

**UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK**

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STATE OF NEW YORK, by :
ATTORNEY GENERAL ELIOT SPITZER, :

STATE OF ILLINOIS, by :
ATTORNEY GENERAL JAMES E. RYAN, :

STATE OF ALABAMA, by :
ATTORNEY GENERAL BILL PRYOR, :

STATE OF ALASKA, by :
ATTORNEY GENERAL GREGG RENKES, :

STATE OF ARIZONA, by :
ATTORNEY GENERAL TERRY GODDARD, :

STATE OF ARKANSAS, by :
ACTING ATTORNEY GENERAL J. LEON :
JOHNSON, :

STATE OF CALIFORNIA, by :
ATTORNEY GENERAL BILL LOCKYER, :

STATE OF COLORADO, by :
ATTORNEY GENERAL KEN SALAZAR, :

No. 02 Civ. 7096 (LTS)

STATE OF CONNECTICUT, by :
ATTORNEY GENERAL RICHARD BLUMENTHAL, :

STATE OF DELAWARE, by :
ATTORNEY GENERAL M. JANE BRADY, :

DISTRICT OF COLUMBIA, by :
INTERIM CORPORATION COUNSEL ARABELLA :
W. TEAL, :

STATE OF FLORIDA, by :
ATTORNEY GENERAL CHARLIE CRIST, :

STATE OF GEORGIA, by :
ATTORNEY GENERAL THURBERT E. BAKER, :

STATE OF HAWAII, by :
ATTORNEY GENERAL MARK J. BENNETT, :
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STATE OF IDAHO, by :
ATTORNEY GENERAL LAWRENCE G. WASDEN, :
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STATE OF INDIANA, by :
ATTORNEY GENERAL STEVEN CARTER, :
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STATE OF IOWA, by :
ATTORNEY GENERAL TOM MILLER, :
 :
STATE OF KANSAS, by :
ATTORNEY GENERAL CARLA J. STOVALL, :
 :
COMMONWEALTH OF KENTUCKY, by :
ATTORNEY GENERAL ALFRED B. CHANDLER III, :
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STATE OF LOUISIANA, by :
ATTORNEY GENERAL RICHARD P. IEYOUB, :
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STATE OF MAINE, by :
ATTORNEY GENERAL G. STEVEN ROWE, :
 :
STATE OF MARYLAND, by :
ATTORNEY GENERAL J. JOSEPH CURRAN, :
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COMMONWEALTH OF MASSACHUSETTS, by :
ATTORNEY GENERAL THOMAS F. REILLY, :
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STATE OF MICHIGAN, by :
ATTORNEY GENERAL MIKE COX, :
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STATE OF MISSISSIPPI, by :
ATTORNEY GENERAL MIKE MOORE, :
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STATE OF MONTANA, by :
ATTORNEY GENERAL MICHAEL MCGRATH, :
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STATE OF NEBRASKA, by :
ATTORNEY GENERAL DON STENBERG, :
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STATE OF NEVADA, by :
ATTORNEY GENERAL BRIAN SANDOVAL, :
 :
STATE OF NEW HAMPSHIRE, by :
ACTING ATTORNEY GENERAL STEPHEN J. :
JUDGE :
 :
STATE OF NEW JERSEY, by :
ATTORNEY GENERAL DAVID SAMSON, :
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STATE OF NORTH CAROLINA, by :
ATTORNEY GENERAL ROY COOPER, :
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STATE OF NORTH DAKOTA, by :
ATTORNEY GENERAL WAYNE STENEJHEM, :
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STATE OF OHIO, by :
ATTORNEY GENERAL BETTY D. MONTGOMERY, :
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STATE OF OKLAHOMA, by :
ATTORNEY GENERAL W. A. DREW EDMONSON, :
 :
STATE OF OREGON, by :
ATTORNEY GENERAL HARDY MYERS, :
 :
COMMONWEALTH OF PENNSYLVANIA, by :
ATTORNEY GENERAL D. MICHAEL FISHER, :
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COMMONWEALTH OF PUERTO RICO, by :
ATTORNEY GENERAL ANNABELLE RODRIGUEZ, :
 :
STATE OF RHODE ISLAND, by :
ATTORNEY GENERAL SHELDON WHITEHOUSE, :
 :
STATE OF SOUTH CAROLINA, by :
ATTORNEY GENERAL CHARLES M. CONDON, :
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STATE OF SOUTH DAKOTA, by :
ATTORNEY GENERAL LARRY LONG, :
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STATE OF TENNESSEE, by :
ATTORNEY GENERAL PAUL G. SUMMERS, :
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STATE OF TEXAS, by	:
ATTORNEY GENERAL GREG ABBOTT,	:
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STATE OF UTAH, by	:
ATTORNEY GENERAL MARK L. SHURTLEFF,	:
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STATE OF VERMONT, by	:
ATTORNEY GENERAL WILLIAM H. SORRELL,	:
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COMMONWEALTH OF VIRGINIA, by	:
ATTORNEY GENERAL JERRY W. KILGORE,	:
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STATE OF WASHINGTON, by	:
ATTORNEY GENERAL CHRISTINE O. GREGOIRE,	:
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STATE OF WEST VIRGINIA, by	:
ATTORNEY GENERAL DARRELL V. MCGRAW,	:
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STATE OF WISCONSIN, by	:
ATTORNEY GENERAL PEGGY A.	:
LAUTENSCHLAGER,	:
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STATE OF WYOMING, by	:
ATTORNEY GENERAL PATRICK J. CRANK,	:
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Plaintiffs,	:
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v.	:
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SALTON, INC.,	:
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Defendant.	:
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ORDER PRELIMINARILY APPROVING SETTLEMENT

The States of NEW YORK, ILLINOIS, ALABAMA, ALASKA, ARIZONA,
 ARKANSAS, CALIFORNIA, COLORADO, CONNECTICUT, DELAWARE, FLORIDA,
 GEORGIA, HAWAII, IDAHO, INDIANA, IOWA, KANSAS, LOUISIANA, MAINE,

MARYLAND, MICHIGAN, MISSISSIPPI, MONTANA, NEBRASKA, NEVADA, NEW HAMPSHIRE, NEW JERSEY, NORTH CAROLINA, NORTH DAKOTA, OHIO, OKLAHOMA, OREGON, RHODE ISLAND, SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, TEXAS, UTAH, VERMONT, WASHINGTON, WEST VIRGINIA, WISCONSIN, and WYOMING, the Commonwealths of KENTUCKY, MASSACHUSETTS, PENNSYLVANIA, PUERTO RICO and VIRGINIA, and the DISTRICT OF COLUMBIA (“Plaintiff States”) and Salton, Inc. (“Salton”), by and through their counsel of record in this litigation, have entered into settlement of this litigation.

The terms of this settlement are set forth in the Settlement Agreement between Salton and Plaintiff States (“Settlement Agreement”).

This settlement will, subject to this Court’s final approval, fully, finally and forever resolve, discharge and settle the Released Claims subject to the terms and conditions set forth in the Settlement Agreement.

The parties have filed the Settlement Agreement with the Court and requested that the Court grant preliminary and final approval of this settlement pursuant to Section 4C of the Clayton Act, 15 U.S.C. § 15C.

The Court has read and considered the Settlement Agreement, the proposed forms and Plan of Notice, appended as Exhibits 1 and 2, and the pleadings and documents submitted in connection with the parties’ request for preliminary approval of the Settlement Agreement.

In light of the foregoing, IT IS HEREBY ORDERED, that

1. The Court has jurisdiction over this Action and the Parties.

2. The Court, for purposes of this Order, adopts the definitions set forth in the Settlement Agreement.

3. The Court finds that this settlement appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, falls within the range of possible approval, and merits submission to natural person residents in the Plaintiff States who purchased Salton Contact Grills (referred to herein as the "Parens Group") for consideration pursuant to Section 4C of the Clayton Act, 15 U.S.C. § 15c. Accordingly, the Court preliminarily approves the settlement.

