deposit Fund established by the
7 Attorney General. These funds, including any interest derived therefrom, shall be used by the
8 Attorney General, until all funds are exhausted, for the costs and expenses associated with the
9 enforcement and implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986
10 ("Proposition 65"), including investigations, enforcement actions, other litigation or activities as
11 determined by the Attorney General to be reasonably necessary to carry out his duties and
12 authority under Proposition 65. Such funding may be used for the costs of the Attorney General's
13 investigation, filing fees, and other court costs, payment to expert witnesses and technical
14 consultants, purchase of equipment, travel, purchase of written materials, laboratory testing,
15 sample collection, or any other cost associated with the Attorney General's duties or authority
16 under Proposition 65. Funding placed in the Special Deposit Fund pursuant to this Section, and
17 any interest derived therefrom, shall solely and exclusively augment the budget of the Attorney
18 General's Office and in no manner shall supplant or cause any reduction of any portion of the
19 Attorney General's budget.

20 5.2 Payments by Add-On Defendants. Within 45 days of the Effective Date, each
21 Add-On Settling Defendant shall pay the sum of \$40,000. The settlement payment shall be made
22 by two checks consisting of one check in the amount of \$17,500 to Defendants' Liaison Counsel,
23 payable to the Fulbright & Jaworski L.L.P. Client Trust Account, and one check in the amount of
24 \$22,500 payable to the Lexington Law Group, LLP Attorney Client Trust Account. If the Add-On
25 Settling Defendant is identified in Section 1.3 as a "Non-Settling Defendant," then it shall pay an
26 additional \$5,000, by adding \$2,500 to the payment to Defendants' Liaison Counsel and \$2,500 to
27 the payment to the Lexington Law Group, LLP Attorney Client Trust Account.

1 **5.2.1 The funds paid by the Add-On Settling Defendants to Lexington Law**
2 **Group, LLP Attorney Client Trust Account, and any excess funds remitted by Defendants Liaison**
3 **Counsel pursuant to Section 5.2.2.4, shall be aggregated and distributed as follows:**

4 5.2.1.1 **The amount of \$5,000 shall be paid by each Add-On Settling**
5 **Defendant as a civil penalty pursuant to Health and Safety Code section 25249.7(b), and**
6 **California Code of Regulations, title 11, section 3202(b). The \$1,250 portion of each \$5,000**
7 **penalty payment allocated pursuant to Health and Safety Code Section 25192(a)(2) shall be**
8 **divided as follows: \$662 to CEH; \$475 to the Office of the California Attorney General; and \$113**
9 **to AYS.**

10 5.2.1.2 **The amount of \$1,500 shall be paid by each Add-On Settling**
11 **Defendant to the Proposition 65 Jewelry Testing Fund, to be used for the purpose of obtaining and**
12 **testing of Covered Products, and for the purpose of preparing and compiling the information and**
13 **documentation to support a Notice of Violation, pursuant to sections 4.2.2.3 and 4.2.2.4.**

14 5.2.1.3 **As payment to private Plaintiffs in lieu of penalty pursuant to Health**
15 **and Safety Code section 25249.7(b), and California Code of Regulations, title 11, section 3202(b),**
16 **to be distributed as follows:**

17 5.2.1.3.1 **35% of the remaining funds from first 31 Add-Ons**
18 **and 70% of the remainder after 31 Add-Ons to CEH. CEH shall use such funds to continue its**
19 **work educating and protecting people from exposures to toxic chemicals, including heavy metals.**
20 **CEH shall submit a proposal to the Attorney General for use of the funds, approval of which shall**
21 **not be unreasonably withheld.**

22 5.2.1.3.2 **5% of the remaining funds from first 31 Add-Ons and**
23 **10% of the remainder after 31 Add-Ons to AYS. AYS shall use such funds to continue its work**
24 **educating and protecting people from exposures to toxic chemicals, including heavy metals. AYS**
25 **shall submit a proposal to the Attorney General for use of the funds, approval of which shall not**
26 **be unreasonably withheld.**

27 5.2.1.3.3 **10% of the remaining funds from first 31 Add-Ons**
28 **and 20% of the remainder after 31 Add-Ons to the Office of the California Attorney General. The**

1 California Attorney General shall use such funds for the purpose of obtaining experts and
2 consultants, and for other costs associated with the investigation and prosecution of other actions
3 under Proposition 65.

4 5.2.1.4 As reimbursement of Plaintiffs' attorney's fees and investigation
5 costs, as follows:

6 5.2.1.4.1 27.3% of the remaining funds from first 31 Add-Ons
7 to the Office of California Attorney General.

8 5.2.1.4.2 20.1% of the remaining funds from first the Add-Ons
9 to CEH.

10 5.2.1.4.3 2.6% of the remaining funds from first 31 Add-Ons
11 to AYS.

12 5.2.2 The funds paid by the Add-On Settling Defendants to Defendants' Liaison
13 Counsel shall be aggregated and distributed to the Initial Settling Defendants for reimbursement of
14 Settlement-Related Costs that have inured to the benefit of all Settling Defendants. The funds
15 received by Initial Settling Defendants pursuant to this Section comprise a small percentage of the
16 Initial Settling Defendants' actual Settlement Related Costs. The Attorney General has reviewed
17 these Settlement Related Costs and applied the guidelines contained in 22 California Code of
18 Regulations section 3201, subdivisions (d) and (e), and determined that they are reasonable.
19 Distribution of funds for reimbursement of Settlement Related Costs shall be made pursuant to the
20 following:

21 5.2.2.1 Distribution of funds under this Section shall be apportioned 46.28%
22 to Initial Settling Vendors and 53.72% to the Initial Retailer Settling Defendants, to a cap of
23 \$1,065,729.

24 5.2.2.2 The Settlement Related Costs that qualify for reimbursement
25 pursuant to this section include the following:

26 5.2.2.2.1 No more than \$93,492 for sums paid to the mediator
27 who presided over negotiations leading to this Consent Judgment;

1 incorporation of Add-On Defendants to this Consent Judgment pursuant to the Stipulation for
2 Entry of Judgment. The amended Consent Judgment shall be filed and served on all Parties. If no
3 Party objects within 15 days of service thereof, the Court will enter the Amended Consent
4 Judgment and this Consent Judgment will be deemed so amended.

5 **6.3 Subsequent Legislation.** If, subsequent to the Effective Date, legislation is
6 adopted that addresses the lead content of Covered Products sold in California, any Party shall be
7 entitled to request that the court modify this Consent Judgment for good cause shown.

8 **6.4 Reopeners.** The Parties may seek to reopen the requirements of Section 3 as to
9 Covered Products other than Children's Products as follows:

10 **6.4.1 Limited Reopener of Component Designation for Certain**
11 **Components.** The parties acknowledge that the materials described in Sections 3.2.1.8 and
12 3.2.1.9 are not generally known to contain or expose users to lead and, as such, have been
13 designated as Class 1 Components. The Attorney General, or AYS or CEH with the written non-
14 opposition of the Attorney General, may seek to modify this Consent Judgment by seeking the re-
15 designation of any material described in Sections 3.2.1.8 and 3.2.1.9 from Class 1 Component to a
16 Class 2 Component with a lead standard for such material. If, subsequent to the Effective Date, the
17 Attorney General, AYS, or CEH obtain information that demonstrates that such material contains
18 lead and that the use of the material in any Covered Product exposes users of the Covered Product
19 to lead in an amount greater than 0.5 micrograms per day.

20 **6.4.2 Reopener for Class 3 Components.** Any Party may seek to modify this
21 Consent Judgment by seeking to designate a Class 3 Component as a Class 1 Component or as a
22 Class 2 Component with a lead specification standard.

23 **6.4.3 Required Showing to Obtain Reopeners.** A reopener pursuant to
24 Sections 6.4.1 or 6.4.2 shall be granted if the court finds the following:

25 **6.4.3.1** A Class 3 Component shall be redesignated as a Class 1 Component
26 if the moving party demonstrates that such material does not contain lead, or that the use of the
27 material in any Covered Product does not expose users of the Covered Product to lead in an
28 amount greater than 0.5 micrograms per day.

1 6.4.3.2 A Class 3 Component, and the materials described in Sections
2 3.2.1.8 and 3.2.1.9, shall be redesignated as a Class 2 Component with a lead specification
3 standard if the moving party demonstrates that use of such material at or below the standard does
4 not expose average users of the Covered Product to lead in an amount greater than 0.5 micrograms
5 per day.

6 6.5 Extension of Shipping Compliance Date. A Settling Defendant that is a Supplier
7 may request an extension of any Shipping Compliance Date applicable to a Covered Product
8 under Section 3 if the Supplier can demonstrate to the Attorney General that it cannot comply with
9 the Shipping Compliance Date despite all commercially reasonable efforts to comply. Any
10 extension provided pursuant to this Section shall be conditioned upon a showing that any retailers
11 to whom the Supplier will sell the Covered Product will be able to comply with the applicable
12 Final Compliance Date(s), and all such retailers shall be considered affected Parties under
13 Section 5.6.

14 6.6 Notice; Meet and Confer. Any Party seeking to modify this Consent Judgment
15 shall attempt in good faith to meet and confer with all affected Parties prior to filing a motion to
16 modify the Consent Judgment.

17 7. **CLAIMS COVERED AND RELEASE**

18 7.1 This Consent Judgment is a full, final, and binding resolution between the People,
19 CEH, AYS, and Settling Defendants, their parents, shareholders, divisions, subdivisions,
20 subsidiaries, partners, sister companies and their successors and assigns ("Defendant Releasees"),
21 and all entities to whom they distribute or sell Covered Products, including but not limited to
22 distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees
23 ("Downstream Defendant Releasees"), of any violation of Proposition 65, Business & Professions
24 Code sections 17200 et seq., or any other statutory or common law claims that have been or could
25 have been asserted in the public interest or on behalf of the general public against Settling
26 Defendants, Defendant Releasees, and Downstream Defendant Releasees, regarding the failure to
27 warn about exposure to chromium, lead, and nickel arising in connection with Covered Products
28 manufactured, distributed, or sold by Settling Defendants prior to the Effective Date, or any claim

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1 based on the facts or conduct alleged in the Complaint, or facts similar to those alleged, whether
2 based on actions committed by Settling Defendants, Defendant Releasees, or Downstream
3 Defendant Releasees. Compliance with the terms of this Consent Judgment by Settling
4 Defendants and Defendant Releasees, resolves any issue from the Effective Date into the future
5 concerning compliance by Settling Defendants, Defendant Releasees and Downstream Defendant
6 Releasees regarding failure to warn about exposure to chromium, lead, and nickel arising in
7 connection with Covered Products manufactured, distributed or sold by Settling Defendants after
8 the Effective Date. This Section shall not apply to any Supplier that is not a Settling Defendant
9 unless such Supplier is a parent, subsidiary, or sister company of a Settling Defendant.

10 7.2 The People, CEH, and AYS, for themselves and acting on behalf of the public
11 interest pursuant to Health and Safety Code § 25249.7(d) and the general public pursuant to
12 Business and Professions Code § 17204, release, waive, and forever discharge any and all claims
13 against each Settling Defendant, Defendant Releasee, and Downstream Defendant Releasee
14 arising from any violation of Proposition 65, Business & Professions Code sections 17200 et seq.,
15 or any other statutory or common law claims that have been or could have been asserted in the
16 public interest or on behalf of the general public regarding the failure to warn about exposure to
17 chromium, lead, and nickel arising in connection with Covered Products manufactured, distributed
18 or sold by Settling Defendants prior to or after the Effective Date, or any claim based on the facts
19 or conduct alleged in the Complaint, or facts similar to those alleged. This Section shall not apply
20 to any Supplier that is not a Settling Defendant unless such Supplier is a parent, subsidiary, or
21 sister company of a Settling Defendant.

22 7.3 A Covered Product sold by a Related Company identified on Exhibit A that
23 complies with the standards set forth in Section 3.2 shall be deemed to be sold in compliance with
24 the warning requirement of Proposition 65 for chromium, lead, and nickel.

25 7.4 Nothing in this Section 7 shall release, or in any way affect any rights that any
26 Settling Defendant might have against any other party, whether or not that party is a Settling
27 Defendant.

1 **8. PROVISION OF NOTICE**

2 8.1 When any party is entitled to receive any notice under this Consent Judgment, the
3 notice shall be sent by certified mail and electronic mail to the Party(ies) identified in Exhibit F.
4 Any party may modify the person and address to whom the notice is to be sent by sending each
5 other party notice by certified mail and/or other verifiable form of written communication.

6 **9. COURT APPROVAL**

7 9.1 This Consent Judgment shall become effective upon entry by the Court (the
8 "Effective Date").

9 9.2 If this Consent Judgment is not entered by the Court, it shall be of no force or effect
10 and shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

11 **10. GOVERNING LAW AND CONSTRUCTION**

12 10.1 The terms of this Consent Judgment shall be governed by the laws of the State of
13 California.

14 10.2 The Parties, including their counsel, have participated in the preparation of this
15 Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This
16 Consent Judgment was subject to revision and modification by the Parties and has been accepted
17 and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or
18 ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result
19 of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment
20 agrees that any statute or rule of construction providing that ambiguities are to be resolved against
21 the drafting Party should not be employed in the interpretation of this Consent Judgment and, in
22 this regard, the Parties hereby waive California Civil Code section 1654.

23 **11. ATTORNEY'S FEES**

24 11.1 A party who unsuccessfully brings or contests an action arising out of this Consent
25 Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs
26 unless the unsuccessful party has acted with substantial justification. For purposes of this Consent
27 Judgment, the term substantial justification shall carry the same meaning as used in the Civil
28 Discovery Act of 1986, Code of Civil Procedure §§ 2016, et seq.

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1 11.2 Notwithstanding Section 11.1, a party who prevails in a contested enforcement
2 action brought pursuant to Section 4 may seek an award of attorney's fees pursuant to Code of
3 Civil Procedure § 1021.5 against a party that acted with substantial justification. The party
4 seeking such an award shall bear the burden of meeting all of the elements of § 1021.5, and this
5 provision shall not be construed as altering any procedural or substantive requirements for
6 obtaining such an award.

7 11.3 Nothing in this Section 11 shall preclude a Party from seeking an award of
8 sanctions pursuant to law.

9 **12. ENTIRE AGREEMENT**

10 12.1 This Consent Judgment contains the sole and entire agreement and understanding
11 of the Parties with respect to the entire subject matter hereof, and any and all prior discussions,
12 negotiations, commitments, or understandings related thereto, if any, are hereby merged herein
13 and therein. There are no warranties, representations, or other agreements between the Parties
14 except as expressly set forth herein. No representations, oral or otherwise, express or implied,
15 other than those specifically referred to in this Consent Judgment have been made by any Party
16 hereto. No other agreements not specifically contained or referenced herein, oral or otherwise,
17 shall be deemed to exist or to bind any of the Parties hereto. No supplementation, modification,
18 waiver, or termination of this Consent Judgment shall be binding unless executed in writing by the
19 Party to be bound thereby. No waiver of any of the provisions of this Consent Judgment shall be
20 deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar,
21 nor shall such waiver constitute a continuing waiver.

