

UNITED STATES OF AMERICA
CONSUMER PRODUCT SAFETY COMMISSION

In the Matter of)	
)	
COSCO, INC)	CPSC Docket No 01-c0006
a corporation, and)	
)	
SAFETY 1st, INC.)	
a corporation, subsidiaries of)	
)	
DOREL U S A , INC)	

SETTLEMENT AGREEMENT AND ORDER

1) This Settlement Agreement, made by and between the staff (“the staff”) of the U S Consumer Product Safety Commission (the “Commission”) and both Cosco, Inc (“Cosco”), a corporation, and Safety 1st, Inc. (“Safety 1st”), a corporation, in accordance with 16 C F R § 1118.20 of the Commission’s Procedures for Investigations, Inspections, and Inquiries under the Consumer Product Safety Act (“CPSA”), is a settlement of the staff allegations set forth below. This settlement is intended to resolve all pending civil penalty matters between Cosco and Safety 1st and the Commission

THE PARTIES

2) The Commission is an independent federal regulatory agency responsible for the enforcement of the Consumer Product Safety Act, 15 U S C §§

2051-2084

3) Cosco is a corporation organized and existing under the laws of the State of Indiana with its principal corporate offices located in Columbus, Indiana. Cosco is a subsidiary of Dorel U S A., Inc , located in Columbus, Indiana, which is, in turn, a subsidiary of Dorel Industries, Inc. of Montreal, Canada

4) Safety 1st is a corporation organized and existing under the laws of the State of Massachusetts with its principal corporate offices located in Canton, Massachusetts. Since June 2000, Safety 1st has been a subsidiary of Dorel U S A , Inc , located in Columbus, Indiana.

STAFF ALLEGATIONS

COSCO FULL-SIZE METAL CRIBS

5) Between January 1995 and May 1997, Cosco manufactured and sold nationwide, approximately 390,000 Full-Size Metal Baby Cribs (“cribs”) in the following models: 10T01, 10T04, 10T05, 10T06, 10T08, 10T14, 10T84, 10T85, 10T94, 10T95, 10M06, 10M84, 10M85, and 10M94

6) The cribs are consumer products and Cosco is a manufacturer of consumer products, which were “distributed in commerce” as those terms are defined in sections 3(a)(1), (4), (11) and (12) of the CPSA, 15 U S C §§ 2052(a)(1), (4), (11) and (12)

7) The cribs are defective as designed and produced because the mattress platform may be interchanged with the side rail. In addition, the assembly

instructions are defective in that they are not adequately clear to assure that the consumer recognizes the distinction between the side rail and the mattress platform, and/or appreciates the safety significance of substituting one for the other. CPSC standards limit the space between side rail slats to no more than $2\frac{3}{8}$ inches to prevent strangulation. 16 C.F.R. § 1508.4. If the crib's mattress platform were used as a side rail, the distance between the slats would be more than 5 inches. Spacing this large creates a gap that may entrap an infant, causing serious injury or death.

8) Between April 13, 1995 and June 27, 1997, Cosco received reports of approximately 47 incidents of cribs being mis-assembled with the mattress platform used as a side rail. Twenty-four of these incidents reported infants becoming entrapped in the spaces of the mattress platform, some by their heads or necks. On June 24, 1997, an eight-month-old infant asphyxiated when he allegedly became wedged between the spaces of the mattress platform, which was being used as a side rail.

9) During the time period mentioned in paragraph 8, Cosco changed its warning label and assembly instructions. However, Cosco failed to inform consumers about the risk of strangulation created by using the platform as a side rail.

10) Despite being aware of the information set forth in paragraphs 7 through 9 above, Cosco did not file a written report with the Commission until June 27, 1997, and then, only after the staff asked Cosco to do so.

11) Although Cosco had obtained sufficient information to reasonably support the conclusion that the cribs contained a defect which could create a

substantial product hazard, or created an unreasonable risk of serious injury or death long before June 27, 1997, it failed to report such information to the Commission, as required by section 15(b) of the CPSA. This failure to report violates section 19(a)(4) of the CPSA, 15 U S C § 2068(a)(4)

12) Cosco knowingly committed this failure to report to the Commission, as the term “knowingly” is defined in section 20(d) of the CPSA, 15 U S C § 2069(d), and Cosco is subject to civil penalties under section 20 of the CPSA.

