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**ENDORSED**  
**FILED**  
 San Francisco County Superior Court  
 JUL 08 2009  
**GORDON PARK-LI, Clerk**  
 BY: JULIE ROQUE  
 Deputy Clerk

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10 Attorneys For Plaintiff  
 MATEEL ENVIRONMENTAL JUSTICE  
 11 FOUNDATION

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
 13 COUNTY OF SAN FRANCISCO

15 MATEEL ENVIRONMENTAL JUSTICE )  
 16 FOUNDATION, )

Case No. CGC-08-482241

17 Plaintiff, )

**CONSENT JUDGMENT**  
**[PROPOSED]**

18 v. )

19 TSA STORES, INC., )

20 Defendant. )  
 21 )  
 22 )

23 **1. INTRODUCTION**

24 I.1 On November 24, 2008, the MATEEL ENVIRONMENTAL JUSTICE  
 25 FOUNDATION ("Plaintiff MEJF") acting on behalf of itself and the general public, filed a  
 26 Complaint for civil penalties and injunctive relief ("Complaint") in San Francisco Superior Court,  
 27 Case No. CGC-08-482241, against defendant TSA STORES, INC. ("Sports Authority" or  
 28 "Defendant"). The Complaint alleges, among other things, that Defendant violated provisions of

1 the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code Sections  
2 25249.5, et seq. (Proposition 65) by failing to give clear and reasonable warnings to residents of  
3 California that handling and use of plastic exercise mats that contain lead and/or lead compounds  
4 (“Lead”) causes those residents to be exposed to Lead. Lead is known to the State of California  
5 to cause cancer and/or birth defects or other reproductive harm. The Complaint was based upon a  
6 60-Day Notice letter, dated July 17, 2008, sent by MEJF to Sports Authority, the California  
7 Attorney General, all District Attorneys, and all City Attorneys with populations exceeding  
8 750,000.

9 1.2 Defendant is a business that employs more than ten persons, and sells exercise  
10 mats. Mateel alleges that certain exercise mats sold by Sports Authority are manufactured from  
11 plastic that contains Lead and that such mats require a warning under Proposition 65, pursuant to  
12 Health and Safety Code Section 25249.6. Sports Authority denies that a warning is required. For  
13 purposes of this Consent Judgment, the parties stipulate that this Court has jurisdiction over the  
14 allegations of violations contained in the Complaint and personal jurisdiction over Sports  
15 Authority as to the acts alleged in the Complaint, that venue is proper in the County of San  
16 Francisco and that this Court has jurisdiction to enter this Consent Judgment as a full settlement  
17 and resolution of the allegations contained in the Complaint and of all claims which were or could  
18 have been raised by any person or entity based in whole or in part, directly or indirectly, on the  
19 facts alleged therein or arising therefrom or related to.

20 1.3 This Consent Judgment resolves claims that are denied and disputed. The parties  
21 enter into this Consent Judgment pursuant to a full and final settlement of any and all claims  
22 between the parties for the purpose of avoiding prolonged litigation. This Consent Judgment  
23 shall not constitute an admission with respect to any material allegation of the Complaint, each  
24 and every allegation of which Sports Authority denies, nor may this Consent Judgment or  
25 compliance with it be used as evidence of any wrongdoing, misconduct, culpability or liability on  
26 the part of Sports Authority.

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1           1.4 For purposes of this Consent Judgment, the term "Covered Products" means  
2 plastic exercise mats sold under a brand name proprietary to Sports Authority (Sports Authority  
3 "private label" products) and offered for sale by Sports Authority in the State of California.

4           1.5 The term "Effective Date" the date of entry of this Consent Judgment.

5           **2. SETTLEMENT PAYMENT**

6           2.1 In settlement of all of the claims that are alleged, or could have been alleged, in the  
7 Complaint concerning Covered Products, Defendant shall pay \$40,000 to the Klamath  
8 Environmental Law Center ("KELC"), which shall subsequently and within a commercially  
9 reasonable time be divided by KELC as follows: (i) \$20,000 shall be paid to KELC for attorneys'  
10 fees and costs incurred by KELC on behalf of Plaintiff in investigating this matter and negotiating  
11 this Consent Judgment, (ii) \$10,000 shall be distributed by KELC to the Ecological Rights  
12 Foundation and \$10,000 shall be distributed by KELC to Californians for Alternatives to Toxics  
13 for use toward reducing exposures to toxic chemicals and other pollutants, and toward increasing  
14 consumer, worker and community awareness of health hazards posed by lead and other toxic  
15 chemicals. The parties agree and acknowledge that the charitable contributions made pursuant to  
16 this section shall not be construed as a credit against the personal claims of absent third parties for  
17 restitution against the defendant. The above described payments shall be forwarded by Defendant  
18 so that they are received at least five days prior to the hearing date scheduled for approval of this  
19 Consent Judgment. If the Consent Judgment is not approved within 120 days of the date scheduled  
20 for approval, the above-described payments shall be returned and the provisions of this Consent  
21 Judgment shall become null and void.