22 **13. RETENTION OF JURISDICTION**

23 13.1 This Court shall retain jurisdiction of this matter to implement or modify the
24 Consent Judgment.

25 **14. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT**

26 14.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized
27 by the party he or she represents to stipulate to this Consent Judgment and to enter into and
28 execute the Consent Judgment on behalf of the party represented and legally to bind that party.

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1 **15. EXECUTION IN COUNTERPARTS**

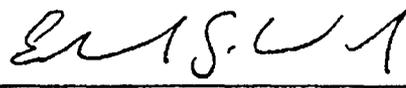
2 15.1 The stipulations to this Consent Judgment may be executed in counterparts and by
3 means of facsimile, which taken together shall be deemed to constitute one document.

4 IT IS SO STIPULATED:

5 Dated: _____, 2006	BILL LOCKYER ATTORNEY GENERAL
6	
7	By _____
8	EDWARD G. WEIL
9	SUPERVISING DEPUTY ATTORNEY GENERAL
10 Dated: _____, 2006	CENTER FOR ENVIRONMENTAL HEALTH
11	
12	By _____
13	
14	
15 Dated: _____, 2006	AS YOU SOW
16	
17	By _____
18	
19 Dated: _____, 2006	AIJJ ENTERPRISES, INC.
20	
21	By _____
22	
23 Dated: _____, 2006	RAINBOW APPAREL OF AMERICA, INC.
24	
25	By _____
26	

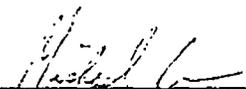
IT IS SO STIPULATED:

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Dated: 1/25, 2006	BILL LOCKYER ATTORNEY GENERAL By <u></u> EDWARD G. WEIL SUPERVISING DEPUTY ATTORNEY GENERAL
Dated: , 2006	CENTER FOR ENVIRONMENTAL HEALTH By _____
Dated: , 2006	AS YOU SOW By _____
Dated: , 2006	AIJJ ENTERPRISES, INC. By _____
Dated: , 2006	RAINBOW APPAREL OF AMERICA, INC. By _____
Dated: , 2006	RAINBOW APPAREL DISTRIBUTION CENTER CORP. By _____

PREPARED
LED PAPER

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1	IT IS SO STIPULATED:	
2	Dated: _____, 2006	BILL LOCKYER ATTORNEY GENERAL
3		
4		
5		By _____
6		HARRISON POLLAK DEPUTY ATTORNEY GENERAL
7		
8	Dated: _____, 2006	CENTER FOR ENVIRONMENTAL HEALTH
9		
10		By 
11	Dated: _____, 2006	AS YOU SOW
12		
13		
14		By _____
15	Dated: _____, 2006	AIJJ, ENTERPRISES, INC.
16		
17		
18		By _____
19	Dated: _____, 2006	RAINBOW APPAREL OF AMERICA, INC.
20		
21		
22		By _____
23	Dated: _____, 2006	RAINBOW APPAREL DISTRIBUTION CENTER CORP.
24		
25		
26		By _____
27		
28		

1 15. EXECUTION IN COUNTERPARTS

2 15.1 The stipulations to this Consent Judgment may be executed in counterparts and by
3 means of facsimile, which taken together shall be deemed to constitute one document.

4 IT IS SO STIPULATED:

5 Dated: _____, 2006	BILL LOCKYER ATTORNEY GENERAL By _____ EDWARD G. WEIL SUPERVISING DEPUTY ATTORNEY GENERAL
----------------------	--

10 Dated: _____, 2006	CENTER FOR ENVIRONMENTAL HEALTH By _____
-----------------------	---

14 Dated: <u>1/25</u> , 2006	AS YOU SOW By <u><i>Larry Fahn</i></u> LARRY FAN, EXECUTIVE DIRECTOR
------------------------------	--

19 Dated: _____, 2006	AIJJ ENTERPRISES, INC. By _____
-----------------------	--

23 Dated: _____, 2006	RAINBOW APPAREL OF AMERICA, INC. By _____
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IT IS SO STIPULATED:

Dated: _____, 2006	BILL LOCKYER ATTORNEY GENERAL
	By _____ HARRISON POLLAK DEPUTY ATTORNEY GENERAL

Dated: _____, 2006	CENTER FOR ENVIRONMENTAL HEALTH
	By _____

Dated: _____, 2006	AS YOU SOW
	By _____

Dated: <i>January 19, 2006</i>	AIJJ, ENTERPRISES, INC.
	By _____ <i>Joseph Chehebar, Vice President</i>

Dated: <i>January 18, 2006</i>	RAINBOW APPAREL OF AMERICA, INC.
	By _____ <i>Joseph Chehebar, Vice President</i>

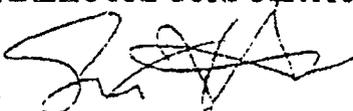
Dated: <i>January 10, 2006</i>	RAINBOW APPAREL DISTRIBUTION CENTER CORP.
	By _____ <i>Joseph Chehebar, Vice President</i>

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Dated: <i>January 18</i> 2006	THE NEW 5-7-9 AND BEYOND, INC. By <u><i>Joseph Chebar, Vice President</i></u>
Dated: _____, 2006	BURLINGTON COAT FACTORY WAREHOUSE CORPORATION By _____
Dated: _____, 2006	CBI DISTRIBUTING CORP. By _____
Dated: _____, 2006	CLAIRE'S BOUTIQUES, INC. By _____
Dated: _____, 2006	CHARLOTTE RUSSE, INC. By _____
Dated: _____, 2006	COST PLUS, INC. By _____

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Dated: _____, 2006 THE NEW 5-7-9 AND BEYOND, INC.
By _____

Dated: 1/12, 2006 BURLINGTON COAT FACTORY WAREHOUSE CORPORATION
By: 
Steve John Haisney
General Attorney

Dated: _____, 2006 CBI DISTRIBUTING CORP.
By _____

Dated: _____, 2006 CLAIRE'S BOUTIQUES, INC.
By _____

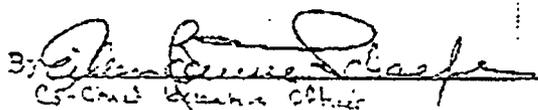
Dated: _____, 2006 CHARLOTTE RUSSE, INC.
By _____

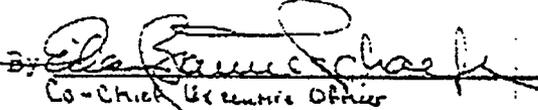
Dated: _____, 2006 COST PLUS, INC.
By _____

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Dated: , 2006	THE NEW 5-7-9 AND BEYOND, INC.
	By _____

Dated: , 2006	BURLINGTON COAT FACTORY WAREHOUSE CORPORATION
	By _____

Dated: January 19, 2006	CBI DISTRIBUTING CORP.
	By:  Co-Chief Executive Officer

Dated: January 19, 2006	CLAIRE'S BOUTIQUES, INC.
	By:  Co-Chief Executive Officer

Dated: , 2006	CHARLOTTE RUSSE, INC.
	By _____

Dated: , 2006	COST PLUS, INC.
	By _____

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5	Dated: , 2006	BURLINGTON COAT FACTORY
6		WAREHOUSE CORPORATION
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10	Dated: , 2006	CBI DISTRIBUTING CORP.
11		
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14	Dated: , 2006	CLAIRE'S BOUTIQUES, INC.
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17		By _____
18	Dated: 1/12 , 2006	CHARLOTTE RUSSE, INC.
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21		By <u>3</u> _____
22	Dated: , 2006	COST PLUS, INC.
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1	Dated: Jan 13, , 2006	EXPRESS, LLC
2		
3		By <u>Douglas L. Williams</u>
4		
5	Dated: Jan 13 , 2006	THE LIMITED STORES, INC.
6		
7		By <u>Douglas L. Williams</u>
8		
9	Dated: Jan 13 , 2006	VICTORIA'S SECRET STORES, LLC
10		
11		By <u>Douglas L. Williams</u>
12		
13	Dated: Jan 13 , 2006	VICTORIA'S SECRET DIRECT, LLC
14		
15		By <u>Douglas L. Williams</u>
16		
17	Dated: , 2006	FEDERATED DEPARTMENT STORES, INC.
18		
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20		By _____
21	Dated: , 2006	MACY'S WEST, INC.
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Dated: , 2006 EXPRESS, LLC
By _____

Dated: , 2006 LIMITED STORES
By _____

Dated: , 2006 VICTORIA'S SECRET STORES
By _____

Dated: , 2006 VICTORIA'S SECRET DIRECT
By _____

Dated: , 2006 VICTORIA'S SECRET BEAUTY
By _____

Dated: , 2006 FEDERATED DEPARTMENT STORES, INC.
By 

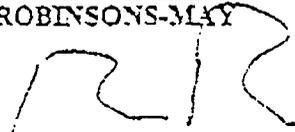
1	Dated: <u>January 12, 2006</u>	MACY'S WEST, INC.
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3		
4		By: <u>[Signature]</u>
5	Dated: _____	FEDERATED RETAIL HOLDINGS, INC.
6		
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8		By: _____
9	Dated: _____, 2006	FOREVER 21, INC.
10		
11		
12		By: _____
13	Dated: _____, 2006	FOREVER 21 RETAIL, INC.
14		
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16		By: _____
17	Dated: _____, 2006	GOTTSCHALKS, INC.
18		
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20		By: _____
21	Dated: _____, 2006	GROUP USA APPAREL, INC.
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24		By: _____
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NO. 1929 P. 2

Dated: , 2006	MACY'S WEST, INC. By _____
Dated: 1/13 , 2006	FEDERATED RETAIL HOLDINGS, INC. D/B/A ROBINSONS-MAY  By: Bernard Powers, Senior Vice President
Dated: , 2006	FOREVER 21, INC. By _____
Dated: , 2006	FOREVER 21 RETAIL, INC. By _____
Dated: , 2006	GOTTSCHALKS, INC. By _____
Dated: , 2006	GROUP USA APPAREL, INC. By _____

1 Dated: 2006 TOYS 'R' US, INC.
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 3 By
 4 Dated: 2006 THE WALT DISNEY WORLD CO.
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 7 By
 8 Dated: 2005 FOREVER 21, INC. and
 9 FOREVER 21 RETAIL, INC.
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 11 By
 12 Dated: 1/3 2006
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 18 Dated: 2006
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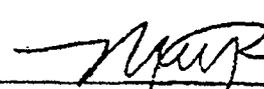
By
 JESS S. [Signature]
 President, Toys 'R' Us, Inc.

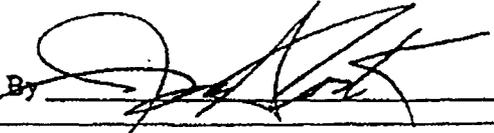
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BRAXLEY.RATLIFF

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0002/002

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5	Dated: , 2006	FEDERATED RETAIL HOLDINGS, INC.
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9	Dated: , 2006	FOREVER 21, INC.
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13	Dated: , 2006	FOREVER 21 RETAIL, INC.
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16		By _____
17	Dated: JAN 11 , 2006	GOTTSCHALKS, INC.
18		
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20		By <u>J. Bagoy Ambros</u>
21	Dated: , 2006	GROUP USA APPAREL, INC.
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6	Dated: , 2006	FEDERATED RETAIL HOLDINGS, INC.
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14	Dated: , 2006	FOREVER 21 RETAIL, INC.
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18	Dated: , 2006	GOTTSCHALKS, INC.
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22	Dated: <i>JAN. 12</i> , 2006	GROUP USA APPAREL, INC.
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1	Dated: , 2006	HOT TOPIC, INC.
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5	Dated: , 2006	HUB DISTRIBUTING, INC.
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9	Dated: , 2006	J.C. PENNEY CORPORATION, INC.
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13	Dated: , 2006	KOHL'S CORPORATION
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17	Dated: , 2006	KOHL'S DEPARTMENT STORES, INC.
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21	Dated: , 2006	KMART CORPORATION
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Dated: , 2006	HOT TOPIC, INC. By _____
Dated: , 2006	HUB DISTRIBUTING, INC. By <u><i>William Langsford</i></u> WILLIAM LANGSÖRF SENIOR VICE PRESIDENT
Dated: , 2006	J.C. PENNEY CORPORATION, INC. By _____
Dated: , 2006	KOHL'S CORPORATION By _____
Dated: , 2006	KOHL'S DEPARTMENT STORES, INC. By _____
Dated: , 2006	KMART CORPORATION By _____

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Dated: , 2006 HUB DISTRIBUTING, INC.
By _____

Dated: *June 20*, 2006 J.C. PENNEY CORPORATION, INC.
By: *Cirlyp Connor*

Dated: , 2006 KOHL'S CORPORATION
By _____

Dated: , 2006 KOHL'S DEPARTMENT STORES, INC.
By _____

Dated: , 2006 KNIART CORPORATION
By _____

Dated: , 2006 JOE BOXER COMPANY, INC.
By _____

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Dated: _____, 2006
HOT TOPIC, INC.
By _____

Dated: _____, 2006
HUB DISTRIBUTING, INC.
By _____

Dated: _____, 2006
J.C. PENNEY CORPORATION, INC.
By _____

Dated: Feb. 10, 2006
KOHL'S CORPORATION
By Peggy Eshenan
EVE/dg Product Development

Dated: JAN. 10, 2006
KOHL'S DEPARTMENT STORES, INC.
By Peggy Eshenan.
EVE/dg Product Development

Dated: _____, 2006
KMART CORPORATION
By _____

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Dated: _____, 2006	HUB DISTRIBUTING, INC. By _____
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Dated: _____, 2006	J.C. PENNEY CORPORATION, INC. By _____
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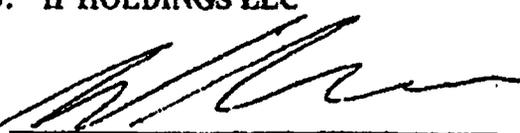
Dated: _____, 2006	KOHL'S CORPORATION By _____
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Dated: _____, 2006	KOHL'S DEPARTMENT STORES, INC. By _____
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Dated: January 17, 2006	KMART CORPORATION By <u>MARY T. JENKINS</u>
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Dated: _____, 2006	JOE BOXER COMPANY, INC. By _____
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Dated: , 2006	HUB DISTRIBUTING, INC. By _____
Dated: , 2006	J.C. PENNEY CORPORATION, INC. By _____
Dated: , 2006	KOHL'S CORPORATION By _____
Dated: , 2006	KOHL'S DEPARTMENT STORES, INC. By _____
Dated: , 2006	KMART CORPORATION By _____
Dated: JAN. 19 , 2006	JOE BOXER COMPANY, INC. - ASSIGNED TO: IP HOLDINGS LLC By  Warren Clamen, President IP Holdings and Management Corp. Its Sole Manager