COSCO MODEL “M” CRIB MATTRESSES

13) Between July 1994 and September 1997, Cosco manufactured and sold nationwide, approximately 62,000 Model “M” Crbs (Model No’s 10M06, 10M84, 10M85 and 10M94) with mattresses measuring 52 inches long, by 27½ inches wide, by 3¾ inches thick (“mattresses”)

14) The mattresses are consumer products and Cosco is a manufacturer of consumer products, which are “distributed in commerce” as those terms are defined in sections 3(a)(1), (4), (11) and (12) of the CPSA, 15 U S C §§ 2052(a)(1), (4), (11) and (12).

15) The mattresses are defective because the mattresses can easily compress. When a baby stands up in the subject crib, the mattresses can compress and be pushed between the bars on the crib’s mattress platform. If this occurs, the baby can slip between the bars on the crib’s platform and become entrapped, causing serious injury or death

16) Between April 10, 1996 and October 16, 1998, Cosco received reports of approximately 10 incidents of the mattress compressing and causing the infant to slip partially through the bars on the mattress platform, thereby causing some infants to become entrapped. On or about July 18, 1998, an 11-month-old infant died when he fell feet first through an opening in the mattress platform and became entrapped by the neck

17) In August 1997, after learning of at least six reports of mattress platform entrapment, Cosco changed the design specifications of the mattresses by increasing the compression from 30 to 42 pounds in an attempt to increase the stiffness of the mattresses and to prevent the mattress from being compressed between the bars on the crib's mattress platform

18) Despite being aware of the information set forth in paragraphs 15 through 17 above, Cosco did not fully inform the Commission about the hazard presented by these mattresses until October 16, 1998, and then, only after the staff asked it to do so

19) Although Cosco had obtained sufficient information to reasonably support the conclusion that the mattresses contained a defect which could create a substantial product hazard, or created an unreasonable risk of serious injury or death, it failed to report such information to the Commission, as required by section 15(b) of the CPSA. By failing to report, Cosco violated section 19(a)(4) of the CPSA, 15 U S C § 2068(a)(4)

20) Cosco knowingly committed this failure to report to the

Commission, as the term “knowingly” is defined in section 20(d) of the CPSA, 15 U S C § 2069(d), and Cosco is subject to civil penalties under section 20 of the CPSA.

COSCO TWO WAYS TANDEM STROLLERS

21) Between February 1997 and February 1998, Cosco imported and sold nationwide, approximately 57,000 Two Ways Tandem Strollers, models 01-644 and 01-645 (“strollers”). Goodbaby Inc. of Jiangsu, China manufactured the strollers. Cosco designed the strollers so that two babies can sit behind one another. Also, the front seat of the stroller reverses so children can ride face-to-face

22) The strollers are consumer products and Cosco is a manufacturer of consumer products, which are “distributed in commerce” as those terms are defined in sections 3(a)(1), (4), (11) and (12) of the CPSA, 15 U.S C §§ 2052(a)(1), (4), (11) and (12)

23) The strollers are defective because the plastic locks on the folding mechanisms can break during use, causing the strollers to suddenly collapse. If this occurs, infants sitting in the strollers can suffer injuries, including head injuries from hitting the pavement. The child's arms, hands or fingers can be cut if they are on the locking mechanism when the stroller collapses.

24) Between mid-1997 and November 23, 1998, Cosco received approximately 3,000 complaints concerning failure of the locking mechanisms on the strollers, including 250 reports that the stroller collapsed causing 200 injuries to infants. These injuries included head injuries, a fractured forearm, finger and arm lacerations.

requiring stitches, and bumps, bruises and cuts

25) Between February 1998 and October 1998, Cosco redesigned the locking mechanism of the strollers. In February 1998, after receiving a number of complaints from one of its retailers concerning the locking mechanism, Cosco instructed the manufacturer of the strollers to cease production. In late March 1998, the manufacturer began producing strollers with a redesigned locking mechanism. At about the same time, Cosco added a secondary locking mechanism to all strollers in inventory and to those in the inventory of one of its retailers in an attempt to prevent the locking mechanism from failing and to prevent the strollers from collapsing. Later, in June 1998, Cosco offered consumers "upon request," a repair consisting of a secondary locking mechanism to prevent stroller collapse. In October 1998, Cosco sent letters to Spiegel catalog customers who had purchased the strollers and offered to send them the secondary locking mechanism.

