

ENDORSED
FILED
ALAMEDA COUNTY

JUL 26 2012

K. McCoy, Exec. Off./Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

CENTER FOR ENVIRONMENTAL HEALTH,)

Plaintiff,)

v.)

LULU NYC LLC, et al.,)

Defendants.)

AND CONSOLIDATED CASES.)

Lead Case No. RG-09-459448

(Consolidated with Case Nos. RG 10-494289, RG 10-494513, RG 10-494517, RG 11-598595, RG 11-598596, and RG 11-603764)

~~PROPOSED~~ CONSENT JUDGMENT AS TO Spot Footwear and worldwide Dynasty's Inc. km

1 **1. DEFINITIONS**

2 1.1 “Accessible Component” means a component of a Covered Product that could
3 be touched by a person during normal or reasonably foreseeable use.

4 1.2 “Covered Products” means Fashion Accessories that are Manufactured,
5 distributed or sold or offered for sale by Settling Defendant.

6 1.3 “Effective Date” means the date on which this Consent Judgment is entered by
7 the Court.

8 1.4 “Fashion Accessories” means: (i) wallets, handbags, purses, and clutches; (ii)
9 belts; and (iii) footwear; provided, however, that the terms of this Consent Judgment apply to
10 each Settling Defendant only as to those Fashion Accessories designated for that Settling
11 Defendant on Exhibit A.

12 1.5 “Lead Limits” means the maximum concentrations of lead and lead
13 compounds (“Lead”) by weight specified in Section 3.2.

14 1.6 “Manufactured” and “Manufactures” means to manufacture, produce, or
15 assemble.

16 1.7 “Paint or other Surface Coatings” means a fluid, semi-fluid, or other material,
17 with or without a suspension of finely divided coloring matter, which changes to a solid film
18 when a thin layer is applied to a metal, wood, stone, paper, leather, cloth, plastic, or other surface.
19 This term does not include printing inks or those materials which actually become a part of the
20 substrate, such as the pigment in a plastic article, or those materials which are actually bonded to
21 the substrate, such as by electroplating or ceramic glazing.

22 1.8 “Vendor” means a person or entity that Manufactures, imports, distributes, or
23 supplies a Fashion Accessory to Settling Defendant.

24 **2. INTRODUCTION**

25 2.1 The parties to this Consent Judgment (“Parties”) are the Center for
26 Environmental Health (“CEH”) and the entities executing this Consent Judgment that are also
27 listed on Exhibit A (the “Settling Defendants”).
28

1 2.2 Commencing in April 2009, the CEH served multiple 60-Day Notices of
2 Violation under Proposition 65 (The Safe Drinking Water and Toxic Enforcement Act of 1986,
3 California Health & Safety Code §§ 25249.5, *et seq.*), alleging that the entities named in those
4 notices violated Proposition 65 by exposing persons to Lead contained in wallets, handbags,
5 purses, clutches, totes, belts and footwear, without first providing a clear and reasonable
6 Proposition 65 warning.

7 2.3 Each Settling Defendant manufactures, distributes or offers Fashion
8 Accessories for sale in the State of California or has done so in the past.

9 2.4 For purposes of this Consent Judgment only, the Parties stipulate that this
10 Court has jurisdiction over the allegations of violations contained in the operative Complaint
11 applicable to each Settling Defendant (the "Complaint") and personal jurisdiction over Settling
12 Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Alameda,
13 and that this Court has jurisdiction to enter this Consent Judgment.

14 2.5 Nothing in this Consent Judgment is or shall be construed as an admission by
15 the Parties of any fact, conclusion of law, issue of law or violation of law, nor shall compliance
16 with the Consent Judgment constitute or be construed as an admission by the Parties of any fact,
17 conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall
18 prejudice, waive or impair any right, remedy, argument or defense the Parties may have in any
19 other legal proceeding. This Consent Judgment is the product of negotiation and compromise and
20 is accepted by the Parties for purposes of settling, compromising and resolving issues disputed in
21 this action.