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Dated: , 2006

[REDACTED]
By _____

Dated: January 17, 2006

SEARS ROEBUCK AND CO.
By Mary Terrence

Dated: , 2006

LANE BRYANT, INC.
By _____

Dated: , 2006

LERNER NEW YORK, INC.
By _____

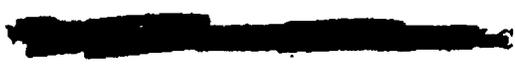
Dated: , 2006

LIMITED TOO STORE PLANNING, INC.
By _____

Dated: , 2006

TOO, INC.
By _____

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Dated: _____, 2006	 By _____
Dated: _____, 2006	SEARS ROEBUCK AND CO. By _____
Dated: _____, 2006	LANE BRYANT, INC. By _____
Dated: _____, 2006	LERNER NEW YORK, INC. By _____
Dated: <u>1/17</u> , 2006	LIMITED TOO STORE PLANNING, INC. By <u>William May</u>
Dated: <u>1/17</u> , 2006	TOO, INC. By <u>William May</u>

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Dated: , 2006	TOO, INC. By _____
Dated: <i>Feb 17</i> 2006	LONGS DRUG STORES CALIFORNIA, INC. Senior Vice President and General Counsel By <i>[Signature]</i>
Dated: , 2006	MERVYN'S, LLC By _____
Dated: , 2006	NORDSTROM, INC. By _____
Dated: , 2006	ROSS STORES, INC. By _____
Dated: , 2006	STYLES FOR LESS, INC. By _____

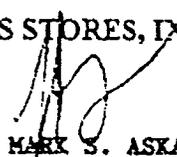
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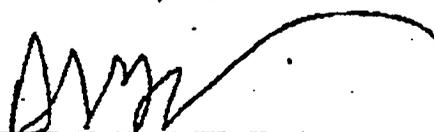
Dated: , 2006	TOO, INC. By _____
Dated: , 2006	LONGS DRUG STORES CALIFORNIA, INC. By _____
Dated: , 2006	MERVYN'S, LLC By 
Dated: , 2006	NORDSTROM, INC. By _____
Dated: , 2006	ROSS STORES, INC. By _____
Dated: , 2006	STYLES FOR LESS, INC. By _____

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Dated: , 2006	LONGS DRUG STORES CALIFORNIA, INC. By _____
Dated: , 2006	MERVYN'S, LLC By _____
Dated: , 2006	NORDSTROM, INC. By <u>Margaret-Myers</u>
Dated: , 2006	ROSS STORES, INC. By _____
Dated: , 2006	STYLES FOR LESS, INC. By _____
Dated: , 2006	TARGET CORPORATION By _____

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Dated: , 2006	LONGS DRUG STORES CALIFORNIA, INC. By _____
Dated: , 2006	MERVYN'S, LLC By _____
Dated: , 2006	NORDSTROM, INC. By _____
Dated: , 2006	ROSS STORES, INC. By  <u>MARK S. ASKANAS</u> GENERAL COUNSEL & SENIOR VICE PRESIDENT
Dated: , 2006	STYLES FOR LESS, INC. By _____
Dated: , 2006	TARGET CORPORATION By _____

1	Dated: , 2006	TOO, INC.
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5	Dated: , 2006	LONGS DRUG STORES CALIFORNIA, INC.
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9	Dated: , 2006	MERVYN'S, LLC
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13	Dated: , 2006	NORDSTROM, INC.
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17	Dated: , 2006	ROSS STORES, INC.
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21	Dated: 1-24 - , 2006	STYLES FOR LESS, INC.
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Dated: _____, 2006	LONGS DRUG STORES CALIFORNIA, INC. By _____
Dated: _____, 2006	MERVYN'S, LLC By _____
Dated: _____, 2006	NORDSTROM, INC. By _____
Dated: _____, 2006	ROSS STORES, INC. By _____
Dated: _____, 2006	STYLES FOR LESS, INC. By _____
Dated: Jan. 12, 2006	TARGET CORPORATION By <u><i>John Paul</i></u>

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Dated: _____, 2006	THE BUCKLE, INC. By _____
Dated: <i>January 23</i> , 2006	TOYS "R" US, INC. By <i>Edward J. Harcum</i> <i>S.P. Corboy - General Counsel</i>
Dated: _____, 2006	WALGREEN CO. By _____
Dated: _____, 2006	XXXXXXXXXXXXXXXXXXXX By _____
Dated: _____, 2006	WALT DISNEY WORLD CO. By _____
Dated: _____, 2006	THE WET SEAL, INC. By _____

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Dated: , 2006	TARGET CORPORATION
	By _____
Dated: , 2006	THE BUCKLE, INC.
	By _____
Dated: , 2006	TOYS "R" US, INC.
	By _____
Dated: <i>June 11</i> , 2006	WALGREEN CO.
	By <i>Arthur J. J...</i>
Dated: , 2006	XXXXXXXXXXXXXXXXXXXX
	By _____
Dated: , 2006	THE WALT DISNEY WORLD CO.
	By _____

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Dated: , 2006	THE BUCKLE, INC. By _____
Dated: , 2006	TOYS "R" US, INC. By _____
Dated: , 2006	WALGREEN CO. By _____
Dated: , 2006	XXXXXXXXXXXXXXXXXXXX By _____
Dated: 1/12 , 2006	WALT DISNEY WORLD CO. By <u>John D. [Signature]</u>
Dated: , 2006	THE WET SEAL, INC. By _____

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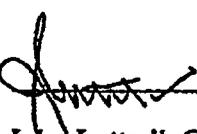
Dated: _____, 2006
THE BUCKLE, INC.
By _____

Dated: _____, 2006
TOYS "R" US, INC.
By _____

Dated: _____, 2006
WALGREEN CO.
By _____

Dated: _____, 2006
~~REDACTED~~
By _____

Dated: _____, 2006
WALT DISNEY WORLD CO.
By _____

Dated: Jan. 24, 2006
THE WET SEAL, INC. AND DBA ARDEN B
By 
John Luttrell, Chief Financial Officer

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APER

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1 Dated: Jan-24 , 2006 2 3 4 5	THE WET SEAL RETAIL, INC. AND DBA ARDEN B By <u>John Lustrall</u> John Lustrall, Chief Financial Officer
6 Dated: , 2006 7 8 9	ZUMIEZ, INC. By _____
10 Dated: , 2006 11 12 13	ADINA, INC. By _____
14 Dated: , 2006 15 16 17	ARDEN JEWELRY MANUFACTURING COMPANY, INC. By _____
18 Dated: , 2006 19 20	BALLET JEWELS, L.L.C. By _____
21 Dated: , 2006 22 23 24	BERNARDO MANUFACTURING By _____

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Dated: , 2006	THE WET SEAL, INC. By _____
Dated: , 2006	THE WET SEAL RETAIL, INC. By _____
Dated: , 2006	ZUMIEZ, INC. By <u>B. Merris</u>
Dated: , 2006	ADINA, INC. By _____
Dated: , 2006	ARDEN JEWELRY MANUFACTURING COMPANY, INC. By _____
Dated: , 2006	BALLET JEWELS, L.L.C. By _____

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Dated: , 2006 THE WET SEAL, INC.
By _____

Dated: , 2006 THE WET SEAL RETAIL, INC.
By _____

Dated: , 2006 ZUMIEZ, INC.
By _____

Dated: 1/10, 2006 ADINA, INC.
By Zur Reja

Dated: , 2006 ARDEX JEWELRY MANUFACTURING COMPANY, INC.
By _____

Dated: , 2006 BALLET JEWELS, L.L.C.
By _____

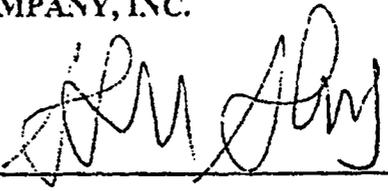
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Dated: , 2006
THE WET SEAL, INC.
By _____

Dated: , 2006
THE WET SEAL RETAIL, INC.
By _____

Dated: , 2006
ZUMIEZ, INC.
By _____

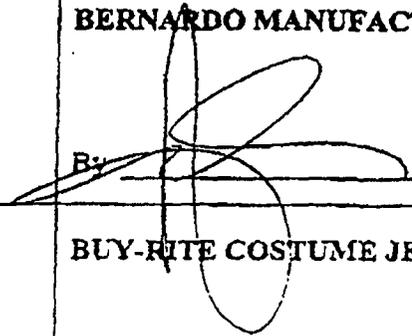
Dated: , 2006
ADINA, INC.
By _____

Dated: 1/9 , 2006
ARDEN JEWELRY MANUFACTURING COMPANY, INC.
By  _____

Dated: , 2006
BALLET JEWELS, L.L.C.
By _____

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5	Dated: . 2006	THE WET SEAL RETAIL, INC.
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9	Dated: . 2006	ZUMIEZ, INC.
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12		By _____
13	Dated: . 2006	ADINA, INC.
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16		By _____
17	Dated: . 2006	ARDEN JEWELRY MANUFACTURING COMPANY, INC.
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21		By _____
22	Dated: 1/10 . 2006	BALLET JEWELS, L.L.C.
23		
24		By <u>Thomas R. Bazi</u>
25		Chief Executive Officer
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Dated: 1/11, 2006	BERNARDO MANUFACTURING By:  1/11/06
Dated: , 2006	BUY-RITE COSTUME JEWELRY, INC. By: _____
Dated: , 2006	BUY-RITE DESIGNS, INC. By: _____
Dated: , 2006	CAROL DAUPLAISE, LTD. By: _____
Dated: , 2006	CAROL FOR EVA GRAHAM, INC. By: _____
Dated: , 2006	CAROL INCORPORATED By: _____

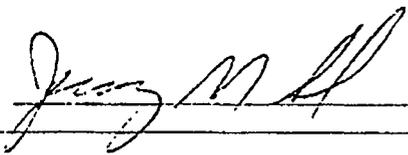
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Dated: , 2006	BERNARDO MANUFACTURING By _____
Dated: <i>January 9</i> , 2006	BUY-RITE COSTUME JEWELRY, INC. By <u><i>[Signature]</i></u>
Dated: , 2006	BUY-RITE DESIGNS, INC. By _____
Dated: , 2006	CAROL DAUPLAISE, LTD. By _____
Dated: , 2006	CAROL FOR EVA GRAHAM, INC. By _____
Dated: , 2006	CAROL INCORPORATED By _____

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Dated: , 2006
BERNARDO MANUFACTURING
By _____

Dated: , 2006
BUY-RITE COSTUME JEWELRY, INC.
By _____

Dated: , 2006
BUY-RITE DESIGNS, INC.
By  _____

Dated: , 2006
CAROL DAUPLAISE, LTD.
By _____

Dated: , 2006
CAROL FOR EVA GRAHAM, INC.
By _____

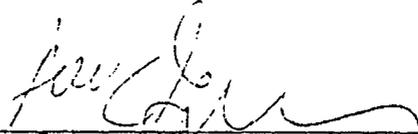
Dated: , 2006
CAROL INCORPORATED
By _____

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5	Dated: _____, 2006	BUY-RITE COSTUME JEWELRY, INC.
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9	Dated: _____, 2006	BUY-RITE DESIGNS, INC.
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12		By _____
13	Dated: 1/11, 2006	CAROL DAUPLAISE, LTD.
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15		
16		By <u>Carol Dauplaise</u>
17	Dated: _____, 2006	CAROL FOR EVA GRAHAM, INC.
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21	Dated: _____, 2006	CAROL INCORPORATED
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Dated: January 10 , 2006	CAROL FOR EVA GRAHAM, INC. <i>Carol Graham</i> By CAROL FOR EVA GRAHAM _____
Dated: , 2006	CAROLE INCORPORATED By _____
Dated: , 2006	RETAIL BRAND ALLIANCE, INC. D/B/A CAROLEE By _____
Dated. , 2006	CATHERINE STEIN DESIGNS, INC. By _____
Dated: , 2006	CRIMZON ROSE ACCESSORIES, INC. By _____
Dated: , 2006	DANECRAFT, INC. By _____
Dated: , 2006	ERICA LYONS

1/10/2006

Dated: , 2006	CAROL FOR EVA GRAHAM, INC. By
Dated: <i>Jan. 9</i> , 2006	CAROLE INCORPORATED By: 
Dated: , 2006	RETAIL BRAND ALLIANCE, INC. D/B/A CAROLEE By
Dated: , 2006	CATHERINE STEIN DESIGNS, INC. By
Dated: , 2006	CRIMZON ROSE By
Dated: , 2006	DANECRAFT, INC. By

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Dated: _____, 2006
RETAIL BRAND ALLIANCE, INC. D/B/A
CAROLEE
By Eugene Feola
Eugene Feola, Vice President

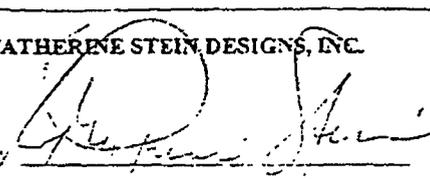
Dated: _____, 2006
CATHERINE STEIN DESIGNS, INC.
By _____

Dated: _____, 2006
CRIMZON ROSE ACCESSORIES, INC.
By _____

Dated: _____, 2006
DANECRAFT, INC.
By _____

Dated: _____, 2006
ERICA LYONS
By _____

Dated: _____, 2006
FAD TREASURES
By _____

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6	Dated: , 2006	CATHERINE STEIN DESIGNS, INC.
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8		By _____
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10	Dated: , 2006	CRIMZON ROSE ACCESSORIES, INC.
11		
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13		By _____
14	Dated: , 2006	DANECRAFT, INC.
15		
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17		By _____
18	Dated: , 2006	ERICA LYONS
19		
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21		By _____
22	Dated: , 2006	FAD TREASURES
23		
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25		By _____
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1 Dated: , 2006

2 **RETAIL BRAND ALLIANCE, INC. D/B/A**
3 **CAROLEE**

4 By _____
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6 Dated: . 2006

7 **CATHERINE STEIN DESIGNS, INC.**

8 By _____
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10 Dated: *January 11*, 2006

11 **CRIMZON ROSE ACCESSORIES, INC.**

12 By *[Signature]*
13

14 Dated: . 2006

15 **DANECRAFT, INC.**

16 By _____
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18 Dated: , 2006

19 **ERICA LYONS**

20 By _____
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22 Dated: , 2006

23 **FAD TREASURES**

24 By _____
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Dated: , 2006
RETAIL BRAND ALLIANCE, INC. D/B/A
CAROLEE
By _____

Dated: , 2006
CATHERINE STEIN DESIGNS, INC.
By _____

Dated: , 2006
CRIMZON ROSE
By _____

Dated: 1/12, 2006
DANECRAFT, INC.
By  CEO - DANECRAFT, INC.