26) Despite being aware of the information set forth in paragraphs 23 through 25 above, Cosco did not inform the Commission about this matter until November 23, 1998, and then, only after the staff asked it to do so

27) Although Cosco had obtained sufficient information to reasonably support the conclusion that the strollers contained a defect which could create a substantial product hazard, or created an unreasonable risk of serious injury or death, it failed to report such information to the Commission, as required by section 15(b) of the CPSA. By failing to report Cosco violated section 19(a)(4) of the CPSA, 15 U S C § 2068(a)(4).

28) Cosco knowingly committed this failure to report to the Commission, as the term “knowingly” is defined in section 20(d) of the CPSA, 15 U S C § 2069(d), and Cosco is subject to civil penalties under section 20 of the CPSA.

COSCO ARRIVA AND TURNABOUT INFANT CAR SEATS/CARRIERS

29) Between March 1995 and September 1997, Cosco manufactured and sold nationwide, approximately 670,000 rear-facing Arriva and Turnabout Infant Car Seats/Carriers (“carriers”). The Arriva bears the following model numbers: 02-665, 02-729, 02-731, 02-732, 02-733, 02-751, 02-756, and 02-757. The Turnabout model numbers are as follows 02-758, 02-759, 02-760, 02-761, 02-762, 02-763, 02-764, 02-765, and 02-667. The products are infant carriers that can also be used as a car seat

30) The carriers are consumer products and Cosco is a manufacturer of consumer products, which are “distributed in commerce” as those terms are defined in sections 3(a)(1), (4), (11) and (12) of the CPSA, 15 U S C §§ 2052(a)(1), (4), (11) and (12)

31) The carriers are defective because when the carrier portion is used to carry a child, the handle locks on each side of the seat can unexpectedly release, causing the seat to flip forward. If this occurs, the infant can fall to the ground and suffer serious injuries

32) Between June 27, 1995 and May 13, 1998, Cosco received reports of approximately 53 incidents involving release of the handle locks of the carriers. Some of these incidents caused injuries to infants. One infant sustained a skull fracture

when he fell down the stairs after the handle lock of the carrier failed

33) On September 27, 1997, Cosco modified the design of the handle lock lever to strengthen it. At the time, Cosco knew of approximately 44 incidents involving failure of the products' handle locks, some of which involved injuries

34) Despite being aware of the information set forth in paragraphs 31 through 33 above, Cosco did not fully inform the Commission about this matter until May 13, 1998, and then, only after the staff asked it to do so

35) Although Cosco had obtained sufficient information to reasonably support the conclusion that the carriers contained a defect which could create a substantial product hazard, or create an unreasonable risk of serious injury or death, it failed to report such information to the Commission, as required by section 15(b) of the CPSA. By failing to report, Cosco violated section 19(a)(4) of the CPSA, 15 U.S.C. § 2068(a)(4)

36) Cosco knowingly committed this failure to report to the Commission, as the term "knowingly" is defined in section 20(d) of the CPSA, 15 U.S.C. § 2069(d), and Cosco is subject to civil penalties under section 20 of the CPSA.

COSCO OPTION 5 HIGH CHAIRS

37) Between December 1997 and August 2000, Cosco manufactured and sold nationwide, approximately one million Option 5 High Chairs, Model No. 03-286 ("high chairs")

38) The high chairs are consumer products and Cosco is a

manufacturer of consumer products, which are “distributed in commerce” as those terms are defined in sections 3(a)(1), (4), (11) and (12) of the CPSA, 15 U S C §§ 2052(a)(1), (4), (11) and (12)

39) The high chairs are adjustable and have both recline and upright positions. In the recline position, the high chairs are defective because the seats can separate from the frame and fall to the ground. The high chairs are defective because in the upright position the seats can slip from their set height position to the lowest position or can fall to the ground. Additionally, Cosco sold some seats with a metal restraint anchor that can slip through the back of the seat allowing the child to fall to the ground. When infants and toddlers fall they can suffer head, face and bodily injuries.