22           2.2 Sports Authority shall not be required to pay a civil penalty pursuant to Health and  
23 Safety Code Section 25249.7(b).

24           **3. ENTRY OF CONSENT JUDGMENT**

25           3.1 The parties hereby request that the Court promptly enter this Consent Judgment.  
26 Upon entry of the Consent Judgment, Sports Authority and MEJF waive their respective rights to  
27 a hearing or trial on the allegations of the Complaint.

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1     **4.     MATTERS COVERED BY THIS CONSENT JUDGMENT**

2             4.1     This Consent Judgment is a final and binding resolution between MEJF, acting on  
3     behalf of itself and (as to those matters raised in the 60-Day Notice Letter) the general public, and  
4     Sports Authority of: (i) any violation of Proposition 65 (including but not limited to the claims  
5     made in the Complaint); and (ii) any other statutory or common law claim to the fullest extent  
6     that any of the foregoing described in (i) or (ii) were or could have been asserted by any person or  
7     entity against Sports Authority or its parents, subsidiaries, related companies, or affiliates, and all  
8     of their suppliers, customers, distributors, wholesalers, retailers, or any other person in the course  
9     of doing business, and the successors and assigns of any of them, who may use, maintain,  
10    distribute or sell Covered Products ("Released Entities"), based on its or their exposure of persons  
11    to Lead from Covered Products or their failure to provide a clear and reasonable warning of  
12    exposure to such individuals; and (iii) as to alleged exposures to Lead from Covered Products,  
13    any other claim based in whole or in part on the facts alleged in the Complaint, whether based on  
14    actions committed by the Released Entities or others. As to alleged exposures to Lead from  
15    Covered Products, compliance with the terms of this Consent Judgment resolves any issue, now  
16    and in the future, concerning compliance by Sports Authority and the Released Entities, with the  
17    requirements of Proposition 65 with respect to Covered Products, and any alleged resulting  
18    exposure. Notwithstanding any other provision in Section 4, no releases on behalf of the general  
19    public shall be construed to extend to claims concerning chemicals listed under Proposition 65  
20    other than Lead or to claims not arising out of allegations in the Notice Letter.

21             4.2     As to alleged exposures to Lead from Covered Products, MEJF, by and on behalf  
22    of itself and its respective agents, successors and assigns, waives any and all rights to institute any  
23    form of legal action, and releases all claims against Sports Authority and the Released Entities,  
24    and all of their respective parents, subsidiaries or affiliates, and all of their suppliers, customers,  
25    distributors, wholesalers, retailers, or any other person in the course of doing business, and the  
26    successors and assigns of any of them, who may use, maintain, distribute or sell the Covered  
27    Products, whether, under Proposition 65 or otherwise, arising out of or resulting from, or related  
28    directly or indirectly to, in whole or in part, the Covered Products, including but not limited to

1 any exposure to, or failure to warn with respect to, the Covered Products (referred to collectively  
2 in this paragraph as the "Claims"). In furtherance of the foregoing, as to alleged exposures to  
3 Covered Products, MEJF hereby waives any and all rights and benefits which it now has, or in the  
4 future may have, conferred upon it with respect to the Claims by virtue of the provisions of  
5 section 1542 of the California Civil Code, which provides as follows:

6 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE  
7 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT  
8 THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM,  
9 MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE  
10 DEBTOR.

11 4.3 MEJF understands and acknowledges that the significance and consequence of this  
12 waiver of California Civil Code section 1542 is that even if MEJF suffers future damages arising  
13 out of or resulting from, or related directly or indirectly to, in whole or in part, the Covered  
14 Products, including but not limited to any exposure to, or failure to warn with respect to exposure  
15 to, Lead from Covered Products, MEJF will not be able to make any Claim for those damages  
16 against Sports Authority or the Released Entities. Furthermore, MEJF acknowledges that it  
17 intends these consequences for any such Claims as may exist as of the date of this release but  
18 which MEJF does not know exist, and which, if known, would materially affect their decision to  
19 enter into this Consent Judgment, regardless of whether their lack of knowledge is the result of  
20 ignorance, oversight, error, negligence, or any other cause.

21 **5. ENFORCEMENT OF JUDGMENT**

22 5.1 The terms of this Consent Judgment shall be enforced exclusively by the parties  
23 hereto. The parties may, by noticed motion or order to show cause before the Superior Court of  
24 San Francisco County, giving the notice required by law, enforce the terms and conditions  
25 contained herein. A Party may enforce any of the terms and conditions of this Consent Judgment  
26 only after that Party first provides 30 days notice to the Party allegedly failing to comply with the  
27 terms and conditions of this Consent Judgment and attempts to resolve such Party's failure to  
28 comply in an open and good faith manner.

1           5.2     In any proceeding brought by either party to enforce this Consent Judgment, such  
2 party may seek whatever fines, costs, penalties or remedies as may be provided by law for any  
3 violation of Proposition 65 or this Consent Judgment.