4. The Court confirms as Lead Counsel for the Plaintiff States:

David Weinstein
Office of the New York Attorney General
120 Broadway
New York, NY 10271-0332

- and -

Blake Harrop
Office of the Illinois Attorney General
100 West Randolph Street
Chicago, IL 60601

5. Pursuant to Section 4C(c) of the Clayton Act, a Settlement Hearing shall be held before this Court on May 30, 2003 at 2:00 pm, at the United States District Court for the Southern District of New York, 40 Foley Square, Courtroom 444, ~~500 Pearl Street~~, New York, NY 10007. At the Settlement Hearing, the Court will determine: (a) whether the proposed settlement, as embodied in the Settlement Agreement, should be finally approved as fair, reasonable and adequate; and (b) whether a Final Judgment, substantially in the form of Exhibit A to the Settlement Agreement, should be entered.

6. All briefs and materials supporting final approval of this Settlement shall be served and filed with this Court on or before May 19, 2003. *JS*

7. All persons who submit valid and timely requests for exclusion from the *Parens* Group on or before April 18, 2003 pursuant to the instructions contained in the Notice shall not have any rights under the Settlement Agreement and shall not be bound by the Settlement Agreement or the Final Judgment. *JS*

8. All other persons within the *Parens* Group who do not submit valid and timely requests for exclusion from the *Parens* Group on or before April 18, 2003 pursuant to the instructions contained in the Notice shall be bound by the Settlement Agreement and by the Final Judgment. *JS*

9. Any member of the *Parens* Group who does not request exclusion from the *Parens* Group, but who wishes to appear and be heard at the Settlement Hearing, or otherwise present a view to the Court, must file and serve, on or before May 19, 2003, a notice of intention to appear, along with all supporting papers of the position she intends to state, including, but not limited to, any objection to the Settlement, with the Clerk of the United States District Court, Southern District of New York, 500 Pearl Street, New York, NY 10007. Those papers must also be served, by the same date, on the following: *JS*

Alan Silberman, Esq.
Sonnenschein Nath & Rosenthal
8000 Sears Tower
233 South Wacker Drive
Chicago, IL 60606
Counsel for Salton, Inc.

David Weinstein, Esq.

Office of the New York Attorney General
120 Broadway
New York, NY 10271-0332
Co-Lead Counsel for Plaintiff States

10. Any member of the *Parens* Group who does not file an objection in the manner provided in the Notice shall be deemed to have waived any such objection by appeal, collateral attack or otherwise.

11. The Court may, for good cause, extend any of the deadlines set forth in this Order or adjourn or continue the Settlement Hearing without further notice to the *Parens* Group. The Court may approve the settlement with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the *Parens* Group.

12. Pending final determination of whether the settlement should be approved, neither the Plaintiff States nor any member of the *Parens* Group, either directly, representatively, or in any other capacity, shall commence or prosecute any action or proceeding in any court or tribunal asserting any of the Released Claims.

13. Neither Salton nor Salton's counsel shall have any responsibility for the Distribution Plan, and it will be considered separately from the fairness, reasonableness and adequacy of the settlement.

14. All reasonable costs incurred in notifying the *Parens* Group as well as administering the Settlement Fund shall be paid as set forth in the Settlement Agreement.

15. The Court finds that the proposed form of notice provides to the *Parens* Group all the essential information members need in order to make an informed and meaningful decision

regarding their options in this litigation and as a result of this settlement. The Court approves the proposed form of notice.

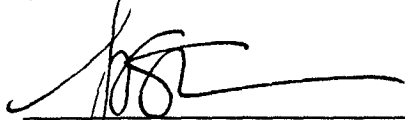
16. The Court finds that the proposed Plan of Notice consists of nationwide notice by publication and, as such, is consistent with Section 4C(b)(1) of the Clayton Act. In addition, such notice constitutes the "best practicable" notice under the circumstances of this case, is reasonably calculated under all circumstances to apprise interested parties of the pendency of the action, and affords them an opportunity to present their objections and satisfies due process. The Court further finds that under the particular circumstances of this case, mailed notice is impracticable. The Court approves the Plan of Notice.

17. The Court finds that the proposed 45 day Notice Period is adequate. The Notice Period shall run from February 24, 2003 until April 11, 2003. *JR*

18. Lead Counsel for the Plaintiff States, in conjunction with Defendant, shall cause notice to be disseminated to the *Parens* Group in accordance with the Plan of Notice and the terms of this Order.

DATED: January 13, 2003
New York, New York

SO ORDERED:



United States District Judge