40) Between March 1998 and March 2000, Cosco received reports of approximately 93 incidents of seat slippage or collapse of the high chairs. At least 37 of these incidents caused injuries to infants. Most injuries were to the head or face of the child. In five incidents, the child was monitored for a possible concussion.

41) In August 1999, Cosco redesigned the high chair in a number of ways. With respect to the upright position, Cosco reinforced the pegs and increased the size of the latch that held the seat in place while in such position. In addition, in lieu of the old safety restraint belt with metal buckle, the firm introduced a revised safety restraint belt with a thick plastic buckle that could not fit through the opening in the seat back. Regarding the recline position, Cosco added some reinforcing ribs to the towel bar, modifying its product assembly instructions to emphasize the need to use the safety handle, and added warnings to the back of the seat to further emphasize this

point

42) Despite being aware of the information set forth in paragraphs 39 through 41 above, Cosco did not provide any information to the Commission about this matter until May 5, 1999, when our field staff asked for the information during an establishment inspection of the firm

43) Although Cosco had obtained sufficient information to reasonably support the conclusion that the high chairs contained a defect which could create a substantial product hazard, or created an unreasonable risk of serious injury or death, it failed to report such information to the Commission, as required by section 15(b) of the CPSA. By failing to report, Cosco violated section 19(a)(4) of the CPSA, 15 U S C § 2068(a)(4)

44) Cosco knowingly committed this failure to report to the Commission, as the term "knowingly" is defined in section 20(d) of the CPSA, 15 U S C § 2069(d), and Cosco is subject to civil penalties under section 20 of the CPSA

SAFETY 1st MOBILE 4 WHEELIN' WALKERS

45) Between 1998 and 1999, Safety 1st manufactured and sold nationwide, approximately 170,000 Mobile 4 Wheelin' Walkers, Models 45701, 45701A, and 45701B ("walkers")

46) The walkers are consumer products and Safety 1st is a manufacturer of consumer products, which are "distributed in commerce" as those terms are defined in sections 3(1)(1), (4), (11) and (12) of the CPSA, 15 U S C §§

2052(a)(1), (4), (11) and (12).

47) The walkers are traditional baby walkers, designed to look like miniature automobiles, featuring various gadgets such as a telephone, antenna, and steering wheel

48) The walkers are defective because young children who use the walkers can be expected to mouth the steering wheel of the walker. A child could get its teeth caught in the hollow underside of the steering wheel. If this should happen, a child's teeth can be pulled out, causing long term damage due to migration of surrounding teeth, and speech impairment and other developmental disabilities. Safety 1st received reports of at least 6 incidents of children getting their teeth caught in the steering wheel. At least five children lost a tooth in these incidents. In at least 3 of these incidents, children lost 2 or more teeth in this manner.

49) The walkers are also defective because the buttons on the walker's phone can break off or the telephone pad can become loose, presenting a possible choking hazard to children. Safety 1st received at least 24 reports of the buttons of the phone breaking off or the telephone pad coming loose. At least one child's caregiver found the child with plastic pieces from the phone in its mouth.

50) The walkers are also defective because the antennas on the walkers are elongated and sharp, and could strike a child in the eye or face. Safety 1st received at least 3 reports of children being poked or bruised by the antenna, including a report of one child being struck in the eye.

51) During the time period mentioned in paragraph 45 above,

Safety 1st, in an apparent response to some of the aforementioned incidents, made a number of changes to the walkers, including the addition of a revised keypad and phone assembly, as well as the removal of the antenna

52) Despite being aware of the information set forth in paragraphs 49 through 51 above, Safety 1st did not file a written report with the Commission until September 22, 1999, regarding the tooth loss hazard presented by the steering wheel. Furthermore, it wasn't until February 22, 2000, in response to a request by the Commission staff, that Safety 1st filed a written report with regard to the hazard presented by the antenna, as well as the choking hazard presented by the buttons of the phone breaking off or the telephone pad coming loose.

