

UNITED STATES OF AMERICA
CONSUMER PRODUCT SAFETY COMMISSION

In the Matter of
Raymond Geddes & Co.

CPSC Docket No. 09-C0021

SETTLEMENT AGREEMENT AND ORDER

1. In accordance with 16 C.F.R. § 1118.20, Raymond Geddes & Co. ("Geddes") and the staff ("Staff") of the United States Consumer Product Safety Commission ("CPSC" or the "Commission") enter into this Settlement Agreement ("Agreement"). The Agreement and the incorporated attached Order ("Order") settle the Staff's allegations set forth below.

PARTIES

2. The Commission is an independent federal regulatory agency established pursuant to the Consumer Product Safety Act, 15 U.S.C. §§ 2051 – 2089 ("CPSA"). The Commission is responsible for the enforcement of the CPSA.

3. Geddes is a corporation organized and existing under the laws of Maryland, with its principal offices located in Baltimore, Maryland. At all times relevant hereto, Geddes imported, distributed and sold pencil pouches to school supply distributors.

STAFF ALLEGATIONS

4. From September 1997 through October 2007, Geddes imported and sold about 84,200 units of pencil pouches, consisting of "Stuff Keepers" pencil pouches, Style #63525, and "Bear Pencil Pouches," Style #67221 (collectively, the "Children's Pencil Pouches"). The Children's Pencil Pouches were supplied by and purchased from Getco Toys Nanjing Co., LTD ("Getco"), of China. Geddes sold the Children's Pencil Pouches to school supply distributors nationwide.

5. The Children's Pencil Pouches are "consumer product(s)," and, at all times relevant hereto, Geddes was a "manufacturer" of those consumer product(s), which were "distributed in commerce," as those terms are defined in CPSA sections 3(a)(3), (5), (8), and (11), 15 U.S.C. §§ 2052(a)(3), (5), (8), and (11).

6. The Children's Pencil Pouches are articles intended to be entrusted to or for use by children, and, therefore, are subject to the requirements of the Commission's Ban of Lead-Containing Paint and Certain Consumer Products Bearing Lead-Containing Paint, 16 C.F.R. Part 1303 (the "Ban"). Under the Ban, toys and other children's articles must not bear or contain "lead-containing paint," defined as paint or other surface coating materials whose lead content is more than 0.06 percent of the weight of the total nonvolatile content of the paint or the weight of the dried paint film. 16 C.F.R. § 1303.2(b)(1).

7. On October 24, 2007, Intertek Testing Services ("Intertek") conducted follow-up testing for total lead content on samples of metal zippers on the Stuff Keepers pencil pouches. The test results demonstrated that the surface paint on two of the metal zipper samples had a total lead content from 0.277 percent to 0.314 percent. These levels of lead are in excess of the permissible 0.06 percent limit set forth in the Ban. On October 30, 2007, Intertek tested the zipper pull on a Bear Pencil Pouch sample for the presence of lead. The test result demonstrated that the surface paint on the sample had a total lead content above the permissible 0.06 percent limit set forth in the Ban.

8. On November 21, 2007, the Commission and Geddes announced a consumer-level recall of about 84,200 units of the Children's Pencil Pouches because "[t]he paint on the pencil pouches' zipper pulls contains excessive levels of lead, violating the federal lead paint standard."

9. Although Geddes reported no incidents or injuries from the Children's Pencil Pouches, it failed to take adequate action to ensure that they did not bear or contain lead-containing paint, thereby creating a risk of lead poisoning and adverse health effects to children.

10. The Children's Pencil Pouches constitute "banned hazardous products" under CPSA section 8 and the Ban, 15 U.S.C. § 2057 and 16 C.F.R. §§ 1303.1(a)(1), 1303.4(b), in that they bear or contain paint or other surface coating materials whose lead content exceeds the permissible limit of 0.06 percent of the weight of the total nonvolatile content of the paint or the weight of the dried paint film.

11. From September 1997 through October 2007, Geddes sold, manufactured for sale, offered for sale, distributed in commerce, or imported into the United States, or caused one or more of such acts, with respect to the Children's Pencil Pouches, in violation of section 19(a)(1) of the CPSA, 15 U.S.C. § 2068(a)(1). Geddes committed these prohibited acts "knowingly," as that term is defined in section 20(d) of the CPSA, 15 U.S.C. § 2069(d).

12. Pursuant to section 20 of the CPSA, 15 U.S.C. § 2069, Geddes is subject to civil penalties for the aforementioned violations.