Dated: , 2006
ERICA LYONS
By _____

Dated: , 2006
FAD TREASURES
By _____

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Dated: , 2006
CATHERINE STEIN DESIGNS, INC.
By _____

Dated: , 2006
CRIMZON ROSE ACCESSORIES, INC.
By _____

Dated: , 2006
DANECRAFT, INC.
By _____

Dated: , 2006
ERICA LYONS
By *Erica Lyons*

Dated: , 2006
FAD TREASURES
By _____

Dated: , 2006
F.A.F., INC.
By _____

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RETAIL BRAND ALLIANCE, INC. D/B/A
CAROLEE
By _____

Dated: , 2006
CATHERINE STEIN DESIGNS, INC.
By _____

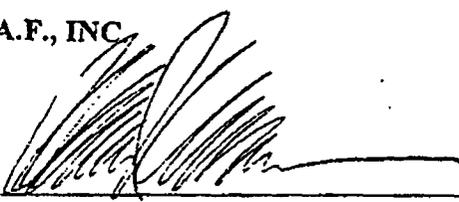
Dated: , 2006
CRIMZON ROSE
By _____

Dated: , 2006
DANECRAFT, INC.
By _____

Dated: , 2006
ERICA LYONS
By _____

Dated: 1/11 , 2006
FAD TREASURES
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Dated: 1/11, 2006
F.A.F., INC.
By 

Dated: , 2006
FASHION ACCENTS, INC.
By _____

Dated: , 2006
FIESTA JEWELRY, INC.
By _____

Dated: , 2006
FINESSE NOVELTY CORPORATION, D B A
ACCESSORY SOLUTIONS AND AMBIANCE
ACCESSORY
By _____

Dated: , 2006
GIGI ACCESSORIES
By _____

Dated: , 2006
HABITAT, INC.
By _____

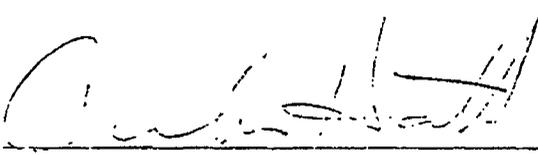
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Dated: , 2006	F.A.F., INC. By _____
Dated: <i>JAN. 10</i> , 2006	FASHION ACCENTS, INC. By <i>Jane J. Cooy, Jr.</i>
Dated: , 2006	FIESTA JEWELRY, INC. By _____
Dated: , 2006	FINESSE NOVELTY CORPORATION By _____
Dated: , 2006	GIGI ACCESSORIES By _____
Dated: , 2006	HABITAT, INC. By _____

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Dated: , 2006
F.A.F., INC.
By _____

Dated: , 2006
FASHION ACCENTS, INC.
By _____

Dated: 1/9 , 2006
FIESTA JEWELRY, INC.
By 

Dated: , 2006
FINESSE NOVELTY CORPORATION
By _____

Dated: , 2006
GIGI ACCESSORIES
By _____

Dated: , 2006
HABITAT, INC.
By _____

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Dated: , 2006 FASHION ACCENTS, INC.
By _____

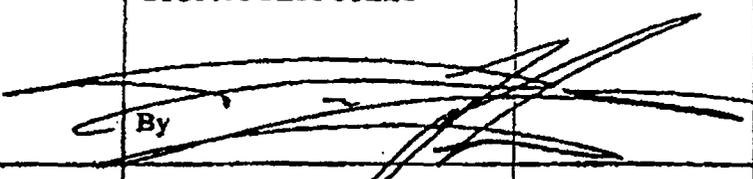
Dated: , 2006 FIESTA JEWELRY, INC.
By _____

Dated: *January 13*, 2006 FINESSE NOVELTY CORP., D.B/A
ACCESSORY SOLUTIONS, AMBIANCE
ACCESSORY, AND JEWELRY SALES
By  _____

Dated: , 2006 GIGI ACCESSORIES
By _____

Dated: , 2006 HABITAT, INC.
By _____

Dated: , 2006 JJAMZ, INC.
By _____

Dated:	. 2006	F.A.F., INC.	
		By	
Dated	. 2006	FASHION ACCENTS, INC.	
		By	
Dated:	. 2006	FIESTA JEWELRY, INC.	
		By	
Dated.	. 2006	FINESSE NOVELTY CORPORATION	
		By	
Dated:	. 2006	GIGI ACCESSORIES	
<i>1/17/08</i>		By 	
Dated:	. 2006	HABITAT, INC.	
		By	
Dated:	. 2006	JJAMZ, INC.	
		By	
Dated:	. 2006	K&M ASSOCIATES, L.P.	

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Dated: , 2006 FASHION ACCENTS, INC.
By _____

Dated: , 2006 FIESTA JEWELRY, INC
By _____

Dated: , 2006 FINESSE NOVELTY CORP., D/B/A
ACCESSORY SOLUTIONS AND AMBIANCE
ACCESSORY
By _____

Dated: , 2006 GIGI ACCESSORIES
By _____

Dated: 1/17 , 2006 HABITAT, INC.
By MSch

Dated: , 2006 JJAMZ, INC.
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Dated: 1/11, 2006	JJAMZ, INC. By <i>W. J. Kunkin, Pres. CEO</i>
Dated: , 2006	K&M ASSOCIATES, L.P. By _____
Dated: , 2006	KENILWORTH CREATIONS By _____
Dated: , 2006	KERISSA CREATIONS By _____
Dated: , 2006	KEY ITEM SALES, INC. By _____
Dated: , 2006	LIZ CLAIBORNE, INC. By _____

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Dated: 1/13, 2006	K&M ASSOCIATES, L.P. By <u>William Edwards</u> VICE PRESIDENT OF AIMPAR, INC.
Dated: , 2006	KENILWORTH CREATIONS By _____
Dated: , 2006	KERISSA CREATIONS By _____
Dated: , 2006	KEY ITEM SALES, INC. By _____
Dated: , 2006	LIZ CLAIBORNE, INC. By _____
Dated: , 2006	HASKELL JEWELS, LTD. By _____

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Dated: , 2006 JJAMZ, INC.
By _____

Dated: , 2006 K&M ASSOCIATES, L.P.
By _____

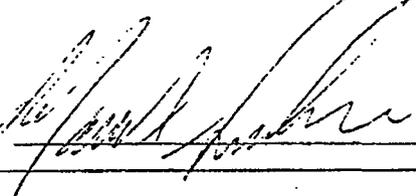
Dated: 1/18, 2006 KENILWORTH CREATIONS
By Eric J. [Signature]

Dated: , 2006 KERISSA CREATIONS
By _____

Dated: , 2006 KEY ITEM SALES, INC.
By _____

Dated: , 2006 LIZ CLAIBORNE, INC.
By _____

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Dated: , 2006	JJAMZ, INC. By _____
Dated: , 2006	K&M ASSOCIATES, L.P. By _____
Dated: , 2006	KENILWORTH CREATIONS By _____
Dated: <i>1/13/06</i> , 2006	KERISSA CREATIONS By 
Dated: , 2006	KEY ITEM SALES, INC. By _____
Dated: , 2006	LIZ CLAIBORNE, INC. By _____

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Dated: , 2006
JJAMZ, INC.
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Dated: , 2006
K & M ASSOCIATES, L.P.
By _____

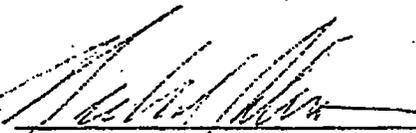
Dated: , 2006
KENILWORTH CREATIONS
By _____

Dated: , 2006
KERISSA CREATIONS
By _____

Dated: *Jan 12* 2006
KEY ITEM SALES, INC.
By *Ellie Rappert*

Dated: , 2006
LIZ CLAIBORNE, INC.
By _____

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Dated: _____, 2006	JJAMZ, INC. By _____
Dated: _____, 2006	K&M ASSOCIATES, L.P. By _____
Dated: _____, 2006	KENILWORTH CREATIONS By _____
Dated: _____, 2006	KERISSA CREATIONS By _____
Dated: _____, 2006	KEY ITEM SALES, INC. By _____
Dated: <i>January 12</i> , 2006	LIZ CLAIBORNE, INC. By 

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Dated: Jan 13, 2006	HASKELL JEWELS, LTD. By <u><i>Labelle Faltz</i></u>
Dated: _____, 2006	MJM JEWELRY CORP., D/B/A BERRY JEWELRY COMPANY By _____
Dated: _____, 2006	ORION FASHIONS, INC. By _____
Dated: _____, 2006	RAINBOW SALES INCORPORATED By _____
Dated: _____, 2006	JEWELRY FASHIONS, INC. By _____
Dated: _____, 2006	SCORPIO ACCESSORIES, LLC By _____

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Dated: , 2006	HASKELL JEWELS, LTD. By _____
Dated: <i>1/10</i> , 2006	MJM JEWELRY CORP., D/B/A BERRY JEWELRY COMPANY By <i>Walter Berry</i>
Dated: , 2006	ORION FASHIONS, INC. By _____
Dated: , 2006	RAINBOW SALES INCORPORATED By _____
Dated: , 2006	JEWELRY FASHIONS, INC. By _____
Dated: , 2006	SCORPIO ACCESSORIES, LLC By _____

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Dated: , 2006
HASKELL JEWELS, LTD.
By _____

Dated: , 2006
MJM JEWELRY CORP., D/B/A BERRY
JEWELRY COMPANY
By _____

Dated: JAN 11 , 2006
ORION FASHIONS, INC.
By 

Dated: , 2006
RAINBOW SALES INCORPORATED
By _____

Dated: , 2006
JEWELRY FASHIONS, INC.
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Dated: , 2006
SCORPIO ACCESSORIES, LLC
By _____

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Dated: , 2006
HASKELL JEWELS, LTD.
By _____

Dated: , 2006
MJM JEWELRY CORP.
By _____

Dated: , 2006
ORION FASHIONS, INC.
By _____

Dated: *JAN, 11*, 2006
RAINBOW SALES INCORPORATED
By *[Signature]*

Dated: , 2006
JEWELRY FASHIONS, INC.
By _____

Dated: , 2006
SCORPIO ACCESSORIES, LLC
By _____

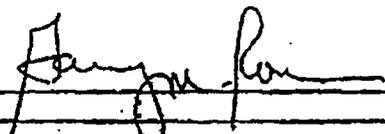
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Dated: , 2006
HASKELL JEWELS, LTD.
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Dated: , 2006
MJM JEWELRY CORP., D/B/A BERRY
JEWELRY COMPANY
By _____

Dated: , 2006
ORION FASHIONS, INC.
By _____

Dated: , 2006
RAINBOW SALES INCORPORATED
By _____

Dated: JAN. 12 , 2006
JEWELRY FASHIONS, INC.
By  _____

Dated: , 2006
SCORPIO ACCESSORIES, LLC
By _____

1	Dated: , 2006	MJM JEWELRY CORP., D/B/A BERRY JEWELRY COMPANY
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5	Dated: , 2006	ORION FASHIONS, INC.
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9	Dated: , 2006	RAINBOW SALES INCORPORATED
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12		By _____
13	Dated: , 2006	JEWELRY FASHIONS, INC.
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15		By _____
16	Dated: 1/13/06 , 2006	SCORPIO ACCESSORIES, LLC
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18		By <i>Michael J. Wana</i>
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20	Dated: , 2006	SHALOM INTERNATIONAL, CORP.
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Dated: , 2006	ORION FASHIONS, INC. By _____
Dated: , 2006	RAINBOW SALES INCORPORATED By _____
Dated: , 2006	JEWELRY FASHIONS, INC. By _____
Dated: , 2006	SCORPIO ACCESSORIES, LLC By _____
Dated: 11/17 , 2006	SHALOM INTERNATIONAL, CORP. EDWARD STROUDEL, CFO By <u>Edward Strodel</u>

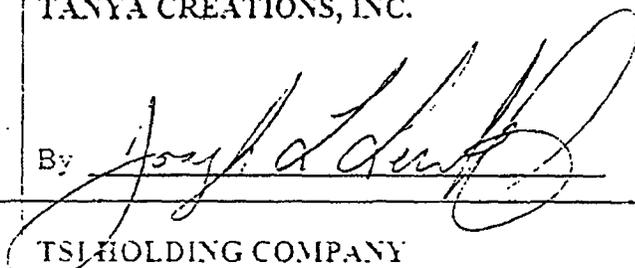
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Dated: 1/11 , 2006	STEPHAN & CO. By  _____
Dated: , 2006	TANYA CREATIONS, INC. By _____
Dated: , 2006	TSI HOLDING COMPANY By _____
Dated: , 2006	VETTA JEWELRY, INC. By _____
Dated: , 2006	VICTORIA + CO., LTD. By _____

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Dated: _____, 2006
SHALOM INTERNATIONAL, CORP.
By _____

Dated: _____, 2006
STEPHAN & CO.
By _____

Dated: 1/11, 2006
TANYA CREATIONS, INC.
By 

Dated: _____, 2006
TSL HOLDING COMPANY
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Dated: _____, 2006
VETTA JEWELRY, INC.
By _____

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VICTORIA + CO., LTD.
By _____

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Dated: , 2006	STEPHAN & CO. By _____
Dated: , 2006	TANYA CREATIONS, INC. By _____
Dated: <i>JAN 10</i> , 2006	TSI HOLDING COMPANY By <i>[Signature]</i> , <i>vice President</i>
Dated: , 2006	VETTA JEWELRY, INC. By _____
Dated: , 2006	VICTORIA + CO., LTD. By _____

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Dated: , 2006	STEPHAN & CO. By _____
Dated: , 2006	TANYA CREATIONS, INC. By _____
Dated: , 2006	TSI HOLDING COMPANY By _____
Dated: <i>January 10</i> , 2006	VETTA JEWELRY, INC. By <u><i>[Signature]</i></u> <i>MARY WALSH President</i>
Dated: , 2006	VICTORIA + CO., LTD. By _____

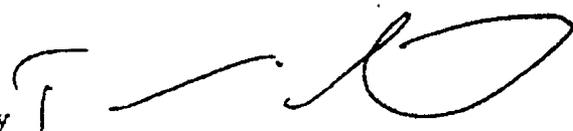
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Dated: _____, 2006	STEPHAN & CO. By _____
Dated: _____, 2006	TANYA CREATIONS, INC. By _____
Dated: _____, 2006	TSI HOLDING COMPANY By _____
Dated: _____, 2006	VETTA JEWELRY, INC. By _____
Dated: 1/11, 2006	VICTORIA + CO., LTD. RICHARD M. ANDREOLI PRESIDENT / COO By <i>Richard M. Andreoli</i> 1/11/06

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Dated: Jan. 10, 2006

CATHERINE'S, INC.

By 
Thomas M. Smith, Vice President

Dated: Jan. 10, 2006

FASHION BUG RETAIL COMPANIES, INC.