53) Although Safety 1st obtained sufficient information to reasonably support the conclusion that the walkers contained a number of defects which could create a substantial product hazard, or created an unreasonable risk of serious injury or death, it failed to report such information to the Commission, as required by section 15(b) of the CPSA. By failing to comply with section 15(b) of the CPSA, Safety 1st violated section 19(a)(4) of the CPSA, 15 U S C. § 2068(a)(4).

54) Safety 1st knowingly committed this failure to report to the Commission, as the term "knowingly" is defined in section 20(d) of the CPSA, 15 U S C § 2069(d), and Safety 1st is subject to civil penalties under section 20 of the CPSA

SAFETY 1st WIPE WARMERS

55) Between December 1999 and January 2001, Safety 1st

manufactured and sold nationwide, approximately 101,000 Wipe Warmers, model number 26133 (“wipe warmers”) The wipe warmer is an electrical appliance used to warm baby wipes

56) The wipe warmers are consumer products and Safety 1st is a manufacturer of consumer products, which are “distributed in commerce” as those terms are defined in sections 3(a)(1), (4), (11) and (12) of the CPSA, 15 U S C. §§ 2052(a)(1), (4), (11) and (12)

57) The wipe warmers are defective because the bottom of the wipe holding chamber can crack during normal use. If this occurs, moisture from the wipes can drain into the electrical components of the unit and cause an electric shock hazard to a consumer touching the wipes.

58) Between November 2000 and January 2001, Safety 1st received reports of at least 17 incidents in which the wipe holding chamber cracked. No injuries or shocks have been reported

59) In approximately December 2000, Safety 1st made two design changes to the wipe warmer to address the potential for cracking in the wipe holding chamber Safety 1st thickened the plastic surface on which the wipes sit by 0.6mm. In addition, Safety 1st changed the wipe warmer molding process Both changes were intended to strengthen the plastic bottom of the wipe warmer to prevent any potential degradation from chemicals used in certain brands of wipes Safety 1st manufactured approximately 18,000 wipe warmers with the aforementioned design changes However, Safety 1st did not distribute the products.

60) Despite being aware of the information set forth in paragraphs 57 through 59 above, Safety 1st did not provide any information to the Commission about this matter until January 22, 2001, and then only after first being requested to do so by the staff

61) Although Safety 1st had obtained sufficient information to reasonably support the conclusion that the wipe warmers contained a defect which could create a substantial product hazard, or created an unreasonable risk of serious injury or death, it failed to report such information to the Commission, as required by section 15(b) of the CPSA. Safety 1st violated section 19(a)(4) of the CPSA.

62) Safety 1st knowingly committed this failure to report to the Commission, as the term "knowingly" is defined in section 20(d) of the CPSA, 15 U.S.C. § 2069(d), and Safety 1st is subject to civil penalties under section 20 of the CPSA

RESPONSE OF COSCO AND SAFETY 1ST

63) Cosco and Safety 1st deny that: (a) the products described in paragraphs 5 through 62, above, contain any defect which could create a substantial product hazard described in section 15(a) of the CPSA, 15 U.S.C. Section 2064(a), (b) these products create an unreasonable risk of serious injury or death, (c) they violated the reporting requirements of section 15(b) of the CPSA, 15 U.S.C. Section 2064(b), including as that statute is interpreted in 16 C.F.R. Part 1115, and (d) that any other violation of law occurred warranting imposition of a civil penalty. Cosco and Safety 1st deny any liability or wrongdoing of any kind.

64) Cosco and Safety 1st are entering into this Settlement Agreement for settlement purposes only, to avoid incurring additional legal costs and to "bring closure" to this matter

65) Cosco and Safety 1st further assert as a general matter that they received very few complaints concerning the above-mentioned products relative to the numbers of products in distribution; that they developed product improvements to address the complaints on the various products in question; that they considered the complaints and the reporting requirements of the CPSA, that they made their judgements about reporting in good faith based on their understanding of the requirements of the law, and, that they did not "knowingly" violate any reporting requirements

66) With respect to the deaths referenced in paragraphs 8 and 16, Cosco denies the staff allegations and further asserts that each incident involved misassembly and misuse of the products in question

67) The CPSC staff allegations regarding Safety 1st products detailed in paragraphs 5 through 62 above, occurred prior to Safety 1st's acquisition by Dorel in June, 2000.

