

1510.4, it presents a "mechanical hazard" within the meaning of section 2(s) of the FHSA, 15 U.S.C. 1261(s) (choking) and is, therefore, a "hazardous substance" pursuant to section 2(f)(1)(D) of the FHSA, 15 U.S.C. 1261(f)(1)(D).

14. The rattle set identified in paragraph 11 above is a "banned hazardous substance" pursuant to section 2(q)(1)(A) of the FHSA, 15 U.S.C. 1261(q)(1)(A) and 16 CFR 1500.18(a)(15) because it is intended for use by children and bears or contains a hazardous substance; and because it

presents a mechanical hazard as defined in paragraph 13 above.

15. Respondent introduced or caused the introduction into interstate commerce; and received in interstate commerce and delivered or proffered delivery thereof for pay or otherwise, the aforesaid banned hazardous rattle set identified in paragraph 11 above, in violation of sections 4(a) and (c) of the FHSA, 15 U.S.C. 1263(a) and (c).

C. Violations of the Labeling Requirements for Certain Toys and Games

16. On two occasions between March 28, 2001, and April 24, 2002, Respondent introduced or caused the introduction into interstate commerce; and received in interstate commerce and delivered or proffered delivery thereof for pay or otherwise, two types of toys (2,890 retail units) intended to use by children who are at least three years old but not older than six years old. These toys are identified and described as follows:

Sample No.	Toy	Entry/Collec* Date	Exporter	Quality	LOA
01-840-6049	Snooker Set .....	03/28/01	Goldell .....	2,880	04/20/01
02-840-7013	Golf Play Toy Set .....	04/24/02	? .....	10	05/21/02

17. The toys identified in paragraph 16 above are subject to, but failed to comply with the Labeling Requirements for Certain Toys and Games under sections 24(b)(2)(B) and (b)(2)(C) of the FSHA, 15 U.S.C. 1278(b)(20)(B) and (b)(3)(B) and 16 CFR 1500.19(b)(3)(i) and (b)(4)(i) in that the toys did not bear the required cautionary label.

18. Because they lacked the required labeling, the toys identified in paragraph 16 above are "misbranded hazardous substances" pursuant to sections 2(p)(1)(D) and 24(d) of the FSHA, 15 U.S.C. 1261(p)(1)(D) and 24(d) and 16 CFR 1500.19(b)(3)(i) and 4(i).

19. Respondent introduced or caused the introduction into interstate commerce; and received in interstate commerce and delivered or proffered delivery thereof for pay or otherwise, the misbranded hazardous toys identified in paragraph 16 above, in violation of sections 4(a) and (c) of the FHSA, 15 U.S.C. 1263(a) and (c)

### III. TGH's Response

20. TGH denies the allegations of the staff set forth in paragraphs 4-19 above.

### IV. Agreement of the Parties

21. The Consumer Product Safety Commission has jurisdiction over Respondent under the Consumer Product Safety Act (CPSA), 15 U.S.C. 2051 *et seq.* and the Federal Hazardous Substances Act (FHSA), 15 U.S.C. 1261 *et seq.*

22. This Settlement Agreement is entered into for settlement purposes only and does not constitute findings by the Commission or an admission by Respondent that Respondent violated the FHSA.

23. Upon final acceptance of this Agreement by the Commission and

issuance of the Final Order, Respondent knowingly, voluntarily, and completely waives any rights it may have in the above captioned case (1) to an administrative or judicial hearing with respect to the staff's allegations cited herein, (2) to judicial review or other challenge or contest of the validity of the Commission's actions, (3) to a determination by the Commission as to whether Respondent failed to comply with the FHSA and the underlying regulations, (4) to a statement of findings of facts and conclusions of law, and (5) to any claims under the Equal Access of Justice Act.

24. Upon provisions acceptance of this Agreement by the Commission, this Agreement shall be placed on the public record and shall be published in the **Federal Register** in accordance with the procedures set forth in 16 CFR 1118.20(e). If the Commission does not receive any written request not to accept the Agreement within 15 days, the Agreement will be deemed finally accepted on the 16th day after the date it is published in the **Federal Register**.

25. In settlement of the staff's allegations, Respondent agrees to comply with the attached Order incorporated herein by reference.

26. Upon violation of the attached Order by Respondent, the Commission reserves the right to take appropriate legal action against Respondent for all violations listed in section II of this Agreement and for all violations occurring after the effective date of this Agreement and Respondent waives the statute of limitations.

27. If the Commission finds that Respondent has introduced or caused the introduction into interstate commerce; and received in interstate

commerce and delivered or proffered delivery thereof for pay or otherwise any banned or misbranded hazardous substances, Respondent will pay to the Commission upon demand a penalty in the amount of five (5) times the retail value of the product in question. This provision does not preclude the Commission from taking additional legal action including, but not limited to civil and/or criminal actions under sections 5 and 8 of the FHSA, 15 U.S.C. 1264 and 1267 and sections 20, 21, and 22 of the CPSA, 15 U.S.C. 2069, 2070, and 2071.

28. Respondent reserves its right to challenge the Commission's findings under paragraph 27 of this Agreement before the Commission and to have the court review whether the Commission acted arbitrary and capricious.

29. The Commission may publicize the terms of this Agreement.

30. Agreements, understandings, representations, or interpretations made outside of this Agreement may not be used to vary or to contradict its terms.

31. This Agreement shall become effective upon issuance of the Final Order by the Commission.

32. The provisions of this Agreement shall apply to Respondent and each of its successors and assigns.

Dated: April 11, 2003.

TGH International Trading, Inc.

Teresa Chan,  
President, TGH International, Inc., 421 South  
Wall Street, Los Angeles, CA 90013.

Dated: April 11, 2003.

Consumer Product Safety Commission

Alan H. Schoem,  
Assistant Executive Director, Office of  
Compliance, U.S. Consumer Product Safety  
Commission, Washington, DC 20207-0001.

Eric L. Stone,