GEDDES RESPONSE

13. Geddes denies the Staff's allegations set forth above that Geddes knowingly violated the CPSA.

AGREEMENT OF THE PARTIES

14. Under the CPSA, the Commission has jurisdiction over this matter and over Geddes.

15. The parties enter into the Agreement for settlement purposes only. The Agreement does not constitute an admission by Geddes, or a determination by the Commission, that Geddes has knowingly violated the CPSA.

16. In settlement of the Staff's allegations, Geddes shall pay a civil penalty in the amount of forty thousand dollars (\$40,000.00) within twenty (20) calendar days of service of the Commission's final Order accepting the Agreement. The payment shall be by check payable to the order of the United States Treasury.

17. Upon the Commission's provisional acceptance of the Agreement, the Agreement shall be placed on the public record and published in the *Federal Register* in accordance with the procedures set forth in 16 C.F.R. § 1118.20(e). In accordance with 16 C.F.R. § 1118.20(f), if the Commission does not receive any written request not to accept the Agreement within fifteen (15) days, the Agreement shall be deemed finally accepted on the sixteenth (16th) day after the date it is published in the *Federal Register*.

18. Upon the Commission's final acceptance of the Agreement and issuance of the final Order, Geddes knowingly, voluntarily, and completely waives any rights it may have in this matter to the following: (1) an administrative or judicial hearing; (2) judicial review or other challenge or contest of the validity of the Commission's Order or actions; (3) a determination by the Commission of whether Geddes failed to comply with the CPSA and its underlying regulations; (4) a statement of findings of fact and conclusions of law; and (5) any claims under the Equal Access to Justice Act.

19. The Commission may publicize the terms of the Agreement and Order.

20. The Agreement and Order shall apply to, and be binding upon, Geddes and each of its successors and assigns.

21. The Commission issues the Order under the provisions of the CPSA, and violation of the Order may subject Geddes to appropriate legal action.

22. The Agreement may be used in interpreting the Order. Understandings, agreements, representations, or interpretations apart from those contained in the Agreement and Order may not be used to vary or contradict its terms. The Agreement shall not be waived, amended, modified, or otherwise altered, except in a writing that is executed by the party against whom such waiver, amendment, modification, or alteration is sought to be enforced.

23. If after the effective date hereof, any provision of the Agreement and Order is held to be illegal, invalid, or unenforceable under present or future laws effective during the terms of the

Agreement and Order, such provision shall be fully severable. The balance of the Agreement and Order shall remain in full force and effect, unless the Commission and Geddes agree that severing the provision materially affects the purpose of the Agreement and Order.

RAYMOND GEDDES & CO.

Dated: 12/2/08

By: William J. Geddes
Will Geddes, President
8901 Yellow Brick Rd.
Baltimore, MD 21237-2303

Dated: 12/8/08

By: John A. Scaldara
John Scaldara, Esq.
Offit Kurman
8 Park Center Court, Suite 200
Owings Mill, MD 21117
Counsel for Raymond Geddes & Co.

U.S. CONSUMER PRODUCT SAFETY COMMISSION
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Dated: 11/25/08

By: S.R.W.
Sean R. Ward
Trial Attorney, Division of Compliance
Office of the General Counsel

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CONSUMER PRODUCT SAFETY COMMISSION

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CPSC Docket No. 09-C0021

ORDER

Upon consideration of the Settlement Agreement entered into between Raymond Geddes & Co. ("Geddes") and the U.S. Consumer Product Safety Commission ("Commission") staff, and the Commission having jurisdiction over the subject matter and over Geddes, and it appearing that the Settlement Agreement and Order are in the public interest, it is

ORDERED, that the Settlement Agreement be, and hereby is, accepted; and it is

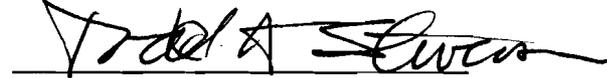
FURTHER ORDERED, that Geddes shall pay a civil penalty in the amount of forty thousand dollars (\$40,000.00) within twenty (20) calendar days of service of the Commission's final Order accepting the Agreement. The payment shall be made by check payable to the order of the United States Treasury. Upon the failure of Geddes to make any of the foregoing payments when due,

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interest on the unpaid amount shall accrue and be paid by Geddes at the federal legal rate of interest set forth at 28 U.S.C. § 1961(a) and (b).

Provisionally accepted and provisional Order issued on the 20 day of July, 2009.

BY ORDER OF THE COMMISSION:



Todd A. Stevenson, Secretary
U.S. Consumer Product Safety Commission