AGREEMENT OF THE PARTIES

68) The Commission has jurisdiction over these matters and over Cosco and Safety 1st under the CPSA, 15 U S C §§2051-2084 By entering this Settlement Agreement, Cosco is not conceding that the Amva and Turnabout Infant Car Seat/Carriers are "consumer products" within the scope of the Consumer Product

Safety Act.

69) Cosco agrees to pay to the order of the U S Treasury a

civil penalty in the amount of one million three hundred thousand dollars (\$1,300,000) in settlement of this matter. The first payment of six hundred fifty thousand dollars (\$650,000) is payable by Cosco within 20 calendar days of receiving service of the final Settlement Agreement and Order. The second and final payment of six hundred fifty thousand dollars (\$650,000) is payable by Cosco within one calendar year of the date the first payment is due. If Cosco fails to make a payment on schedule, the unpaid balance of the entire civil penalty shall be due and payable, and interest on the outstanding balance shall accrue and be paid at the federal legal rate of interest under the provisions of 28 U.S.C. §§ 1961 (a) and (b).

70) Safety 1st agrees to pay to the order of the U.S. Treasury a civil penalty in the amount of four hundred fifty thousand dollars (\$450,000), in settlement of this matter. The first payment of two hundred twenty five thousand dollars (\$225,000) is payable within 20 calendar days of receiving service of the final Settlement Agreement and Order. The second and final payment of two hundred twenty five thousand dollars (\$225,000) is payable by Safety 1st within one calendar year of the date the first payment is due. If Safety 1st fails to make a payment on schedule, the unpaid balance of the entire civil penalty shall be due and payable, and interest on the outstanding balance shall accrue and be paid at the federal legal rate of interest under the provisions of 28 U.S.C. §§ 1961 (a) and (b).

71) Cosco and Safety 1st knowingly, voluntarily and completely waive any rights they may have in the above captioned case. (i) to the issuance of a Complaint in this matter; (ii) to an administrative or judicial hearing with respect to the

staff's allegations cited herein, (iii) to judicial review or other challenge or contest of the validity of the Settlement Agreement or the Commission's Order; (iv) to a determination by the Commission as to whether a violation of section 15(b) of the CPSA, has occurred, (v) to a statement of findings of fact and conclusions of law with regard to the staff's allegations, and (vi) to any claims under the Equal Access to Justice Act.

72) Upon provisional acceptance of this Settlement Agreement and Order by the Commission, the Commission shall place this Settlement Agreement and Order on the public record and shall publish it in the *Federal Register* in accordance with the procedure set forth in 16 C F R. § 1118 20(e). If the Commission does not receive any written requests not to accept the Settlement Agreement and order within 15 days, the Settlement Agreement and Order shall be deemed finally accepted on the 16th day after the date it is published in the *Federal Register*, in accordance with 16 C F R. § 1118.20(f).

73) This Settlement Agreement and Order becomes effective after its final acceptance by the Commission and service upon Cosco and Safety 1st. Upon final acceptance of this Settlement Agreement by the Commission, the Commission may publicize the terms and basis for the Settlement Agreement and Order, without regard to any restriction under 15 U S C § 2055(b)

74) Cosco and Safety 1st agree to the entry of the attached Order, which is incorporated herein by reference, and agree to be bound by its terms. This Settlement Agreement and Order is binding upon Cosco and Safety 1st, their parent, and each of their assigns or successors

75) This Settlement Agreement and Order resolves the matters set forth above in paragraphs 5 through 62

76) Nothing in this Settlement Agreement and Order shall be construed to preclude the Commission from pursuing a corrective action or other relief not described above.

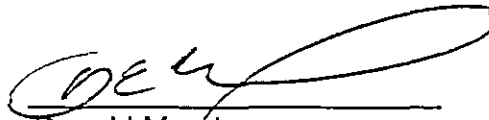
77) If, after the effective date hereof, any provision of this Settlement this Agreement and Order is held to be illegal, invalid, or unenforceable under present or future laws effective during the terms of the Settlement Agreement and Order, such provision shall be fully severable. The rest of the Settlement Agreement and Order shall remain in full effect, unless the Commission and Cosco and Safety 1st determine that severing the provision materially impacts the purpose of the Settlement Agreement and Order

78) This Settlement Agreement and Order shall not be waived, changed, amended, modified, or otherwise altered, except in writing executed by the party against whom such amendment, modification, alteration, or waiver is sought to be enforced, and approved by the Commission.

79) Agreements, understandings, representations, or interpretations made outside this Settlement Agreement and Order may not be used to vary or contradict its terms. This Settlement Agreement may be used in interpreting the Order.

Dated. 3/22/01

By



Donald March
Chief Financial Officer
Cosco, Inc. and Safety 1st, Inc

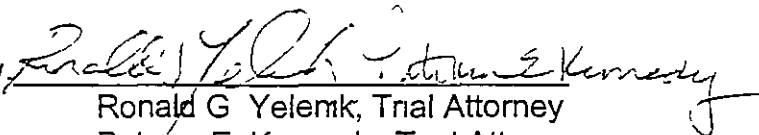
THE CONSUMER PRODUCT SAFETY
COMMISSION

Alan H. Schoem
Assistant Executive Director
Office of Compliance

Eric L. Stone, Director
Legal Division
Office of Compliance

Dated 3/23/2001

By



Ronald G. Yelenik, Trial Attorney
Patricia E. Kennedy, Trial Attorney
Legal Division
Office of Compliance

UNITED STATES OF AMERICA
CONSUMER PRODUCT SAFETY COMMISSION

In the Matter of)	
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COSCO, INC)	CPSC Docket No 01-C0006
a corporation, and)	
)	
SAFETY 1st, INC)	
a corporation, subsidiaries of)	
)	
DOREL U S A , INC)	

ORDER

Upon consideration of the Settlement Agreement between both Respondent Cosco, Inc , a corporation, and Respondent Safety 1st, Inc , a corporation, and the staff of the Consumer Product Safety Commission, and the Commission having jurisdiction over the subject matter and over Cosco, Inc. and Safety 1st, Inc , and it appearing the Settlement Agreement is in the public interest, it is

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

FURTHER ORDERED, that Cosco, Inc shall pay to the order of the U S Treasury a civil penalty in the amount of one million, three hundred thousand dollars (\$1,300,000), payable as follows six hundred fifty thousand dollars (\$650,000) within twenty (20) calendar days after service of this Final Order upon Cosco, Inc , and an additional six hundred fifty thousand dollars (\$650,000) within one calendar year of the date the first payment is due

FURTHER ORDERED, that Safety 1st, Inc shall pay to the order of the U S Treasury a civil penalty in the amount of four hundred fifty thousand dollars (\$450,000), payable as follows two hundred twenty five thousand dollars (\$225,000) within twenty (20) calendar days after service of this Final Order upon Safety 1st, Inc , and an additional two

COSCO, INC
a corporation, and

SAFETY 1ST, INC
a corporation, subsidiaries of

CPSC Docket No 01-C0006

DOREL U S A , INC

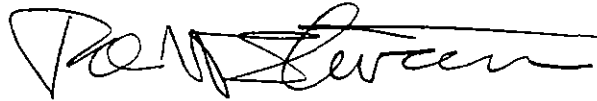
hundred twenty five thousand dollars (\$225,000) within one calendar year of the date the first payment is due

Upon failing to make a payment on schedule, the unpaid balance of the entire civil penalty shall be due and payable, and interest on the outstanding balance shall accrue and be paid at the federal legal rate of interest under the provisions of 28 U S C. §§ 1961 (a) and (b)

Provisionally accepted and Provisional Order issued on the

2nd day of April, 2001.

BY ORDER OF THE COMMISSION



Todd A Stevenson, Deputy Secretary
Consumer Product Safety Commission