By 
John J. Sullivan, Vice President

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Dated: 1/14, 2006

AEROPOSTALE, INC.
By *Ed Kelly*

Dated: , 2006

AMERICAN EAGLE OUTFITTERS, INC.
By _____

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Dated: , 2006

AEROPOSTALE, INC.
By _____

Dated: 1/13 , 2006

AMERICAN EAGLE OUTFITTERS, INC.
By *Neil B...*

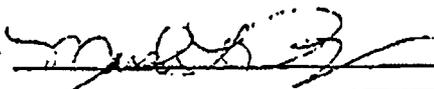
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Dated: , 2006

DD'S DISCOUNTS

By MARK S. ASKANAS
GENERAL COUNSEL & SENIOR VICE PRESIDENT

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Dated: , 2006	DISNEY ENTERPRISES, INC. By 
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Dated: , 2006	THE ASSOCIATED MERCHANDISING CORPORATION By _____
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CONSENT JUDGMENT

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JAN 12 '06 84:34PM CORPORATE LEGAL

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Dated: _____, 2006	DISNEY ENTERPRISES, INC. By _____
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Dated: Jan. 12, 2006	THE ASSOCIATED MERCHANDISING CORPORATION By <u>John Paul</u>
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Dated: Jan 16, 2006	BLOOMINGDALES By <i>[Signature]</i>
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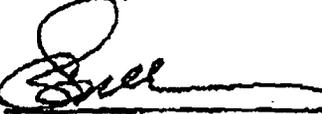
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Dated: <u>1/17</u> , 2006	JUSTICE STORES LLC By <u>Sally A. Boyer</u>
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Dated: 20 Jan , 2006	MONOGRAM INTERNATIONAL, INC. By <u>Vesichoa</u>
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Dated: , 2006	COST PLUS, INC. By 
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- 46 -

CONSENT JUDGMENT

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**IT IS SO ORDERED, ADJUDGED,
AND DECREED**

Dated:

Hon.
Judge of the Superior Court of the State of California

1 **Affiliates: The Limited Stores, Inc.; Victoria's Secret Stores, LLC; and**
2 **Victoria's Secret Direct, LLC**

3 I. Federated Department Stores, Inc.; Macy's West, Inc.; and Federated Retail
4 Holdings, Inc. d/b/a Robinsons-May (sued and served herein as "The May Department Store
5 Company, Inc.") (*Mediation Committee*)

6 **Affiliate: Bloomingdale's**

7 J. Forever 21, Inc. and Forever 21 Retail, Inc.

8 K. Gottschalks, Inc.

9 L. Group USA Apparel, Inc.

10 M. Hot Topic, Inc. (*Mediation Committee*)

11 N. Hub Distributing, Inc.

12 **Related Companies: Anchor Blue Retail Group, Inc.**

13 O. J.C. Penney Corporation, Inc. (*Mediation Committee*)

14 P. Kohl's Corporation and Kohl's Department Stores, Inc.

15 Q. Kmart Corporation; Joe Boxer Company, Inc.; and Sears Roebuck and Co.

16 (*Mediation Committee*)

17 R. Lane Bryant, Inc. (*Mediation Committee*)

18 **Affiliates: Catherines, Inc. and Fashion Bug Retail Companies, Inc.**

19 S. Lerner New York, Inc.

20 T. Limited Too Store Planning, Inc. and Too, Inc. (*Mediation Committee*)

21 **Affiliate: Justice Stores LLC**

22 U. Longs Drug Stores California, Inc.

23 V. Mervyn's, LLC (*Mediation Committee*)

24 W. Monogram International, Inc.

25 X. Nordstrom, Inc. (*Mediation Committee*)

26 Y. Ross Stores, Inc. (*Mediation Committee*)

27 **Affiliate: dd's DISCOUNTS**

28 Z. Styles for Less, Inc.

- 1 AA. Target Corporation (*Mediation Committee*)
2 Affiliate: The Associated Merchandising Corporation
3 BB. The Buckle, Inc. (*Mediation Committee*)
4 CC. Toys "R" Us, Inc. (*Mediation Committee*)
5 DD. Walgreen Co.
6 Related Company: East-West Distributing Co., a wholly owned
7 subsidiary of Walgreen Co.
8 EE. Walt Disney World Co. (*Mediation Committee*)
9 Affiliate: Disney Enterprises, Inc.
10 FF. The Wet Seal, Inc., and The Wet Seal Retail, Inc. (*Mediation Committee*)
11 GG. Zumiez, Inc.

12 2. INITIAL SETTLING VENDORS

- 13 A. Adina Inc.
14 B. Arden Jewelry Manufacturing Company, Inc.
15 C. Ballet Jewels L.L.C.
16 D. Bernardo Manufacturing
17 E. Buy-Rite Costume Jewelry, Inc. and Buy-Rite Designs, Inc.
18 F. Carol Dauplaise Ltd.
19 G. Carol for Eva Graham, Inc.
20 H. Carole Inc.
21 I. Retail Brand Alliance, Inc. d/b/a Carolee
22 J. Catherine Stein Designs, Inc.
23 K. Crimzon Rose Accessories, Inc.
24 L. Danecraft, Inc.
25 M. Erica Lyons
26 N. FAD Treasures
27 O. F.A.F, Inc.
28 P. Fashion Accents, Inc.

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- 1 Q. Fiesta Jewelry, Inc.
2 R. Finesse Novelty Corp., d/b/a Accessory Solutions, Ambiance Accessory, and
3 Jewelry Sales
4 S. Gigi Accessories
5 T. Habitat, Inc.
6 U. JJamz, Inc.
7 V. K&M Associates, L.P.
8 W. Kenilworth Creations
9 X. Kerissa Creations
10 Y. Key Item Sales, Inc.
11 Z. Liz Claiborne, Inc.
12 AA. Haskell Jewels, LTD
13 BB. MJM Jewelry Corp., d b/a Berry Jewelry Company
14 CC. Orion Fashions, Inc.
15 DD. Rainbow Sales Incorporated
16 EE. Jewelry Fashions, Inc.
17 FF. Scorpio Accessories, LLC
18 GG. Shalom International Corp.
19 HH. Stephan & Co.
20 II. Tanya Creations, Inc.
21 JJ. TSI Holding Company
22 KK. Vetta Jewelry, Inc.
23 LL. Victoria + Co. LTD

24 3. ADD-ON DEFENDANTS
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1 **EXHIBIT B (CLASS 1, 2, AND 3 COMPONENTS AND BODY PIERCING JEWELRY)**

2 **CLASS 1 COMPONENTS**

3 Stainless and surgical steels

4 Karat gold

5 Sterling silver

6 Platinum, palladium, iridium, ruthenium, rhodium, or osmium ("platinum group metals")

7 Natural and cultured pearls.

8 Glass, ceramic, and crystal decorative components (e.g., cat's eye, cubic zirconia
9 (sometimes called cubic zirconium, CZ), glass, rhinestones, cloisonne).

10 Any gemstone that is cut and polished for ornamental purposes except the following:
11 aragonite, bayldonite, boleite, cerussite, crocoite, ekanite, linarite, mimetite, phosgenite,
12 samarskite, vanadinite, and wulfenite.

13 Elastic, fabric, ribbon, rope, and string with no intentional lead and not otherwise listed as
14 a Class 2 component.

15 Natural decorative materials (e.g., amber, bone, coral, feathers, fur, horn, leather, shell,
16 wood) that are in their natural state or are treated in a way that does not add lead.

17 Adhesives

18 **CLASS 2 COMPONENTS**

19

COMPONENT	LEAD CONTENT LIMITS
20 Metal substrates that are electroplated	21 Metal alloys with less than 10 percent 22 lead by weight ("88 metal") that are 23 electroplated with suitable under and finish 24 coats and that are plated utilizing the Best 25 Management Practices described in Exhibit C. 26 For Covered Products shipped by a Settling 27 Defendant that is a Supplier after December 31, 28 2008 to a third party for retail sale in

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1		California, and for products sold or offered for
2		retail sale in California by a Settling Defendant
3		after August 31, 2009, this standard shall be
4		metal alloys with less than 6 percent lead by
5		weight ("92 metal") that are electroplated with
6		suitable under and finish coats and that are
7		plated utilizing the Best Management Practices
8		described in Exhibit C.
9	Unplated metal not defined as Class 1	1.5%
10	Components.	
11	Metal (plated and unplated) used in	0.06% (600 ppm)
12	Children's Products	
13	Plastic Rubber (e.g., acrylic,	0.06% (600 ppm). For Covered
14	polystyrene, plastic beads/stones, polyvinyl	Products shipped by a Settling Defendant that
15	chloride (PVC))	is a Supplier after December 31, 2008 to a third
16		party for retail sale in California, and for
17		products sold or offered for retail sale in
18		California by a Settling Defendant after August
19		31, 2009, this standard shall be no more than
20		0.02 percent (200 ppm) lead by weight
21	Dyes, and Surface Coatings	0.06% (600 ppm)
22	Glass and crystal decorative	No more than 1.0 grams total glass or
23	components used in Children's Products	decorative crystal components
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CLASS 3 COMPONENTS

Class 3 Components shall contain no more than 0.06% lead.

Class 3 Components used in Children's Products shall contain no more than 0.02% lead.

BODY PIERCING JEWELRY

Body Piercing Jewelry shall be made of one of the following materials:

- Surgical Implant Stainless Steel
- Surgical Implant grades of Titanium
- Niobium (Nb)
- Solid 14 karat or higher white or yellow nickel-free gold
- Solid platinum
- A dense low porosity plastic such as Tygon or PTFE with no intentionally added lead

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PLATING PROCEDURES

Substantial pieces such as pendants, drops, and rings without prongs or other such feature shall be plated with at least 15 minutes combined plating with copper (copper strike and/or acid copper), nickel or nickel substitute, and/or finish coat. The pieces will also be rinsed between plating tanks. Finish decorative coatings include brass, bronze, copper, gold, gun metal, hematite, imitation rhodium, matt finish, palladium, platinum, rhodium, or silver. If desired, plated pieces can be treated to produce other finishes such as matt, oxidized, or smut black finishes.

Mechanical, functional (e.g., lobster claws, spacers, mechanical closures, connectors), or fine pieces such as prongs and fine chains may be plated to cover the exposed surface consistent with good manufacturing practices for appearance and function. Components that articulate closely together such as snake chain and tight hinges or that need to be manipulated into position will be plated to prevent binding, stiffness, and cracking of plating.

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EXHIBIT D (TESTING PROTOCOLS)

The following test methods must be used and on the basis that (1) one or two samples exceed 300% of component specification limit, (2) three samples exceed 200% of a component specification limit, or (3) four or more samples exceed a component specification limit.

Laboratory sample preparation protocols specific for testing the lead content of jewelry components are not readily available. The Reference Methods for sample preparation shall be modified as noted in the following table for use with jewelry samples. The laboratory should make every effort to assure that samples removed from jewelry pieces are representative of the component to be tested, and are free of contamination from extraneous dirt and material not related to the jewelry component to be tested. All jewelry component samples shall be washed prior to testing using standard laboratory detergent, rinsed with laboratory reagent grade deionized water, and dried in a clean ambient environment. If components must be cut or scraped to obtain a sample, then metal snips, scissors, or other cutting tools used must be made of stainless steel and washed and rinsed before each use and between samples.

Except for glass, ceramic, and crystal in Children's Products, samples should be digested in containers that are known to be free of lead using acids that are not contaminated by lead. Analytical Reagent grade digestion acids and reagent grade deionized water are required. Method Blanks, consisting of all reagents used in sample preparation handled, digested and made to volume in the same exact manner and in the same container type as samples, shall be tested with each group of 20 or fewer samples tested. The results for the Method Blank shall be reported with each group of sample results, and shall be below the stated reporting limit for sample results to be considered valid.

Except for glass, ceramic, and crystal in Children's Products, all jewelry components samples shall be prepared for testing in accordance with USEPA Method 3050B or 3051 with the following additional notes and exceptions:

COMPONENT	NOTES AND EXCEPTIONS
Metals plated with suitable undercoats and finish coats	Digestion using hot concentrated nitric acid with optional hydrochloric acid and optional hydrogen peroxide. Sample size

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1		should be 0.050 g to 1 g. Digested samples may require dilution prior to analysis. Digestion and analysis should achieve a reported detection limit no greater than 0.1% for samples. Any necessary dilutions shall be made to assure that measurements are made within the calibrated range of the analytical instrument.
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5	Unplated metal and metal substrates not defined as Class 1 Components.	Digestion using hot concentrated nitric acid with optional hydrochloric acid and optional hydrogen peroxide. Sample size should be 0.050 g to 1 g. Digested samples may require dilution prior to analysis. Digestion and analysis should achieve a reported detection limit no greater than 0.01% for samples. Any necessary dilutions shall be made to assure that measurements are made within the calibrated range of the analytical instrument.
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9	Polyvinyl chloride (PVC)	Digestion using hot concentrated nitric acid with optional hydrochloric acid and optional hydrogen peroxide. Sample size should be a minimum of 0.05 g if using microwave digestion or 0.5 if using hot plate digestion, and should be chopped or comminuted prior to digestion. Digested samples may require dilution prior to analysis. Digestion and analysis should achieve a reported detection limit no greater than 0.001% (10 ppm) for samples. Any necessary dilutions shall be made to assure that measurements are made within the calibrated range of the analytical instrument.
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15	Non-PVC Plastic Rubber (e.g., acrylic, polystyrene, plastic beads/stones).	Digestion using hot concentrated nitric acid with optional hydrochloric acid and optional hydrogen peroxide. Sample size should be a minimum of 0.05 g if using microwave digestion or 0.5 if using hot plate digestion and should be chopped or comminuted prior to digestion. Plastic beads or stones should be crushed prior to digestion. Digested samples may require dilution prior to analysis. Digestion and analysis should achieve a reported detection limit no greater than 0.001% (10 ppm) for samples. Any necessary dilutions shall be made to assure that measurements are made within the calibrated range of the analytical instrument.
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22	<u>Coatings on Glass and Plastic Pearls.</u>	The coating of glass or plastic beads should be scraped onto a surface free of dust, such as a clean weighing paper or pan, using a clean stainless steel razor blade or other clean sharp instrument that will not contaminate the sample with lead. The razor blade or sharp instrument should be rinsed with deionized water, wiped to remove particulate matter, rinsed again, and dried between samples. Weigh the scrapings. A minimum of 50 mg of scraped coating should be used for analysis. If less than 50 mg of scraped coating is obtained from an individual pearl, then multiple pearls from that sample must be scraped and composited to obtain a sufficient sample amount. The number of pearls used to make the
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composite must be noted. Avoid inclusion of the substrate pearl material in the scrapings. Digest the scrapings according to USEPA Method 3050B or 3051 or equivalent procedure for hot acid digestion in preparation for trace lead analysis. Dilute the digestate in the minimum volume practical for analysis. Analyze the digested sample according to specification of Exhibit D (approved, validated methodology for inductively-coupled plasma mass spectrometry). A reporting limit of 0.001% (10 ppm) in the coating must be obtained for the analysis. The sample result must be reported within the calibrated range of the instrument. If the initial test of the sample is above the highest calibration standard, then the sample must be diluted and re-analyzed within the calibrated range of the instrument.

Dyes, paints, coatings, varnish

Digestion using hot concentrated nitric acid with optional hydrochloric acid and optional hydrogen peroxide. Sample size should be a minimum of 0.050 g, and should be chopped or comminuted prior to digestion.

Digested samples may require dilution prior to analysis. Digestion and analysis should achieve a reported detection limit no greater than 0.001% (10 ppm) for samples. Any necessary dilutions shall be made to assure that measurements are made within the calibrated range of the analytical instrument.

Glass, ceramic, and crystal used in Children's Product

The components should be free of any extraneous material such as adhesive before they are weighed. The scale used to weight these components should be calibrated using NIST certified (S-class) weights of 1 and 2 grams immediately before the components are weighed. The calibration should be accurate to within 0.01 gram.

EXHIBIT E (BRAND NAMES)

1. Cost Plus, Inc.: World Market and Cost Plus World Markets
2. Hot Topic, Inc.: Torrid and Torrid Plus Sizes
3. Federated Department Stores, Inc.,; Macy's West, Inc.,; Federated Retail Holdings, Inc.
d.b.a Robinsons-May; Bloomingdale's: Charter Club and Alfani
4. J.C. Penney Corporation, Inc.: Worthington; Mix-it; Bisou Bisou; Vieste; Crush
5. The Wet Seal, Inc. and The Wet Seal Retail, Inc.: Arden B
6. Adina Inc.: Adina
7. Ballet Jewels, L.L.C.: Ballet
8. Buy-Rite Costume Jewelry, Inc.,; Buy Rite Designs, Inc.: Hangin' Loose; Lil' Cool;
Misunderstood; Prevu; Rock-it; Way Cool
9. Carol Dauplaise, Ltd.: Carol Dauplaise; Dauplaise II; 29 West
10. Carol for Eva Graham, Inc.: Carol for Eva Graham
11. Carole Inc.: Carole; Cheers; Vertical
12. Carolee Designs d.b.a Retail Brand Alliance: Adrienne Vitandini; Carolee; Lauren; Zinc
13. Catherine Stein Designs: Catherine Stein; Catie Stein; Stein Biye, C. Stein
14. Crimzon Rose Accessories, Inc.: Element
15. Danecraft, Inc.: Danecraft; Platinum Tone; Primavera
16. FAF: Panama Jack; Key Elements; Sensible Solutions; Mary-Kate and Ashley
17. Fashion Accents, Inc.: Ashley Nicole; Body Worx; Ear Freedom; Ear Sense; Eisenberg
Ice; Museum Collection; Rain Drops
18. Fiesta Jewelry, Inc.: Fiesta
19. Gigi Accessories: Gigi in Style
20. Habitat, Inc.: Habitat
21. Shalom International Corp.: Hilary Duff; Instinct; Trollz
22. JJAMZ, Inc.: Punch

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- 1 23. K&M Associates, L.P.: A-Line; Anne Klein; Bratz; David and Goliath; Donald Trump;
- 2 Guess?; MUDD; Panama Jack
- 3 24. Kerissa Creations: Harvest Moon
- 4 25. Key Item Sales: Ashley B; Memory Maker Photo Jewelry
- 5 26. Liz Claiborne Inc.: Access; Crazy Horse; Ellen Tracy; First Issue; Intuitions; Juicy
- 6 Couture; Kenneth Cole; Liz Claiborne; Lucky Brand; Marvella; Marvella Studio; Monet; Monet
- 7 2; Reaction; Realities; Trifari; Trifari Pearl; Villager
- 8 27. Haskell Jewels, Ltd.: Betsy Johnson; Christopher Radko; JLO by Jennifer Lopez; Miriam
- 9 Haskell; M. Haskell
- 10 28. MJM Company, d.b/a Berry Jewelry: Berry
- 11 29. Orion Fashions, Inc.: Kool Konnections
- 12 30. Jewelry Fashions Inc.: Robert Rose
- 13 31. Stephan & Co.: Stephan & Company Accessories Ltd.
- 14 32. Tanya Creations, Inc.: Tanya Creations
- 15 33. TSI Holding Company: Alexia; Aressa; Bridal Gallery; EverydayPave; Giftables; Gifts-
- 16 To-Go; In Focus; In View; Jezlaine; Luxe; Mellini; Roman; Roman Argento; Roman Especially
- 17 for You; Roman Fashions; Roman Craftsman; Roman In Design; Roman Sentiments; Roman
- 18 Signature; Savant; Social Gallery; Stella Moon - Sterling; Sterling Inspirations; Tess Brooks;
- 19 Vanessa Michaels; Willow Hills - Sterling
- 20 34. Vetta Jewelry Inc.: Isabelle; Spring Street; Vetta
- 21 35. Victoria + Co.: Bandolino; Bijoux Givenchy; Boutique 58; Easy Spirit; Judith Jack ; l.e.i.;
- 22 Million Wishes; Napier; Nine West; Tommy Hilfiger; Nine & Co.
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For Defendant American Eagle Outfitters, Inc.:
General Counsel
American Eagle Outfitters, Inc.
150 Thorn Hill Drive
Warrendale, PA 15086-7528

For Defendant Burlington Coat Factory Warehouse Corporation:
Stacy John Haigney
Burlington Coat Factory
263 West 38th Street
New York, NY 10013
Tel: (212) 768-0058 Fax: (212) 391-0074
stacyhaigney@coat.com

For Defendants CBI Distributing Corp. and Claire's Boutiques, Inc.:
CBI Distributing Corp.
Claire's Boutiques, Inc.
Three SW 129th Avenue
Pembroke Pines
Attention: General Counsel's Office

For Defendant Charlotte Russe, Inc.:
Zina Rabinovich
Charlotte Russe Merchandising, Inc.
4645 Morena Boulevard
San Diego, CA 92117

With a copy to:

Jeffrey Kapur, Esq.
Buchalter Nemer
1000 Wilshire Boulevard
Suite 1500
Los Angeles, CA 90017-2457

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For Defendant Cost Plus, Inc. and its related company, Cost Plus Management Services, Inc.:

Chris Miller, Comptroller
Cost Plus, Inc.
200 Fourth Street
Oakland, CA 94607
Fax: (510) 893-3084

With a copy to:

Marcy J. Bergman, Esq.
COOPER WHITE & COOPER LLP
201 California Street, 17th Floor
San Francisco, CA 94111
Tel: (415) 433-1900; Fax: (415) 433-5530

For Defendants Express, LLC and its affiliates The Limited Stores, Inc.; Victoria's Secret Stores, LLC; Victoria's Secret Direct, LLC:

Lisa L. Halko
Greenberg Traurig LLP
1201 K Street, Suite 1100
Sacramento CA 95814

With a copy to:

Michael D. Martz
Vorys Sater Seymour & Pease
P.O. Box 1008
52 E. Gay Street
Columbus, Ohio 43216-1008

1 **For Defendants Federated Department Stores, Inc.; Macy's West, Inc. and**
2 **Federated Retail Holdings, Inc. d/b/a Robinsons-May; affiliate Bloomingdales:**

3 Christine Brandt
4 Federated Dept. Stores, Inc.
5 Law Department Western Region
6 P.O. Box 7888 - Internal Box 47
7 San Francisco, CA 94120
8 Tel: (415) 954-6078/Fax: (415) 393-3034
9 christine.brandt@fds.com

10 With a copy to:

11 Jeffrey B. Margulies
12 FULBRIGHT & JAWORSKI L.L.P.
13 555 South Flower Street, 41st Floor
14 Los Angeles, California 90071
15 Tel: (213) 892-9286/Fax: (213) 892-9494
16 jmarginulies@fulbright.com

17 **For Defendants Forever 21, Inc.; Forever 21 Retail, Inc.:**

18 Young Kwon
19 Forever 21, Inc.
20 2001 S. Alameda Avenue
21 Los Angeles, CA 90058

22 **For Defendant Gottschalks, Inc.:**

23 J. Gregory Ambro
24 Senior Vice President
25 Chief Financial & Administrative Officer
26 Gottschalks Inc.
27 7 River Park Place East
28 Fresno, CA 93729

For Defendant Group USA Apparel, Inc.:

Mark Koda
Chief Financial Officer
Group USA Apparel Inc.
25 Enterprise Avenue
Secaucus, NJ 07094
Tel: (210) 867-6005
Fax: (210) 867-0719

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For Defendant Hot Topic, Inc.:
General Counsel
18305 E. San Jose Ave.
City of Industry, CA 91748
Tel: (626) 839-4681 x2618/Fax: (626) 771-2309

With a copy to:

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For Defendant Hub Distributing, Inc.:
William Langsdorf
Senior Vice President and Chief Financial Officer
Hub Distributing, Inc.
2501 East Guasti Road
Ontario, CA 91761
bill.langsdor@hubdistributing.com

For Defendant J.C. Penney Corporation, Inc.:
Mary G. Tacher
Associate General Counsel - Litigation
J.C. Penney Corporation, Inc.
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Tel: (972) 431-1257/Fax: (972) 431-1133/1134
mtacher@jcpenney.com

With a copy to:

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Divisional Merchandise Manager
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For Defendants Kohl's Corporation and Kohl's Department Stores, Inc.:
General Counsel
Kohl's Department Stores, Inc.
N56 W17000 Ridgewood Drive
Menomonee Falls, WI 53051
Tel: (262) 703-2720

For Defendants K-Mart Corporation; Joe Boxer Company, LLC:
Michael J. Steel, Esq.
Pillsbury Winthrop LLP
50 Fremont Street
San Francisco, California 94105-2228
Tel: (415) 983-1000

**For Defendant Lane Bryant, Inc. and its affiliates, Catherines, Inc.; Fashion Bug
Retail Companies, Inc.:**
General Counsel
Lane Bryant, Inc.
450 Winks Lane
Bensalem, PA 19020

General Counsel
Catherines, Inc.
450 Winks Lane
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General Counsel
Fashion Bug Retail Companies, Inc.
450 Winks Lane
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1 **For Defendant Lerner New York, Inc.**
2 Ron Ristau
3 COO & CFO
4 New York & Company
5 450 West 33rd Street, 5th Floor
6 New York, NY 10001

7 With a copy to:

8 Damian D. Capozzola
9 Kirkland & Ellis LLP
10 777 South Figueroa Street, 37th Floor
11 Los Angeles, CA 90017
12 Tel: (213) 680-8653/Fax: (213) 448-2709

13 **For Defendants Limited Too Store Planning, Inc.; Too, Inc.; affiliate Justice Stores**
14 **LLC:**

15 Bill May
16 President and COO
17 Too, Inc.
18 3323 Walton Parkway
19 New Albany, OH 43054

20 With a copy to:

21 Georgia Ravitz, Esq.
22 Arent Fox PLLC
23 1050 Connecticut Avenue, NW
24 Washington, D.C. 20036

25 **For Defendant Longs Drug Stores California, Inc.:**

26 William J. Rainey
27 General Counsel
28 Longs Drug Stores California, Inc.
29 P.O. Box 5222
30 Walnut Creek, CA 94596

31 With a copy to:

32 Richard C. Jacobs
33 Howard Rice Nemerovski Canady Falk & Rabkin
34 3 Embarcadero Center, 7th Floor
35 San Francisco, CA 94111

1 **For Defendant Mervyn's, LLC:**

2 General Counsel
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4 22301 Foothill Blvd.
5 Mail Stop 4135
6 Hayward, CA 94541
7 Tel: (510) 727-5904
8 ed.beck@mervyns.com

9 With a copy to:

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12 555 South Flower Street, 41st Floor
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14 Tel: (213) 892-9286/Fax: (213) 892-9494
15 jmarginulies@fulbright.com

16 **For Defendant Monogram International, Inc.:**

17 Vesiah Lee, President
18 Monogram International, Inc.
19 3845 Gateway Centre Boulevard
20 Pinellas Park, FL 33782

21 With a copy to:

22 Sanford Frank
23 151 Kettles Lane
24 Medford, NY 11763
25 Tel: (631) 285-1147/Fax: (631) 615-5011
26 sfrank2@optonline.net

27 and

28 Jeffrey B. Margulies
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34 **For Defendant Nordstrom, Inc.:**

35 Dave Mackie
36 Corporate Secretary Office
37 Nordstrom, Inc.
38 1700 7th Ave.
39 Seattle, WA 98101

1 **For Defendants Rainbow Apparel of America, Inc.; Rainbow Apparel Distribution**
2 **Center Corp.; A.I.J.J. Enterprises, Inc.; and The New 5-7-9 and Beyond, Inc.:**

3 Jeffrey B. Margulies
4 **FULBRIGHT & JAWORSKI L.L.P.**
5 555 South Flower Street, 41st Floor
6 Los Angeles, California 90071
7 Tel: (213) 892-9286/Fax: (213) 892-9494
8 jmargulies@fulbright.com

9 With a copy to:

10 Michael S. Lang, Esq.
11 1000 Pennsylvania Avenue
12 Brooklyn, NY 11207

13 and

14 A.I.J.J. Enterprises, Inc.
15 Attention: Joseph Chehebar
16 1000 Pennsylvania Avenue
17 Brooklyn, NY 11207

18 **For Defendant Ross Stores, Inc. and affiliate dd's DISCOUNTS:**

19 General Counsel
20 Ross Stores, Inc.
21 4440 Rosewood Drive
22 Pleasanton, CA 94588
23 Phone: 925-965-4415
24 Fax: 925-965-4169

25 With a copy to:

26 Jeffrey B. Margulies
27 **FULBRIGHT & JAWORSKI L.L.P.**
28 555 South Flower Street, 41st Floor
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For Defendant Styles for Less, Inc.

 Mr. August DeAngelo, II
 Vice-President
 Styles For Les, Inc.
 12728 South Shoemaker Avenue
 Santa Fe Springs, California 90670

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For Defendant Sears, Roebuck and Co.:

David F. Wood, Esq.
Deidre M. Siguenza, Esq.
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10960 Wilshire Boulevard, Suite 1800
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For Defendants Target Corporation and its affiliate Associated Merchandising Corporation:

Jeffrey B. Margulies
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With a copy to:

Tim Baer
General Counsel
Target Corporation
1000 Nicollet Mall
TPS-3255
Minneapolis, Minnesota 55403

For Defendant The Buckle, Inc.:

General Counsel
The Buckle, Inc.
2407 W. 24th Street
Kearney, NE 68845

With a copy to:

Jeffrey B. Margulies
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For Defendant Toys "R" Us, Inc.:
Joel S. Tennenberg
Litigation & Regulatory Counsel
Toys "R" Us, Inc.
One Geoffrey Way
Wayne, New Jersey 07470
Tel: (973) 617-5741/Fax: (973) 617-4043

With a copy to:

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**For Defendant Walgreen Co. and its wholly-owned subsidiary East-West
Distributing Co.:**
Arthur Jimenez, Esq.
Corporate and Regulatory Law
Walgreen Co.
104 Wilmot Road M S 1447
Deerfield, IL 60015-5223

For Defendant Walt Disney World Co. and affiliate Disney Enterprises, Inc.:
Manny Grace
Senior Vice President, Counsel
The Walt Disney Company
500 S. Buena Vista Street
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Tel: (818) 560-8957/Fax: (818) 557-1285
manny.grace@disney.com

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For Defendants The Wet Seal, Inc. and The Wet Seal Retail, Inc.:
Kelly Gorman
Director of Loss Prevention and Risk Management
The Wet Seal, Inc.
26972 Burbank
Foothill Ranch, CA 92610

With a copy to:

Roger Carrick, Esq.
The Carrick Law Group
350 S. Grand Avenue, Suite 2930
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roger@carricklawgroup.com

For Defendant Zumiez, Inc.:

Brenda Morris
Chief Financial Officer
Zumiez, Inc.
6300 Merrill Creek Parkway
Everett, WA 98203
Tel: (425) 551-1564 Fax: (425) 551-1596
brendamorris@zumiez.com

With a copy to:

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McDonough, Holland & Allen PC
555 Capitol Mall, Suite 900
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Tel: (916) 444-3900/Fax: (916) 444-3249
slerner@mhalaw.com

For Vendor Adina Inc.:

Adina Inc.
85 Morse Street
Norwood, MA 02062

For Vendor Arden Jewelry Manufacturing Co., Inc.:

President
Arden Jewelry Manufacturing Co.
10 Industrial Lane
Johnston, RI 02919-3126

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For Vendor Ballet Jewels, LLC:

Ballet Jewels, LLC
121 Hackensack Avenue
River Terminal, Building 12B
Kearny, NJ 07032

With a copy to:

Henry A. Lerner
Budd Lerner, P.C.
150 JFK Parkway
Short Hills, NY 07078

For Vendor Bernardo Manufacturing:

Chief Financial Officer
Bernardo Manufacturing
54 Taylor Drive
East Providence, RI 02916

For Vendors Buy-Rite Costume Jewelry, Inc. and Buy-Rite Designs, Inc.:

President
Buy-Rite Costume Jewelry, Inc.
Buy-Rite Designs, Inc.
88 Vanderveer Road
Freehold, NJ 07728

For Vendor Carol Dauplaise, Ltd.:

President
Carol Dauplaise, Ltd.
29 West 36th Street, No. 10
New York, NY 10018

For Vendor Carol for Eva Graham, Inc.:

President
Carol for Eva Graham, Inc.
366 Fifth Avenue, No. 704
New York, NY 10001

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For Vendor Carole Inc.:
Chief Executive Officer
Carole Inc.
1607 South Grand Avenue
Los Angeles, California 90015

For Vendor Retail Brand Alliance d/b/a Carolee:
Executive Vice President
Carolee
19 E. Elm Street
Greenwich, CT 06830

With a copy to:

General Counsel
Retail Brand Alliance, Inc.
100 Phoenix Avenue
Enfield, Connecticut 06082

For Vendor Catherine Stein Designs, Inc.:
President
Catherine Stein Designs, Inc.
8 West 38th Street
New York, New York 10018

For Vendor Crimzon Rose Accessories, Inc.
Chief Executive Officer
Crimzon Rose Accessories, Inc.
4 Warren Avenue
Providence, RI 02911

With a copy to:

Josh Teverow, Esq.
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Providence, RI 02903

For Vendor Danecraft, Inc.:
Chief Executive Offer
Danecraft, Inc.
One Baker Street
Providence, RI 02905-4417

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For Vendor Erica Lyons:
Erica Lyons
13999 S.W. 142nd Street
Miami, FL 33186

For Vendor Fad Treasures:
Fad Treasures
415 New York Ave
Huntington, NY 11743

For Vendor F.A.F., Inc.:
Director of Sourcing & Quality
F.A.F., Inc.
26 Lark Industrial Parkway
Greenville, RI 02828

For Vendor Fashion Accents, Inc.:
President
Fashion Accents, Inc.
100 Nashua Street
Providence, RI 02904

For Vendor Fiesta Jewelry, Inc.:
President
Fiesta Jewelry, Inc.
250 Esten Avenue, A-1
Pawtucket, RI 02860

**For Vendor Finesse Novelty Corporation d/b/a Accessory Solutions and Ambiance
Accessory and Jewelry Sales:**
Finesse Novelty Corporation
d/b/a Accessory Solutions and Ambiance Accessory
109-80 180th Street
St. Albans, NY 11433

For Vendor Gigi Accessories:
Chief Executive Officer
Gigi Accessories
175 East Olive Avenue, Suite 306
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For Vendor Habitat, Inc.:
Habitat, Inc.
5 West 37th Street, Suite 1100
New York, NY 10018

For Vendor Haskell Jewels, LTD:
Executive Vice President
Haskell Jewels, LTD
390 Fifth Avenue, Second Floor
New York, NY 10018

For Vendor JJamz, Inc.:
Owner/President and CEO
JJamz, Inc.
4949 West 35th Street
Minneapolis, MN 55416

For Vendor K&M Associates, L.P.:
Chief Financial Officer
K&M Associates, L.P.
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For Vendor Kenilworth Creations:
Kenilworth Creations Inc
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For Vendor Kerissa Creations:
Kerissa Creations
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For Vendor Key Item Sales, Inc.:
Key Item Sales, Inc.
8911 Independence Avenue
Canoga Park, CA 91304

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For Vendor Liz Claiborne Inc.:
Vice President, Deputy General Counsel and Secretary
Liz Claiborne, Inc.
One Claiborne Avenue
North Bergen, NJ 07045

For Vendor MJM Jewelry Corp., d/b/a Berry Jewelry Company:
President
MJM Jewelry Corp., d/b/a Berry Jewelry Company
29 West 38th Street, 16th Floor
New York, NY 10018

For Vendor Orion Fashions, Inc.:
Orion Fashions, Inc.
20 West 36th Street
New York, NY 10018

For Vendor Rainbow Sales Incorporated:
Rainbow Sales Incorporated
905 Jenkintown Road
Elkins Park, PA 19027

For Vendor Jewelry Fashions Inc.:
President
Jewelry Fashions Inc.
520 8th Avenue
New York, New York 10018

For Vendor Scorpio Accessories LLC:
President
Scorpio Accessories LLC
27 Meadow Street
Warwick, Rhode Island 02886

For Vendor Shalom International, Corp.:
Shalom International Corp.
1050 Amboy Avenue, Suite 1
Perth Amboy, NY 08861

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For Vendor Stephan & Co.:
President
Stephan & Co.
10 East 38th Street, 9th Floor
New York, NY 10016

For Vendor Tanya Creations, Inc.:
Chief Financial Officer
Tanya Creations, Inc.
360 Narragansett Park Drive
East Providence, RI 02916

For Vendor TSI Holding Company:
President
TSI Holding Company
999 Executive Parkway, Suite 202
St. Louis, MI

For Vendor Vetta Jewelry, Inc.:
Vetta Jewelry Inc.
29-33 West 36th Street
New York, NY 10018

For Vendor Victoria + Co., Ltd.:
General Counsel
Victoria + Co. Ltd.
Jones Apparel Group, Inc.
1411 Broadway
New York, NY 10018

EXHIBIT A (SETTLING DEFENDANTS)*

1. INITIAL RETAILER SETTLING DEFENDANTS

A. AIJJ Enterprises, Inc.; Rainbow Apparel of America, Inc.; Rainbow Apparel Distribution Center Corp.; and The New 5-7-9 And Beyond, Inc. (*Mediation Committee*)

Related Companies: Rainbow USA, Inc.; A.I.J.J. Management Co., Inc.; Rainbow Women's Retail Group, Ltd.; Cheb I N.J., Corp.; Spencer of Secaucus, Inc.; Spencer No. 300 Corp.; Coda Emerald, Inc.; Foxbow Realty, Inc.; Rainbow Ashland Apparel, Inc.; Rainbow Northeast Leasing, Inc.; Rainbow Southeast Leasing, Inc.; Rainmoor, Inc.; Rainbow Puerto Rico Stores, Inc.; Kid Spot Emerald, Inc.; Youth Centre, Inc.; Unishop of Nazareth, Inc.; Chaps, Inc.; Children's Wear of Meriden, Inc.; Youth Center of Massachusetts, Inc.; Fashion Gallery, Inc.; Best Price; Brooks; Brooks Fashions; Caren Charles; Emphasis; Fashion Cents; 5-7-9; Foxmoor; Foxmoor Kids; Kids Spot; McCrory; One Price; One Price Clothing; Plymouth; Rainbow; Rainbow Shops; Rainbow Apparel Companies; Rainbow Kids; Rainbow Plus; Rainbow Kids/Plus; Size 5-7-9; Size 5-7-9 Shops; Ups & Downs; and Ups N Downs.

B. Aeropostale, Inc.

C. American Eagle Outfitters, Inc.

(1) Affiliates:

(2) Related Companies:

D. Burlington Coat Factory Warehouse Corporation (*Mediation Committee*)

* Includes Add-On Defendants as of April 24, 2006.

E. CBI Distributing Corp. and Claire's Boutiques, Inc. (*Mediation Committee*)

(1) Affiliates:

(2) Related Companies:

F. Charlotte Russe, Inc.

(1) Affiliates:

(2) Related Companies:

G. Cost Plus, Inc.

(1) Affiliates:

(2) Related Companies:

H. Express, LLC (*Mediation Committee*)

Affiliates: The Limited Stores, Inc.; Victoria's Secret Stores, LLC; and Victoria's Secret Direct, LLC

I. Federated Department Stores, Inc.; Macy's West, Inc.; and Federated Retail Holdings, Inc. (sued and served herein as "The May Department Store Company, Inc.") (*Mediation Committee*)

(1) Affiliates:

(2) Related Companies:

J. Forever 21, Inc. and Forever 21 Retail, Inc.

(1) Affiliates:

(2) Related Companies:

K. Gottschalks, Inc.

(1) Affiliates:

(2) Related Companies:

L. Group USA Apparel, Inc.

M. Hot Topic, Inc. (*Mediation Committee*)

N. Hub Distributing, Inc.

Related Companies: Anchor Blue Retail Group, Inc.

O. J.C. Penney Corporation, Inc. (*Mediation Committee*)

(1) Affiliates:

(2) Related Companies:

P. Kohl's Corporation and Kohl's Department Stores, Inc.

Q. Kmart Corporation; Joe Boxer Company, Inc.; Windsong Allegiance Group, LLC; and Sears Roebuck and Co. (*Mediation Committee*)

(1) Affiliates:

(2) Related Companies:

R. Lane Bryant, Inc. (*Mediation Committee*)

Affiliates: Catherine's, Inc. and Fashion Bug Retail Companies, Inc.

S. Lerner New York, Inc.

T. Limited Too Store Planning, Inc. and Too, Inc. (*Mediation Committee*)

(1) Affiliates:

(2) Related Companies:

U. Longs Drug Stores California, Inc.

(1) Affiliates:

(2) Related Companies:

V. Mervyn's, LLC (*Mediation Committee*)

(1) Affiliates:

(2) Related Companies:

W. Nordstrom, Inc. (*Mediation Committee*)

(1) Affiliates:

(2) Related Companies:

X. Ross Stores, Inc. (*Mediation Committee*)

Affiliates: dd's DISCOUNTS

Y. Styles for Less, Inc.

Z. Target Corporation (*Mediation Committee*)

Affiliates: The Associated Merchandising Corporation

AA. The Buckle, Inc. (*Mediation Committee*)

BB. Toys "R" Us, Inc. (*Mediation Committee*)

(1) Affiliates:

(2) Related Companies:

CC. Walgreen Co.

Related Company: East West Distributing Co.

DD. Wal-Mart Stores, Inc. (*Mediation Committee*)

(1) Affiliates:

(2) Related Companies:

EE. Walt Disney World Co. (*Mediation Committee*)

Affiliates: Disney Enterprises, Inc.

FF. The Wet Seal, Inc., and The Wet Seal Retail, Inc. (*Mediation Committee*)

(1) Affiliates:

(2) Related Companies:

GG. Zumiez, Inc.

2. INITIAL SETTLING VENDORS

A. Adina Inc.

B. Arden Jewelry Manufacturing Company, Inc.

C. Ballet Jewels L.L.C.

D. Bernardo Manufacturing

E. Buy-Rite Costume Jewelry, Inc. and Buy-Rite Designs, Inc.

F. Carol Dauplaise Ltd.

G. Carol for Eva Graham, Inc.

H. Carole Inc.

- I. Retail Brand Alliance, Inc. d/b/a Carolee
- J. Catherine Stein Designs, Inc.
- K. Crimzon Rose Accessories, Inc.
- L. Danecraft, Inc.
- M. Erica Lyons
- N. FAD Treasures
- O. F.A.F, Inc.
- P. Fashion Accents, Inc.
- Q. Fiesta Jewelry, Inc.
- R. Finesse Novelty Corp., d/b/a Accessory Solutions and Ambiance

Accessory

- S. Gigi Accessories
- T. Habitat, Inc.
- U. JJamz, Inc.
- V. K&M Associates, L.P.
- W. Kenilworth Creations
- X. Kerissa Creations
- Y. Key Item Sales, Inc.
- Z. Liz Claiborne, Inc.
- AA. Haskell Jewels, LTD
- BB. MJM Jewelry Corp., d/b/a Berry Jewelry Company
- CC. Orion Fashions, Inc.
- DD. Rainbow Sales Incorporated
- EE. Jewelry Fashions, Inc.
- FF. Scorpio Accessories, LLC
- GG. Shalom International Corp.
- HH. Stephan & Co.

- II. Tanya Creations, Inc.
- JJ. TSI Holding Company
- KK. Vetta Jewelry, Inc.
- LL. Victoria + Co. LTD

3. ADD-ON DEFENDANTS

- A. Allison Reed Group, d/b/a P&B Manufacturing/J. Roth Enterprises
- B. Barry-Owens, Inc.
- C. Cathedral Art Metal Company, Inc.
- D. Cookie Lee, Inc.
- E. Fada International Corporation
- F. Greenbrier International, Inc., a wholly-owned subsidiary of Dollar Tree Stores, Inc.
- G. Jonnette Jewelry Company
- H. Lee Mode International Inc.
- I. Linda & Jay Keane, d/b/a L&J Accessories, Inc.
- J. QVC, Inc.
- K. Reebok International LTD
- L. Rogers Sports Management
- M. Saks, Incorporated
- N. Sequin, LLC
- O. The Gap, Inc.
- P. Uncas Manufacturing Company
- Q. Vine Products Manufacturing Company

EXHIBIT C

BILL NUMBER: AB 1681 CHAPTERED
BILL TEXT

CHAPTER 415

FILED WITH SECRETARY OF STATE SEPTEMBER 22, 2006

APPROVED BY GOVERNOR SEPTEMBER 22, 2006

PASSED THE ASSEMBLY AUGUST 30, 2006

PASSED THE SENATE AUGUST 29, 2006

AMENDED IN SENATE AUGUST 24, 2006

AMENDED IN SENATE JUNE 12, 2006

AMENDED IN ASSEMBLY JUNE 1, 2005

AMENDED IN ASSEMBLY APRIL 19, 2005

AMENDED IN ASSEMBLY APRIL 4, 2005

INTRODUCED BY Assembly Member Pavley
(Coauthors: Assembly Members Chan and Goldberg)

FEBRUARY 22, 2005

An act to add Article 10.1.1 (commencing with Section 25214.1) to Chapter 6.5 of Division 20 of the Health and Safety Code, relating to toxic substances.

LEGISLATIVE COUNSEL'S DIGEST

AB 1681, Pavley Lead-containing jewelry.

Existing hazardous waste control laws regulate the disposal of discarded appliances, lead acid batteries, small household batteries, recyclable latex paint, and household hazardous waste, except as provided in the hazardous waste control laws and regulations. The Department of Toxic Substances Control (department) is required to enforce those hazardous waste control laws. Existing law provides for the Hazardous Waste Control Account in the General Fund and authorizes the funds deposited in that account to be expended, upon appropriation by the Legislature, for specified purposes, including the administration and implementation of the hazardous waste control laws by the department.

This bill would prohibit a person, on and after March 1, 2008, from manufacturing, shipping, selling, or offering for sale jewelry for retail sale in the state, unless the jewelry is made entirely from specified materials. The bill would also prohibit any person, on and after September 1, 2007, from taking those actions with regard to children's jewelry, as defined, unless the children's jewelry is made entirely from certain specified materials.

The bill would also prohibit a person, on and after March 1, 2008, from manufacturing, shipping, selling, or offering for sale body piercing jewelry, as defined, for retail sale in the state unless it is made from specified materials.

The bill would provide that a party to a specified amended consent judgment or to a consent judgment entered in a specified consolidated action is deemed to be in compliance with the bill's provisions, and would require any action brought against that party to be subject to the amended consent judgment.

The bill would exclude a person who violates these prohibitions from the criminal penalties imposed pursuant to the hazardous waste control laws and would instead provide that a person who violates those prohibitions would be liable for a civil penalty not to exceed

\$2,500 per day for each violation. The bill would require all civil penalties collected be deposited in the Hazardous Waste Control Account, for expenditure by the department, upon appropriation by the Legislature, to implement and enforce those prohibitions.

The bill would specify the testing methods and protocols for determining compliance with these prohibitions and would authorize the department to adopt regulations that modify these testing protocols as it deems necessary to further the purposes of the bill.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Article 10.1.1 (commencing with Section 25214.1) is added to Chapter 6.5 of Division 20 of the Health and Safety Code, to read:

Article 10.1.1. Lead-Containing Jewelry

25214.1. For purposes of this article, the following definitions shall apply:

(a) "Amended consent judgment" means the amended consent judgment in the consolidated action entitled People vs. Burlington Coat Factory Warehouse Corporation, et al. (Alameda Superior Court Lead Case No. RG 04-162075) that was entered by the court on June 15, 2006.

(b) "Body piercing jewelry" means any part of jewelry that is manufactured or sold for placement in a new piercing or a mucous membrane, but does not include any part of that jewelry that is not placed within a new piercing or a mucous membrane.

(c) "Children" means children aged six and younger.

(d) "Children's jewelry" means jewelry that is made for, marketed for use by, or marketed to, children. For purposes of this article, children's jewelry includes, but is not limited to, jewelry that meets any of the following conditions:

(1) Represented in its packaging, display, or advertising, as appropriate for use by children.

(2) Sold in conjunction with, attached to, or packaged together with other products that are packaged, displayed, or advertised as appropriate for use by children.

(3) Sized for children and not intended for use by adults.

(4) Sold in any of the following:

(A) A vending machine.

(B) Retail store, catalogue, or online Web site, in which a person exclusively offers for sale products that are packaged, displayed, or advertised as appropriate for use by children.

(C) A discrete portion of a retail store, catalogue, or online Web site, in which a person offers for sale products that are packaged, displayed, or advertised as appropriate for use by children.

(e) (1) "Class 1 material" means any of the following materials:

(A) Stainless or surgical steel.

(B) Karat gold.

(C) Sterling silver.

(D) Platinum, palladium, iridium, ruthenium, rhodium, or osmium.

(E) Natural or cultured pearls.

(F) Glass, ceramic, or crystal decorative components, including cat's eye, cubic zirconia, including cubic zirconium or CZ, rhinestones, and cloisonne.

(G) A gemstone that is cut and polished for ornamental purposes, except as provided in paragraph (2).

(H) Elastic, fabric, ribbon, rope, or string, unless it contains intentionally added lead and is listed as a class 2 material.

(I) All natural decorative material, including amber, bone, coral, feathers, fur, horn, leather, shell, wood, that is in its natural state and is not treated in a way that adds lead.

(J) Adhesive.

(2) The following gemstones are not class 1 materials: aragonite, bayldonite, boleite, cerussite, crocoite, ekanite, linarite, mimetite, phosgenite, samarskite, vanadinite, and wulfenite.

(f) "Class 2 material" means any of the following materials:

(1) Electroplated metal that meets the following standards:

(A) On and before August 30, 2009, a metal alloy with less than 10 percent lead by weight that is electroplated with suitable under and finish coats.

(B) On and after August 31, 2009, a metal alloy with less than 6 percent lead by weight that is electroplated with suitable under and finish coats.

(2) Unplated metal with less than 1.5 percent lead that is not otherwise listed as a class 1 material.

(3) Plastic or rubber, including acrylic, polystyrene, plastic beads and stones, and polyvinyl chloride (PVC) that meets the following standards:

(A) On and before August 30, 2009, less than 0.06 percent (600 parts per million) lead by weight.

(B) On and after August 31, 2009, less than 0.02 percent (200 parts per million) lead by weight.

(4) A dye or surface coating containing less than 0.06 percent (600 parts per million) lead by weight.

(g) "Class 3 material" means any portion of jewelry that meets both of the following criteria:

(1) Is not a class 1 or class 2 material.

(2) Contains less than 0.06 percent (600 parts per million) lead by weight.

(h) "Component" means any part of jewelry.

(i) "EPA reference methods 3050B (Acid Digestion of Sediments, Sludges and Soils) or 3051 (Microwave Assisted Digestion/ Sludge, Soils)" means those test methods incorporated by reference in paragraph (11) of subdivision (a) of Section 260.11 of Title 40 of the Code of Federal Regulations.

(j) "Jewelry" means any of the following:

(1) Any of the following ornaments worn by a person:

(A) An anklet.

(B) Arm cuff.

(C) Bracelet.

(D) Brooch.

(E) Chain.

(F) Crown.

(G) Cuff link.

(H) Decorated hair accessories.

(I) Earring.

(J) Necklace.

(K) Pin.

(L) Ring.

(M) Body piercing jewelry.

(2) Any bead, chain, link, pendant, or other component of an ornament specified in paragraph (1).

(k) (1) "Surface coating" means a fluid, semifluid, or other material, with or without a suspension of finely divided coloring matter, that changes to a solid film when a thin layer is applied to a metal, wood, stone, paper, leather, cloth, plastic, or other

surface.

(2) "Surface coating" does not include a printing ink or a material that actually becomes a part of the substrate, including, but not limited to, pigment in a plastic article, or a material that is actually bonded to the substrate, such as by electroplating or ceramic glazing.

25214.2. (a) On and after March 1, 2008, a person shall not manufacture, ship, sell, or offer for sale jewelry for retail sale in the state unless the jewelry is made entirely from a class 1, class 2, or class 3 material, or any combination thereof.

(b) Notwithstanding subdivision (a), on and after September 1, 2007, a person shall not manufacture, ship, sell, or offer for sale children's jewelry for retail sale in the state unless the children's jewelry is made entirely from one or more of the following materials:

(1) A nonmetallic material that is a class 1 material.

(2) A nonmetallic material that is a class 2 material.

(3) A metallic material that is either a class 1 material or contains less than 0.06 percent (600 parts per million) lead by weight.

(4) Glass or crystal decorative components that weigh in total no more than one gram, excluding any glass or crystal decorative component that contains less than 0.02 percent (200 parts per million) lead by weight and has no intentionally added lead.

(5) Printing ink or ceramic glaze that contains less than 0.06 percent (600 parts per million) lead by weight.

(6) Class 3 material that contains less than 0.02 percent (200 parts per million) lead by weight.

(c) Notwithstanding subdivision (a), on and after March 1, 2008, a person shall not manufacture, ship, sell, or offer for sale body piercing jewelry for retail sale in the state unless the body piercing jewelry is made of one or more of the following materials:

(1) Surgical implant stainless steel.

(2) Surgical implant grade of titanium.

(3) Niobium (Nb).

(4) Solid 14 karat or higher white or yellow nickel-free gold.

(5) Solid platinum.

(6) A dense low-porosity plastic, including, but not limited to, Tygon or Polytetrafluoroethylene (PTFE), if the plastic contains no intentionally added lead.

25214.3. (a) Notwithstanding this chapter, a person who violates this article shall not be subject to any criminal penalties imposed pursuant to this chapter and shall only be subject to the civil penalty specified in subdivision (b).

(b) (1) A person who violates this article shall be liable for a civil penalty not to exceed two thousand five hundred dollars (\$2,500) per day for each violation. That civil penalty may be assessed and recovered in a civil action brought in any court of competent jurisdiction.

(2) In assessing the amount of a civil penalty for a violation of this article, the court shall consider all of the following:

(A) The nature and extent of the violation.

(B) The number of, and severity of, the violations.

(C) The economic effect of the penalty on the violator.

(D) Whether the violator took good faith measures to comply with this article and the time these measures were taken.

(E) The willfulness of the violator's misconduct.

(F) The deterrent effect that the imposition of the penalty would have on both the violator and the regulated community as a whole.

(G) Any other factor that justice may require.

(c) All civil penalties collected pursuant to this article shall be deposited in the Hazardous Waste Control Account, for expenditure by the department, upon appropriation by the Legislature, to implement and enforce this article.

(d) Notwithstanding subdivision (b), a party to the amended consent judgment, or a party to a consent judgment entered in the consolidated action entitled People vs. Burlington Coat Factory Warehouse Corporation, et al. (Alameda Superior Court Lead Case No. RG 04-162075) that contains identical or substantially identical terms as provided in Sections 2, 3, and 4 of the amended consent judgment, shall be deemed to be in compliance with this article, and any action brought to enforce this article against the party shall be subject to Section 4 of the amended consent judgment.

25214.4. The testing methods for determining compliance with this article shall be conducted using the EPA reference methods 3050B or 3051 for the material being tested, except as otherwise provided in Sections 24214.4.1 and 25214.4.2, and in accordance with all of the following procedures:

(a) When preparing a sample, the laboratory shall make every effort to assure that the sample removed from a jewelry piece is representative of the component to be tested, and is free of contamination from extraneous dirt and material not related to the jewelry component to be tested.

(b) All jewelry component samples shall be washed prior to testing using standard laboratory detergent, rinsed with laboratory reagent grade deionized water, and dried in a clean ambient environment.

(c) If a component is required to be cut or scraped to obtain a sample, the metal snips, scissors, or other cutting tools used for the cutting or scraping shall be made of stainless steel and washed and rinsed before each use and between samples.

(d) A sample shall be digested in a container that is known to be free of lead and with the use of an acid that is not contaminated by lead, including analytical reagent grade digestion acids and reagent grade deionized water.

(e) Method blanks, consisting of all reagents used in sample preparation handled, digested, and made to volume in the same exact manner and in the same container type as samples, shall be tested with each group of 20 or fewer samples tested.

(f) The results for the method blanks shall be reported with each group of sample results, and shall be below the stated reporting limit for sample results to be considered valid.

25214.4.1. In addition to the requirements of Section 25214.4, the following procedures shall be used for testing the following materials:

(a) For testing a metal plated with suitable undercoats and finish coats, the following protocols shall be observed:

(1) Digestion shall be conducted using hot concentrated nitric acid with the option of using hydrochloric acid or hydrogen peroxide.

(2) The sample size shall be 0.050 gram to one gram.

(3) The digested sample may require dilution prior to analysis.

(4) The digestion and analysis shall achieve a reported detection limit no greater than 0.1 percent for samples.

(5) All necessary dilutions shall be made to ensure that measurements are made within the calibrated range of the analytical instrument.

(b) For testing unplated metal and metal substrates that are not a class 1 material the following protocols shall be observed:

(1) Digestion shall be conducted using hot concentrated nitric acid with the option of using hydrochloric acid and hydrogen

peroxide.

(2) The sample size shall be 0.050 gram to one gram.

(3) The digested sample may require dilution prior to analysis.

(4) The digestion and analysis shall achieve a reported detection limit no greater than 0.01 percent for samples.

(5) All necessary dilutions shall be made to ensure that measurements are made within the calibrated range of the analytical instrument.

(c) For testing polyvinyl chloride (PVC), the following protocols shall be observed:

(1) The digestion shall be conducted using hot concentrated nitric acid with the option of using hydrochloric acid and hydrogen peroxide.

(2) The sample size shall be a minimum of 0.05 gram if using microwave digestion or 0.5 gram if using hotplate digestion, and shall be chopped or comminuted prior to digestion.

(3) Digested samples may require dilution prior to analysis.

(4) Digestion and analysis shall achieve a reported detection limit no greater than 0.001 percent (10 parts per million) for samples.

(5) All necessary dilutions shall be made to ensure that measurements are made within the calibrated range of the analytical instrument.

(d) For testing plastic or rubber that is not polyvinyl chloride (PVC), including acrylic, polystyrene, plastic beads, or plastic stones, the following protocols shall be observed:

(1) The digestion shall be conducted using hot concentrated nitric acid with the option of using hydrochloric acid or hydrogen peroxide.

(2) The sample size shall be a minimum of 0.05 gram if using microwave digestion or 0.5 gram if using hotplate digestion, and shall be chopped or comminuted prior to digestion.

(3) Plastic beads or stones shall be crushed prior to digestion.

(4) Digested samples may require dilution prior to analysis.

(5) Digestion and analysis shall achieve a reported detection limit no greater than 0.001 percent (10 parts per million) for samples.

(6) All necessary dilutions shall be made to ensure that measurements are made within the calibrated range of the analytical instrument.

(e) For testing coatings on glass and plastic pearls, the following protocols shall be observed:

(1) The coating of glass or plastic beads shall be scraped onto a surface free of dust, including a clean weighing paper or pan, using a clean stainless steel razor blade or other clean sharp instrument that will not contaminate the sample with lead. The substrate pearl material shall not be included in the scrapings.

(2) The razor blade or sharp instrument shall be rinsed with deionized water, wiped to remove particulate matter, rinsed again, and dried between samples.

(3) The scrapings shall be weighed and not less than 50 micrograms of scraped coating shall be used for analysis. If less than 50 micrograms of scraped coating is obtained from an individual pearl, multiple pearls from that sample shall be scraped and composited to obtain a sufficient sample amount.

(4) The number of pearls used to make the composite shall be noted.

(5) The scrapings shall be digested according to EPA reference method 3050B or 3051 or an equivalent procedure for hot acid digestion in preparation for trace lead analysis.

(6) The digestate shall be diluted in the minimum volume practical for analysis.

(7) The digested sample shall be analyzed according to specification of an approved and validated methodology for inductively coupled plasma mass spectrometry.

(8) A reporting limit of 0.001 percent (10 parts per million) in the coating shall be obtained for the analysis.

(9) The sample result shall be reported within the calibrated range of the instrument. If the initial test of the sample is above the highest calibration standard, the sample shall be diluted and reanalyzed within the calibrated range of the instrument.

(f) For testing dyes, paints, coatings, varnish, printing inks, ceramic glazes, glass, or crystal, the following testing protocols shall be observed:

(1) The digestion shall use hot concentrated nitric acid with the option of using hydrochloric acid or hydrogen peroxide.

(2) The sample size shall be not less than 0.050 gram, and shall be chopped or comminuted prior to digestion.

(3) The digested sample may require dilution prior to analysis.

(4) The digestion and analysis shall achieve a reported detection limit no greater than 0.001 percent (10 parts per million) for samples.

(5) All necessary dilutions shall be made to ensure that measurements are made within the calibrated range of the analytical instrument.

(g) For testing glass and crystal used in children's jewelry, the following testing protocols for determining weight shall be used:

(1) A component shall be free of any extraneous material, including adhesive, before it is weighed.

(2) The scale used to weigh a component shall be calibrated immediately before the components are weighed using S-class weights of one and two grams, as certified by the National Institute of Standards and Technology (NIST) of the Department of Commerce.

(3) The calibration of the scale shall be accurate to within 0.01 gram.

25214.4.2. The department may adopt regulations that modify the testing protocols specified in Sections 25214.4 and 25214.4.1, as it deems necessary to further the purposes of this article.