22 **3. INJUNCTIVE RELIEF**

23 3.1 **Specification Compliance Date.** To the extent it has not already done so, no
24 more than 30 days after the Effective Date, each Settling Defendant shall provide the Lead Limits
25 to its Vendors of Fashion Accessories and shall instruct each Vendor to use reasonable efforts to
26 provide Fashion Accessories that comply with the Lead Limits on a nationwide basis.

27 3.2 **Lead Limits.**

28 Commencing on the Effective Date, a Settling Defendant shall not purchase,

1 import, Manufacture, or supply to an unaffiliated third party any Covered Product that will be
2 sold or offered for sale to California consumers that exceeds the following Lead Limits:

3 3.2.1 Paint or other Surface Coatings on Accessible Components: 90 parts per
4 million ("ppm").

5 3.2.2 Polyvinyl chloride ("PVC") Accessible Components: 200 ppm.

6 3.2.3 All other Accessible Components other than cubic zirconia (sometimes
7 called cubic zirconium, CZ), crystal, glass or rhinestones: 300 ppm.

8 3.3 **Final Retail Compliance Date.** Commencing on December 1, 2012, a
9 Settling Defendant shall not sell or offer for sale in California any Covered Product that exceeds
10 the Lead Limits specified in Section 3.2. For purposes of this Section 3.3, when a Settling
11 Defendant's direct customer sells or offers for sale to California consumers a Covered Product
12 after December 1, 2012, the Settling Defendant is deemed to "offer for sale in California" that
13 Covered Product.

14 3.4 **Action Regarding Specific Products.**

15 3.4.1 On or before the Effective Date, each Settling Defendant shall cease selling
16 the specific products (if any) identified as Section 3.4 Products next to its name on Exhibit
17 A (the "Section 3.4 Products") in California. On or before the Effective Date, Settling
18 Defendant shall also: (i) cease shipping the Section 3.4 Products to any of its customers
19 that resell the Section 3.4 Products in California, and (ii) send instructions to its customers
20 that resell the Section 3.4 Products in California instructing them either to (a) return all the
21 Section 3.4 Products to the Settling Defendant for destruction; or (b) directly destroy the
22 Section 3.4 Products.

23 3.4.2 Any destruction of Section 3 Products shall be in compliance with all
24 applicable laws.

25 3.4.3 Within sixty days of the Effective Date, each Settling Defendant shall
26 provide CEH with written certification from Settling Defendant confirming compliance
27 with the requirements of this Section 3.4.
28

1 **4. ENFORCEMENT**

2 4.1 Any Party may, after meeting and conferring, by motion or application for an
3 order to show cause before this Court, enforce the terms and conditions contained in this Consent
4 Judgment. Enforcement of the terms and conditions of Section 3.2 and 3.3 of this Consent
5 Judgment shall be brought exclusively pursuant to Sections 4.3 through 4.4.

6 4.2 Within 30 days after the Effective Date, each Settling Defendant shall notify
7 CEH of a means sufficient to allow CEH to identify Covered Products supplied or offered by that
8 Settling Defendant on or after that date, for example, a unique brand name or characteristic
9 system of product numbering or labeling. Upon written request by CEH, but no more than once
10 in any calendar year, Settling Defendants shall, within 30 days of receiving a request from CEH,
11 update the information provided to CEH pursuant to this Section 4.2 by notifying CEH of a
12 means sufficient to allow CEH to identify Covered Products currently supplied or offered by that
13 Settling Defendant. If CEH is unable to determine whether a particular product is a Covered
14 Product as to a Settling Defendant based on the information provided to CEH pursuant to this
15 Section 4.2, Settling Defendants shall cooperate in good faith with CEH in determining whether
16 the product at issue is a Covered Product and, if so, the identity of the Settling Defendant
17 responsible for selling the product. Information provided to CEH pursuant to this Section 4.2,
18 including but not limited to the identities of parties to contracts among Settling Defendants or
19 between Settling Defendants and third parties, may be designated by the Settling Defendant as
20 competitively sensitive confidential business information, and if so designated shall not be
21 disclosed to any person without the written permission of the Settling Defendant who provided
22 the information. Any motions or pleadings or any other court filings that may reveal information
23 designated as competitively sensitive confidential business information pursuant to this Section
24 shall be submitted in accordance with California Rules of Court 8.46 and 2.550, *et seq.*

25 4.3 **Notice of Violation.** CEH may seek to enforce the requirements of Sections
26 3.2 or 3.3 by issuing a Notice of Violation pursuant to this Section 4.3.

27 4.3.1 **Service of Notice.** CEH shall serve the Notice of Violation on the Settling
28 Defendant(s) that CEH alleges to have violated Sections 3.1 or 3.3 within 45 days of the

1 date the alleged violation(s) was or were observed, provided, however, that CEH may
2 have up to an additional 45 days to provide the Settling Defendant with the test data
3 required by Section 4.3.2(d) below if it has not yet obtained it from its laboratory.

4 **4.3.2 Supporting Documentation.** The Notice of Violation shall, at a minimum,
5 set forth for each Covered Product: (a) the date(s) the alleged violation(s) was observed,
6 (b) the location at which the Covered Product was offered for sale, (c) a description of the
7 Covered Product giving rise to the alleged violation, and of each Accessible Component
8 that is alleged not to comply with the Lead Limits, including a picture of the Covered
9 Product and all identifying information on tags and labels, and (d) all test data obtained by
10 CEH regarding the Covered Product and related supporting documentation, including all
11 laboratory reports, quality assurance reports and quality control reports associated with
12 testing of the Covered Products. Such Notice of Violation shall be based at least in part
13 upon total acid digest testing performed by an independent accredited laboratory. Wipe,
14 swipe, x-ray fluorescence, and swab testing are not by themselves sufficient to support a
15 Notice of Violation, although any such testing may be used as additional support for a
16 Notice. The Parties agree that the sample Notice of Violation attached hereto as Exhibit B
17 is sufficient in form to satisfy the requirements of subsections (c) and (d) of this Section
18 4.3.2.

19 **4.3.3 Additional Documentation.** CEH shall promptly make available for
20 inspection and/or copying upon request by and at the expense of the Settling Defendant,
21 all supporting documentation related to the testing of the Covered Products and associated
22 quality control samples, including chain of custody records, all laboratory logbook entries
23 for laboratory receiving, sample preparation, and instrumental analysis, and all printouts
24 from all analytical instruments relating to the testing of Covered Product samples and any
25 and all calibration, quality assurance, and quality control tests performed or relied upon in
26 conjunction with the testing of the Covered Products, obtained by or available to CEH that
27 pertains to the Covered Product's alleged noncompliance with Section 3 and, if available,
28 any exemplars of Covered Products tested.

1 4.3.4 **Multiple Notices.** If the Settling Defendant has received more than four
2 Notices of Violation in any 12-month period, at CEH's option, CEH may seek whatever
3 fines, costs, penalties, or remedies are provided by law for failure to comply with the
4 Consent Judgment. For purposes of determining the number of Notices of Violation
5 pursuant to this Section 4.3.4, the following shall be excluded:

6 (a) Multiple notices identifying Covered Products Manufactured for or
7 sold to the Settling Defendant from the same Vendor; and

8 (b) A Notice of Violation that meets one or more of the conditions of
9 Section 4.4.3(b).

10 4.4 **Notice of Election.** Within 30 days of receiving a Notice of Violation
11 pursuant to Section 4.3, including the test data required pursuant to 4.3.2(d), the Settling
12 Defendant shall provide written notice to CEH stating whether it elects to contest the allegations
13 contained in the Notice of Violation ("Notice of Election"). Failure to provide a Notice of
14 Election shall be deemed an election to contest the Notice of Violation.

15 4.4.1 **Contested Notices.** If the Notice of Violation is contested, the Notice of
16 Election shall include all then-available documentary evidence regarding the alleged
17 violation, including any test data. Within 30 days the parties shall meet and confer to
18 attempt to resolve their dispute. Should such attempts at meeting and conferring fail,
19 CEH may file an enforcement motion or application pursuant to Section 4.1. If the
20 Settling Defendant withdraws its Notice of Election to contest the Notice of Violation
21 before any motion concerning the violations alleged in the Notice of Violation is filed
22 pursuant to Section 4.1, the Settling Defendant shall make a contribution to the
23 Proposition 65 Fashion Accessory Testing Fund in the amount of \$12,500 and shall
24 comply with all of the non-monetary provisions of Section 4.4.2. If, at any time prior to
25 reaching an agreement or obtaining a decision from the Court, CEH or the Settling
26 Defendant acquires additional test or other data regarding the alleged violation, it shall
27 promptly provide all such data or information to the other Party.

28 4.4.2 **Non-Contested Notices.** If the Notice of Violation is not contested,

1 Settling Defendant shall include in its Notice of Election a detailed description of
2 corrective action that it has undertaken or proposes to undertake to address the alleged
3 violation. Any such correction shall, at a minimum, provide reasonable assurance that the
4 Covered Product will no longer be offered by the Settling Defendant or its customers for
5 sale in California. If there is a dispute over the sufficiency of the proposed corrective
6 action or its implementation, CEH shall promptly notify the Settling Defendant and the
7 Parties shall meet and confer before seeking the intervention of the Court to resolve the
8 dispute. In addition to the corrective action, the Settling Defendant shall make a
9 contribution to the Fashion Accessory Testing Fund in the amount of \$10,000, unless one
10 of the provisions of Section 4.4.3 applies.

11 **4.4.3 Limitations in Non-Contested Matters.**

12 (a) If it elects not to contest a Notice of Violation before any motion
13 concerning the violation(s) at issue has been filed, the monetary liability of a Settling
14 Defendant shall be limited to the contributions required by this Section 4.4.3, if any.

15 (b) The contribution to the Fashion Accessory Testing Fund shall be:

16 (i) One thousand seven hundred fifty dollars (\$1750) if the Settling
17 Defendant, prior to receiving and accepting for distribution or sale the
18 Covered Product identified in the Notice of Violation, obtained test results
19 demonstrating that all of the Accessible Components in the Covered
20 Product identified in the Notice of Violation complied with the applicable
21 Lead Limits, and further provided that such test results meet the same
22 quality criteria to support a Notice of Violation as set forth in Section 4.3.2
23 and that the testing was performed within two years prior to the date of the
24 sales transaction on which the Notice of Violation is based. The Settling
25 Defendant shall provide copies of such test results and supporting
26 documentation to CEH with its Notice of Election;

27 (ii) One thousand five hundred dollars (\$1500) if a Settling
28 Defendant is in violation of Section 3.3 only insofar as that Section deems

1 the Settling Defendant to have "offered for sale" a product sold at retail by
2 Settling Defendant's customer, provided however, that no contribution is
3 required or payable if Settling Defendant has already been required to pay
4 a total of ten thousand dollars (\$10,000) pursuant to this subsection. This
5 subsection shall apply only to Covered Products that the Settling Defendant
6 demonstrates were shipped prior to the applicable Shipping Compliance
7 Date specified in Section 3.2.

8 (iii) Not required or payable, if the Notice of Violation identifies
9 the same Covered Product or Covered Products, differing only in size or
10 color, that have been the subject of another Notice of Violation within the
11 preceding 12 months.

12 **5. PAYMENTS**

13 5.1 **Payments by Settling Defendant.** On or before May 1, 2012, each Settling
14 Defendant shall pay half of the total sum set forth for that Settling Defendant on Exhibit A by
15 check payable to the Lexington Law Group. On or before June 15, 2012, each Settling Defendant
16 shall pay the second half of the total sum set forth for that Settling Defendant on Exhibit A by
17 check payable to the Lexington Law Group. To the extent the Court does not approve this
18 Consent Judgment before a payment is due, the funds paid by Settling Defendant shall be held in
19 trust pending the Court's approval of this Consent Judgment or returned if the Court issues a final
20 Order denying CEH's motion for entry of the Consent Judgment. Any failure by a Settling
21 Defendant to comply with the payment terms herein shall be subject to a stipulated late fee in the
22 amount of \$100 for each day after the delivery date the payment is received. The late fees
23 required under this Section shall be recoverable, together with reasonable attorneys' fees, in an
24 enforcement proceeding brought pursuant to Section 4.1 of this Consent Judgment.

25 5.2 The funds paid by the Settling Defendants shall be allocated as set forth on Exhibit
26 A for each Settling Defendant between the following categories:

27 5.2.1 A civil penalty pursuant to Health & Safety Code § 25249.7(b), such
28 money to be apportioned by CEH in accordance with Health & Safety Code § 25249.12 (25% to

1 CEH and 75% to the State of California's Office of Environmental Health Hazard Assessment).

2 5.2.2 A payment in lieu of civil penalty to CEH pursuant to Health & Safety
3 Code § 25249.7(b), and California Code of Regulations, Title 11, § 3203(b). CEH will use such
4 funds to continue its work educating and protecting people from exposures to toxic chemicals,
5 including heavy metals. In addition, as part of its Community Environmental Action and Justice
6 Fund, CEH will use four percent of such funds to award grants to grassroots environmental
7 justice groups working to educate and protect people from exposures to toxic chemicals. The
8 method of selection of such groups can be found at the CEH web site at www.ceh.org/justicefund.

9 5.2.3 As reimbursement of a portion of reasonable attorneys' fees and costs.

10 6. MODIFICATION

11 6.1 **Written Consent.** This Consent Judgment may be modified from time to
12 time by express written agreement of the Parties with the approval of the Court, or by an order of
13 this Court upon motion and in accordance with law.

14 6.2 **Meet and Confer.** Any Party seeking to modify this Consent Judgment shall
15 attempt in good faith to meet and confer with all affected Parties prior to filing a motion to
16 modify the Consent Judgment.

17 7. CLAIMS COVERED AND RELEASED

18 7.1 This Consent Judgment is a full, final and binding resolution between CEH on
19 behalf of itself and the public interest and each Settling Defendant, and their parents, subsidiaries,
20 affiliated entities that are under common ownership, directors, officers, employees, and attorneys
21 ("Defendant Releasees"), and each entity to whom they directly or indirectly distribute or sell
22 Covered Products, including but not limited to distributors, wholesalers, customers, retailers,
23 franchisees, cooperative members, licensors, and licensees ("Downstream Defendant Releasees")
24 of any violation of Proposition 65 that was or could have been asserted in the Complaint against
25 Settling Defendants, Defendant Releasees, and Downstream Defendant Releasees, based on
26 failure to warn about alleged exposure to Lead contained in Fashion Accessories that were sold
27 by a Settling Defendant prior to the Effective Date.

28 7.2 Compliance with the terms of this Consent Judgment by a Settling Defendant

1 constitutes compliance with Proposition 65 with respect to Lead in that Settling Defendant's
2 Covered Products.

3 7.3 Nothing in this Section 7 affects CEH's right to commence or prosecute an
4 action under Proposition 65 against any person other than a Settling Defendant, Defendant
5 Releasee, or Downstream Defendant Releasee.

6 7.4 Nothing in Section 7 affects CEH's right to commence or prosecute an action
7 under Proposition 65 against a Downstream Defendant Releasee that: (a) is not a direct customer
8 of Settling Defendant under Section 3.3; and (b) sells or offers for sale a Covered Product to
9 California consumers that does not comply with the Lead Limits after the applicable Final Retail
10 Compliance Date set forth in Section 3.3.

11 8. NOTICE

12 8.1 When CEH is entitled to receive any notice under this Consent Judgment, the
13 notice shall be sent by first class and electronic mail to:

14 Howard Hirsch
15 Lexington Law Group
16 503 Divisadero Street
17 San Francisco, CA 94117
18 hhirsch@lexlawgroup.com

19 8.2 When any Settling Defendant is entitled to receive any notice under this
20 Consent Judgment, the notice shall be sent by first class and electronic mail to the person
21 identified in Exhibit A.

22 8.3 Any Party may modify the person and address to whom the notice is to be sent
23 by sending each other Party notice by first class and electronic mail.

24 9. COURT APPROVAL

25 9.1 This Consent Judgment shall become effective upon entry by the Court. CEH
26 shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendants
27 shall support entry of this Consent Judgment.
28

1 9.2 If this Consent Judgment is not entered by the Court, it shall be of no force or
2 effect and shall never be introduced into evidence or otherwise used in any proceeding for any
3 purpose other than to allow the Court to determine if there was a material breach of Section 9.1.

4 **10. ATTORNEYS' FEES**

5 10.1 Should CEH prevail on any motion, application for an order to show cause or
6 other proceeding to enforce a violation of this Consent Judgment, CEH shall be entitled to its
7 reasonable attorneys' fees and costs incurred as a result of such motion or application. Should
8 Settling Defendant prevail on any motion application for an order to show cause or other
9 proceeding, Settling Defendant may be awarded its reasonable attorneys' fees and costs as a result
10 of such motion or application upon a finding by the Court that CEH's prosecution of the motion
11 or application lacked substantial justification. For purposes of this Consent Judgment, the term
12 substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986,
13 Code of Civil Procedure §§ 2016, *et seq.*

14 10.2 Except as otherwise provided in this Consent Judgment, each Party shall bear
15 its own attorneys' fees and costs.

16 10.3 Nothing in this Section 10 shall preclude a Party from seeking an award of
17 sanctions pursuant to law.

18 **11. TERMINATION**

19 11.1 This Consent Judgment shall be terminable by CEH or by any Settling
20 Defendant at any time after September 1, 2017, upon the provision of 30 days advanced written
21 notice; such termination shall be effective upon the subsequent filing of a notice of termination
22 with Superior Court of Alameda County.

23 11.2 Should this Consent Judgment be terminated pursuant to this Section, it shall
24 be of no further force or effect as to the terminated parties; provided, however that if CEH is the
25 terminating Party, the provisions of Sections 5 and 7 shall survive any termination and provided
26 further that if a Settling Defendant is the terminating Party, the provisions of Sections 5 and 7.1
27 shall survive any termination.

28

1 **12. OTHER TERMS**

2 12.1 The terms of this Consent Judgment shall be governed by the laws of the State
3 of California.

4 12.2 This Consent Judgment shall apply to and be binding upon CEH and Settling
5 Defendants, and the successors or assigns of any of them.

6 12.3 This Consent Judgment contains the sole and entire agreement and
7 understanding of the Parties with respect to the entire subject matter hereof, and any and all prior
8 discussions, negotiations, commitments, or understandings related thereto, if any, are hereby
9 merged herein and therein. There are no warranties, representations, or other agreements between
10 the Parties except as expressly set forth herein. No representations, oral or otherwise, express or
11 implied, other than those specifically referred to in this Consent Judgment have been made by any
12 Party hereto. No other agreements not specifically contained or referenced herein, oral or
13 otherwise, shall be deemed to exist or to bind any of the Parties hereto. No supplementation,
14 modification, waiver, or termination of this Consent Judgment shall be binding unless executed in
15 writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent
16 Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof
17 whether or not similar, nor shall such waiver constitute a continuing waiver.

18 12.4 Nothing in this Consent Judgment shall release, or in any way affect any rights
19 that any Settling Defendant might have against any other party, whether or not that party is a
20 Settling Defendant.

21 12.5 This Court shall retain jurisdiction of this matter to implement or modify the
22 Consent Judgment.

23 12.6 The stipulations to this Consent Judgment may be executed in counterparts
24 and by means of facsimile or portable document format (pdf), which taken together shall be
25 deemed to constitute one document.


26 12.7 Each signatory to this Consent Judgment certifies that he or she is fully
27 authorized by the Party he or she represents to stipulate to this Consent Judgment and to enter into
28 and execute the Consent Judgment on behalf of the Party represented and legally to bind that

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Party.

12.8 The Parties, including their counsel, have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code § 1654.

IT IS SO ORDERED:

Dated: <u>July 26</u> , 2012	 The Honorable Steven A. Brick Judge of the Superior Court
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IT IS SO STIPULATED:
CENTER FOR ENVIRONMENTAL HEALTH

Chin

Signature

CHARLIE PIZZANO

Printed Name

ASSOCIATE DIRECTOR

Title

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SPOT FOOTWEAR, INC.

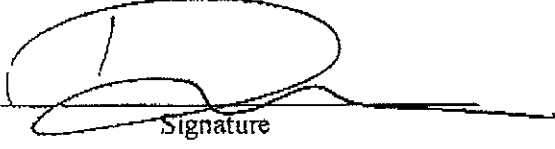
Eric Chung
Signature

ERIC CHUNG
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WORLDWIDE DYNASTY, INC.


Signature

David Levich
Printed Name

CFo
Title

Exhibit A

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EXHIBIT A
Settling Defendants

Settling Defendant: Spot Footwear, Inc.

1. Fashion Accessories Applicable to Defendant

Wallets, Handbags, Purses, and Clutches

Belts

Footwear

2. Relevant Notice(s) and Complaint(s):

- August 17, 2010 Notice of Violation regarding Lead contained in footwear.
- November 3, 3010 Second Amended Complaint in *CEH v. Zappos.com, Inc., et al.*, Case No. RG 10-494513, naming Spot Footwear, Inc. as a defendant.

3. Section 3.4 Product(s):

Damita K Heels in Red, Style No. CARLY-01

4. Defendant's Settlement Payment and Allocation

Total Settlement Payment \$ 30,000

Civil Penalty \$ 3,930

Payment in Lieu of Civil Penalty \$ 5,900

Attorneys' Fees and Costs \$ 20,170

5. Person(s) to receive Notices Pursuant to Section 8.2

Eric Chung
Spot Footwear, Inc.
17440 Railroad Street
City of Industry, CA 91748
ericc@spotfootwear.us

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EXHIBIT A
Settling Defendants

Settling Defendant: Worldwide Dynasty, Inc.

1. Fashion Accessories Applicable to Defendant

Wallets, Handbags, Purses, and Clutches

Belts

Footwear

2. Relevant Notice(s) and Complaint(s):

- October 14, 2009 and December 21, 2009 Notices of Violation regarding Lead contained in wallets, handbags, purses, clutches and belts.
- January 19, 2010 Complaint in *CEH v. Bag Bazaar*, Case No. RG 10-494517, naming Worldwide Dynasty, Inc. as a defendant.
- May 28, 2010 First Amended Complaint in *CEH v. Ashley Stewart*, Case No. RG10-494289, naming Worldwide Dynasty, Inc. as a defendant.

3. Section 3.4 Product(s):

Giraffe Print Handbag in Green, Item No. BG36

Diophy - Yellow with Metal Ball Studs Boho Handbag, Item No. BG124

Diophy - Mustard Yellow with Metal Studs Leather Domino Bowler Handbag, Item No. BG101

Solid Yellow Leather Belt, Style No. BELT33

4. Defendant's Settlement Payment and Allocation

Total Settlement Payment \$ 35,000

Civil Penalty \$ 4,600

Payment in Lieu of Civil Penalty \$ 6,900

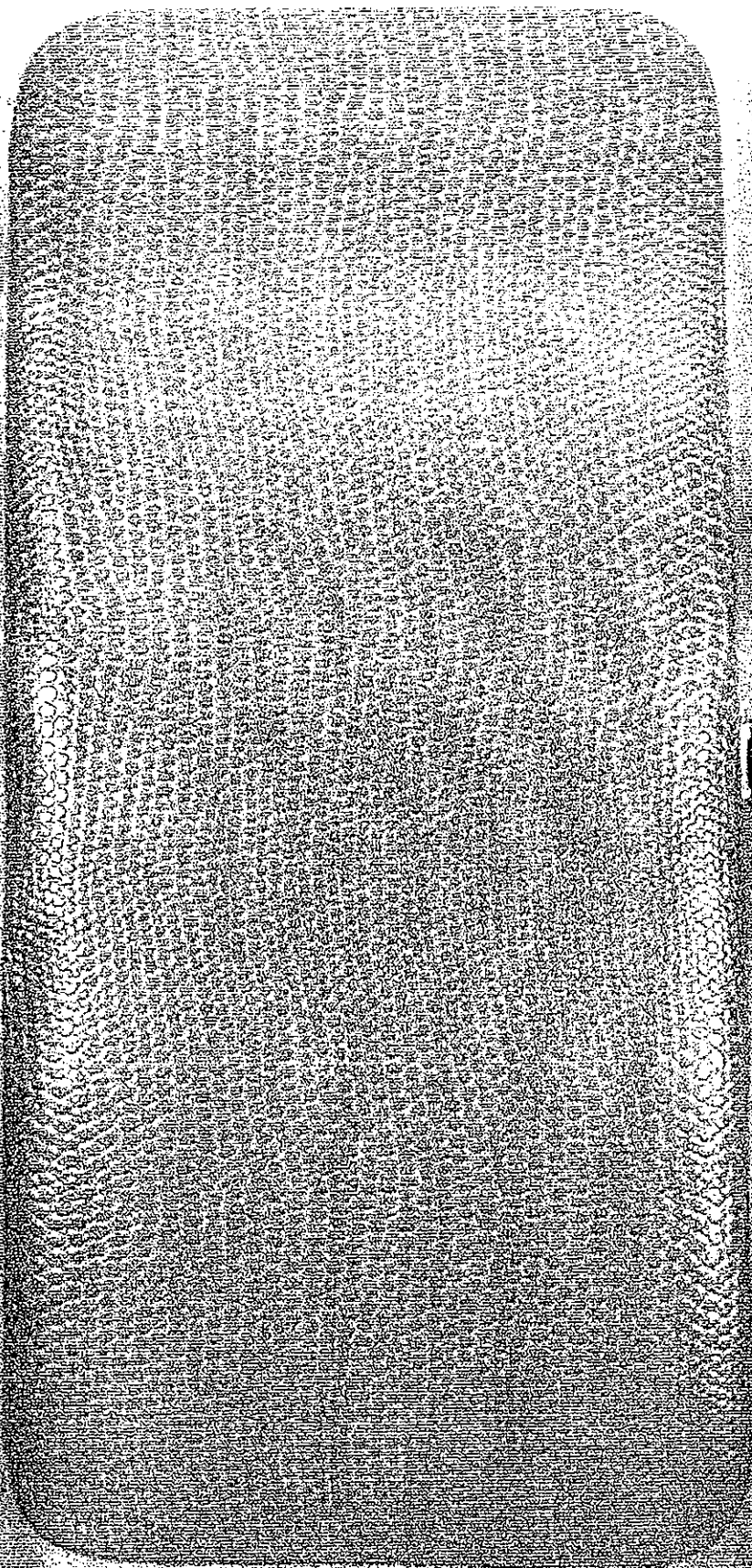
Attorneys' Fees and Costs \$ 23,500

5. Person(s) to receive Notices Pursuant to Section 8.2

Shelley G. Hurwitz
Holland & Knight LLP
400 South Hope Street, 8th Floor
Los Angeles, CA 90071
shelley.hurwitz@hklaw.com

Worldwide Dynasty, Inc.
Attn: David Levich
20630 Superior St.
Chatsworth, CA 91311

Exhibit B



THE
MOUNTAIN
VIEW
HOTEL
CANTON
MASS

THE
MOUNTAIN
VIEW
HOTEL
CANTON
MASS

OFFICE

1888

365 North Canyons Parkway, Suite 201
Tech Center: 2441 Constitution Drive
Livermore CA 94551



925-828-1440
www.TheNFL.com

Analytical Report

August 03, 2011

Lexington Law Group
503 Divisadero Street
San Francisco, CA 94117

Analytical Report No.: CL3573-33
Analysis Dates: 07/26/11 - 08/03/11

Listed below are the results of our analyses for sample(s) received on July 26, 2011.

CEH ID#AB789L, [REDACTED] Wallet (Orange Surface Material On Main Part Of W
NFL ID AF02363

Analyte	Result	Units	Method Ref.
Lead	67500	ppm	NIOSH 7082

A portion of the sample was digested in a microwave oven with concentrated nitric acid and analyzed by ICP-MS.

Sample(s) were received in good condition unless and results are reported based on the sample(s) as received, unless otherwise noted. Please note that these results apply only to the sample(s) submitted for this report. Samples from a different portion of the same lot may produce different results.

The National Food Lab services are provided subject to our standard terms and conditions, which can be found on our website, www.TheNFL.com. Should you have any questions concerning these results, please do not hesitate to contact us. Thank you for using the services of the National Food Lab.

Sincerely,

Grace Bandong, Division Manager, Food Contaminants -Chemistry

cc: The NFL's Accounts Receivable