4       **6.     MODIFICATION OF JUDGMENT**

5           6.1     This Consent Judgment may be modified only upon written agreement of the  
6 parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of  
7 any party as provided by law and upon entry of a modified Consent Judgment by the Court.

8       **7.     INJUNCTIVE RELIEF**

9           7.1     The plastic used in the production of Covered Products offered for sale by Sports  
10 Authority after the Effective Date shall meet the following:

11                   (a)     The plastic shall have no lead as an intentionally added constituent;  
12                   and

13                   (b)     A randomly selected representative sample of the plastic used in the  
14 Covered Product has lead content by weight of less than 0.02% (200 parts per million  
15 “200 ppm”), using a test method of sufficient sensitivity to establish a limit of  
16 quantification (as distinguished from detection) of less than 200 ppm;

17           7.2     Sports Authority may comply with the reformulation requirements of this Section  
18 by relying on information obtained from the manufacturers and/or suppliers of Covered Products,  
19 and/or the suppliers of the materials utilized in their manufacture, so long as such reliance is in  
20 good faith.

21       **8.     RETENTION OF JURISDICTION**

22           8.1     This Court shall retain jurisdiction of this matter to implement and enforce the  
23 terms this Consent Judgment.

24       **9.     AUTHORITY TO STIPULATE**

25           9.1     Each signatory to this Consent Judgment certifies that he or she is fully authorized  
26 by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of  
27 the party represented and legally to bind that party.

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1     **10. DUTIES LIMITED TO CALIFORNIA**

2             10.1 This Consent Judgment shall have no effect on Covered Products sold by Sports  
3 Authority outside the State of California.

4     **11. SERVICE ON THE ATTORNEY GENERAL**

5             11.1 KELC shall serve a copy of this Consent Judgment, signed by both parties, on the  
6 California Attorney General on behalf of the parties so that the Attorney General may review this  
7 Consent Judgment prior to its submittal to the Court for approval. No sooner than 45 days after  
8 the Attorney General has received the aforementioned copy of this Consent Judgment, and in the  
9 absence of any written objection by the Attorney General to the terms of this Consent Judgment,  
10 the parties may then submit it to the Court for approval.

11     **12. ENTIRE AGREEMENT**

12             12.1 This Consent Judgment contains the sole and entire agreement and understanding  
13 of the parties with respect to the entire subject matter hereof and any and all prior discussions,  
14 negotiations, commitments and understandings related hereto. No representations, oral or  
15 otherwise, express or implied, other than those contained herein have been made by any party  
16 hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be  
17 deemed to exist or to bind any of the parties.

18     **13. GOVERNING LAW**

19             13.1 The validity, construction and performance of this Consent Judgment shall be  
20 governed by the laws of the State of California, without reference to any conflicts of law  
21 provisions of California law.

22     **14. EXECUTION AND COUNTERPARTS**

23             14.1 This Consent Judgment may be executed in counterparts and by means of  
24 facsimile, which taken together shall be deemed to constitute one document.

25     **15. COURT APPROVAL**

26             15.1 If this Consent Judgment, in its entirety, is not approved by the Court, it shall be of  
27 no force or effect, and cannot be used in any proceeding for any purpose.

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16. NOTICES

16.1 Any notices under this Consent Judgment shall be by personal delivery of First Class Mail.

If to MEJF: William Verick, Esq.  
Klamath Environmental Law Center  
424 First Street  
Eureka, CA 95501

If to Sports Authority: Douglas Garrett  
TSA Corporate Services, Inc.  
Sports Authority  
1050 West Hampden Ave  
Englewood, CO 80110

With a copy to:  
Jeffrey B. Margulies  
FULBRIGHT & JAWORSKI, L.L.P.  
555 S. Flower Street, 41st Floor  
Los Angeles, California 90071

IT IS SO STIPULATED:

DATED: \_\_\_\_\_

MATEEL ENVIRONMENTAL JUSTICE  
FOUNDATION

BY: \_\_\_\_\_  
WILLIAM VERICK

DATED: 5/11/09

TSA STORES, INC.

BY: \_\_\_\_\_

ITS: Vice President & Assoc. General Counsel

IT IS SO ORDERED, ADJUDGED AND DECREED:

DATED: JUL 08 2009

**PETER J. BUSCH**

JUDGE OF THE SUPERIOR COURT



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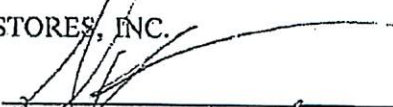
IT IS SO STIPULATED:

DATED: 7/6/09

MATEEL ENVIRONMENTAL JUSTICE  
FOUNDATION

BY:   
WILLIAM VERICK

DATED: 5/16/09

TSA STORES, INC.  
BY:   
ITS: Vice President & Asst. General Counsel

IT IS SO ORDERED, ADJUDGED AND DECREED:

DATED: \_\_\_\_\_

See previous page  
\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT