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NOV 13 2012

KIM TURNER, Court Exec. Officer
MARIN CO. SUPERIOR COURT
By: E. Turner, Deputy

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MARIN
UNLIMITED JURISDICTION

CENTER FOR ENVIRONMENTAL HEALTH,

Plaintiff,

vs.

ADAMS USA, INC., *et al.*,

Defendants.

Case No. CIV 1104003

~~[PROPOSED]~~ CONSENT JUDGMENT

1. INTRODUCTION

1.1 This Consent Judgment is entered into by the Center For Environmental Health, a California non-profit corporation (“CEH”), and A + Products, Inc. and R B III Associates, Inc. (collectively, “Defendants”), to settle certain claims asserted by CEH against Defendants as set forth in the operative complaint in the matter entitled *Center for Environmental Health v. Adams USA, Inc., et al.*, Marin County Superior Court Case No. CIV 1104003 (the “Action”).

1.2 On April 19, 2012, CEH provided a “Notice of Violation of Proposition 65” to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000, and to R B III Associates, Inc. regarding the presence of lead in baseball or other sports belts used in athletic uniforms (“Covered Products”). On May 7, 2012, CEH provided a “Notice of Violation of

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1 Proposition 65” to the California Attorney General, the District Attorneys of every county in
2 California, the City Attorneys of every California city with a population greater than 750,000,
3 and to A + Products, Inc. regarding the presence of lead in the Covered Products.

4 1.3 On August 10, 2011, CEH filed the complaint in the Action against other named
5 defendants and against Does 1 through 200. On August 24, 2012, CEH filed an amendment to
6 the complaint pursuant to California Code of Civil Procedure § 474 identifying Defendants as
7 Does 4 and 5 in the Action.

8 1.4 For purposes of this Consent Judgment only, CEH and Defendants (the “Parties”)
9 stipulate that this Court has jurisdiction over the allegations of violations contained in the
10 Complaint and personal jurisdiction over Defendants as to the acts alleged in the Complaint, that
11 venue is proper in the County of Marin, and that this Court has jurisdiction to enter this Consent
12 Judgment as a full and final resolution of all claims which were or could have been raised in the
13 Complaint based on the facts alleged therein with respect to Covered Products manufactured,
14 distributed, and/or sold by Defendants.

15 1.5 CEH and Defendants enter into this Consent Judgment as a full and final
16 settlement of all claims that were raised in the Complaint, or which could have been raised in the
17 Complaint, arising out of the facts or conduct related to Defendants alleged therein. By
18 execution of this Consent Judgment and agreeing to comply with its terms, the Parties do not
19 admit any facts or conclusions of law including, but not limited to, any facts or conclusions of
20 law suggesting or demonstrating any violations of Proposition 65 or any other statutory, common
21 law or equitable requirements. Nothing in this Consent Judgment is or shall be construed as an
22 admission by the Parties of any fact, conclusion of law, issue of law or violation of law, nor shall
23 compliance with the Consent Judgment constitute or be construed as an admission by the Parties
24 of any fact, conclusion of law, issue of law, or violation of law. Defendants deny the material,
25 factual and legal allegations in CEH’s Complaint and expressly deny any wrong doing
26 whatsoever. Nothing in this Consent Judgment shall prejudice, waive or impair any right,
27 remedy, argument or defense the Parties may have in this or any other pending or future legal
28 proceedings. This Consent Judgment is the product of negotiation and compromise and is

1 accepted by the Parties solely for purposes of settling, compromising, and resolving issues
2 disputed in this action.

3 **2. INJUNCTIVE RELIEF**

4 **2.1 Reformulation of Covered Products.** As of the date of entry of this Consent
5 Judgment (the "Effective Date"), Defendants shall not purchase, manufacture, import, or supply
6 to an unaffiliated third party any Covered Product in California or anywhere else unless such
7 Covered Product complies with the following Lead Limits:

8 2.1.1 "Paint or other Surface Coatings" as that term is defined in 16 C.F.R. §
9 1303.2(b): no more than 0.009 percent lead by weight (90 parts per million ("ppm")).

10 2.1.2 All other materials: no more than .01 percent lead by weight (100 ppm).

11 **2.2 Market Withdrawal of Covered Products.** By the Effective Date, Defendants
12 shall cease shipping Youth Teamwork Stretch Elastic Baseball Belts, a list of which is below,
13 hereinafter named "Recall Covered Products," to stores and/or customers in California, and
14 Defendants shall withdraw the Recall Covered Products from the market in California, and, at a
15 minimum, send instructions to any of its stores and/or customers that offer the Recall Covered
16 Products for sale in California to cease offering such Recall Covered Products for sale and to
17 either return all Recall Covered Products to Defendants for destruction, or to directly destroy the
18 Recall Covered Products. Any destruction of the Recall Covered Products shall be in
19 compliance with all applicable laws. Defendants shall keep and make available to CEH for
20 inspection and copying records and correspondence regarding the market withdrawal and
21 destruction of the Recall Covered Products. If there is a dispute over the corrective action, the
22 Parties shall meet and confer before seeking any remedy in court.

23 2.3 The Recall Covered Products are the following:

24

Item	Item x/ SKU #	Description
ELASBLT-20RB	6210-1-U	1-1/4" ELASTIC BASEBALL BELT, ROYAL BLUE
ELASBLT-20TBL	6210-10-U	1-1/4" ELASTIC BASEBALL BELT, TEAL BLUE
ELASBLT-20SCAR	6210-2-U	1-1/4" ELASTIC BASEBALL BELT, SCARLET

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ELASBLT-20PU	6210-22-U	1-1/4" ELASTIC BASE BALL BELT, PURPLE
ELASBLT-20CAR	6210-23-U	1-1/4" ELASTIC BASEBALL BELT, CARDINAL
ELASBLT-20DKGR	6210-26-U	1-1/4" ELASTIC BASEBALL BELT, DARK GREEN
ELASBLT-20KLGR	6210-3-U	1-1/4" ELASTIC BASEBALL BELT, KELLY GREEN
ELASBLT-20SIL	6210-33-U	1-1/4" ELASTIC BASEBALL BELT, SILVER
ELASBLT-20BK	6210-4-U	1-1/4" ELASTIC BASEBALL BELT, BLACK
ELASBLT-20COLBL	6210-44-U	1-1/4" ELASTIC BASEBALL BELT, COLUMBIA BLUE
ELASBLT-20WH	6210-5-U	1-1/4" ELASTIC BASEBALL BELT, WHITE
ELASBLT-20GL	6210-6-U	1-1/4" ELASTIC BASEBALL BELT, GOLD
ELASBLT-20BRN	6210-66-U	1-1/4" ELASTIC BASEBALL BELT, BROWN
ELASBLT-20NV	6210-7-U	1-1/4" ELASTIC BASE BALLBELT, NAVY
ELASBLT-20OR	6210-8-U	1-1/4" ELASTIC BASEBALL BELT, ORANGE
ELASBLT-20MAR	6210-9-U	1-1/4" ELASTIC BASEBALL BELT, MAROON
ELASBLT-24RB	6230-1-U	1-1/2" ELASTIC BASEBALL BELT, ROYAL BLUE
ELASBLT-24TBL	6230-10-U	1-1/2" ELASTIC BASEBALL BELT, TEAL BLUE
ELASBLT-24SCAR	6230-2-U	1-1/2" ELASTIC BASEBALL BELT, SCARLET
ELASBLT-24PU	6230-22-U	1-1/2" ELASTIC BASEBALL BELT, PURPLE
ELASBLT-24CAR	6230-23-U	1-1/2" ELASTIC BASEBALL BELT, CARDINAL
ELASBLT-24DKGR	6230-26-U	1-1/2" ELASTIC BASEBALL BELT, DARK GREEN
ELASBLT-24KLGR	6230-3-U	1-1/2" ELASTIC BASEBALL BELT, KELLY GREEN
ELASBLT-24SIL	6230-33-U	1-1/2" ELASTIC BASEBALL BELT, SILVER
ELASBLT-24BK	6230-4-U	1-1/2" ELASTIC BASEBALL BELT, BLACK
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ELASBLT-24NV	6230-7-U	1-1/2" ELASTIC BASEBALL BELT, NAVY
ELASBLT-24OR	6230-8-U	1-1/2" ELASTIC BASEBALL BELT, ORANGE
ELASBLT-24MAR	6230-9-U	1-1/2" ELASTIC BASEBALL BELT, MAROON
LEABLT-448X24RB	6240-1-28	1-1/2" X 28" LEATHER BELT, ROYAL BLUE
LEABLT-480X24RB	6240-1-30	1-1/2" X 30" LEATHER BELT, ROYAL BLUE
LEABLT-512X24RB	6240-1-32	1-1/2" X 32" LEATHER BELT, ROYAL BLUE
LEABLT-544X24RB	6240-1-34	1-1/2" X 34" LEATHER BELT, ROYAL BLUE
LEABLT-576X24RB	6240-1-36	1-1/2" X 36" LEATHER BELT, ROYAL BLUE
LEABLT-608X24RB	6240-1-38	1-1/2" X 38" LEATHER BELT, ROYAL BLUE
LEABLT-640X24RB	6240-1-40	1-1/2" X 40" LEATHER BELT, ROYAL BLUE
LEABLT-672X24RB	6240-1-42	1-1/2" X 42" LEATHER BELT, ROYAL BLUE
LEABLT-704X24RB	6240-1-44	1-1/2" X 44" LEATHER BELT, ROYAL BLUE
LEABLT-448X24SCAR	6240-2-28	1-1/2" X 28" LEATHER BELT, SCARLET
LEABLT-480X24SCAR	6240-2-30	1-1/2" X 30" LEATHER BELT, SCARLET
LEABLT-512X24SCAR	6240-2-32	1-1/2" X 32" LEATHER BELT, SCARLET
LEABLT-544X24SCAR	6240-2-34	1-1/2" X 34" LEATHER BELT, SCARLET
LEABLT-576X24SCAR	6240-2-36	1-1/2" X 36" LEATHER BELT, SCARLET
LEABLT-608X24SCAR	6240-2-38	1-1/2" X 38" LEATHER BELT, SCARLET
LEABLT-640X24SCAR	6240-2-40	1-1/2" X 40" LEATHER BELT, SCARLET
LEABLT-	6240-2-42	1-1/2" X 42" LEATHER BELT, SCARLET

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1	672X24SCAR		
2	LEABLT-704X24SCAR	6240-2-44	1-1/2" X 44" LEATHER BELT, SCARLET
3	LEABLT-448X24BK	6240-4-28	1-1/2" X 28" LEATHER BELT, BLACK
4	LEABLT-480X24BK	6240-4-30	1-1/2" X 30" LEATHER BELT, BLACK
5	LEABLT-512X24BK	6240-4-32	1-1/2" X 32" LEATHER BELT, BLACK
6	LEABLT-544X24BK	6240-4-34	1-1/2" X 34" LEATHER BELT, BLACK
7	LEABLT-576X24BK	6240-4-36	1-1/2" X 36" LEATHER BELT, BLACK
8	LEABLT-608X24BK	6240-4-38	1-1/2" X 38" LEATHER BELT, BLACK
9	LEABLT-640X24BK	6240-4-40	1-1/2" X 40" LEATHER BELT, BLACK
10	LEABLT-672X24BK	6240-4-42	1-1/2" X 42" LEATHER BELT, BLACK
11	LEABLT-704X24BK	6240-4-44	1-1/2" X 44" LEATHER BELT, BLACK
12	LEABLT-448X24NV	6240-7-28	1-1/2" X 28" LEATHER BELT, NAVY
13	LEABLT-480X24NV	6240-7-30	1-1/2" X 30" LEATHER BELT, NAVY
14	LEABLT-512X24NV	6240-7-32	1-1/2" X 32" LEATHER BELT, NAVY
15	LEABLT-544X24NV	6240-7-34	1-1/2" X 34" LEATHER BELT, NAVY
16	LEABLT-576X24NV	6240-7-36	1-1/2" X 36" LEATHER BELT, NAVY
17	LEABLT-608X24NV	6240-7-38	1-1/2" X 38" LEATHER BELT, NAVY
18	LEABLT-640X24NV	6240-7-40	1-1/2" X 40" LEATHER BELT, NAVY
19	LEABLT-672X24NV	6240-7-42	1-1/2" X 42" LEATHER BELT, NAVY
20	LEABLT-704X24NV	6240-7-44	1-1/2" X 44" LEATHER BELT, NAVY

3. ENFORCEMENT

3.1 **Enforcement Procedures.** Prior to bringing any motion or order to show cause to enforce the terms of this Consent Judgment, a Party seeking to enforce shall provide the violating party thirty (30) days advanced written notice of the alleged violation. The Parties shall meet and confer during such thirty (30) day period in an effort to try to reach agreement on an appropriate cure for the alleged violation. After such thirty (30) day period, the Party seeking to enforce may, by new action, motion or order to show cause before the Superior Court of Marin, seek to enforce the terms and conditions contained in this Consent Judgment.

4. PAYMENTS

4.1 **Payments From Defendants.** Within five (5) business days of the entry of this Consent Judgment, Defendants shall pay the total sum of \$50,000 as a settlement payment.

4.2 **Allocation of Payments.** The total settlement amount for Defendants shall be paid in three separate checks delivered to the offices of the Lexington Law Group (Attn: Howard Hirsch), 503 Divisadero Street, San Francisco, California 94117, and made payable and allocated as follows:

4.2.1 Defendants shall pay the sum of \$6,600 as a penalty pursuant to Health &

1 Safety Code § 25249.7(b), such money to be apportioned by CEH in accordance with Health &
2 Safety Code § 25249.12. The penalty check shall be made payable to the Center For
3 Environmental Health.

4 4.2.2 Defendants shall pay the sum of \$9,900 as payment to CEH in lieu of
5 penalty pursuant to Health & Safety Code § 25249.7(b), and California Code of Regulations,
6 Title 11, § 3202(b). CEH will use such funds to continue its work educating and protecting
7 people from exposures to toxic chemicals, including heavy metals. CEH may also use a portion
8 of such funds to monitor compliance with the reformulation requirements of this and other
9 similar Consent Judgments and to purchase and test Covered Products to confirm compliance
10 with such reformulation requirements. In addition, as part of its Community Environmental
11 Action and Justice Fund, CEH will use four percent of such funds to award grants to grassroots
12 environmental justice groups working to educate and protect people from exposures to toxic
13 chemicals. The method of selection of such groups can be found at the CEH web site at
14 www.ceh.org/justicefund. The payment in lieu of penalty check shall be made payable to the
15 Center for Environmental Health.

16 4.2.3 Defendants shall pay the sum of \$33,500 as reimbursement of reasonable
17 attorneys' fees and costs. The attorneys' fees and cost reimbursement check shall be made
18 payable to the Lexington Law Group.

19 5. MODIFICATION AND DISPUTE RESOLUTION

20 5.1 **Modification.** This Consent Judgment may be modified from time to time by
21 express written agreement of the Parties, with the approval of the Court, or by an order of this
22 Court upon motion and in accordance with law.

23 5.2 **Notice; Meet and Confer.** Any Party seeking to modify this Consent Judgment
24 shall attempt in good faith to meet and confer with the other Party prior to filing a motion to
25 modify the Consent Judgment.

26 6. CLAIMS COVERED AND RELEASE

27 6.1 This Consent Judgment is a full, final, and binding resolution between CEH and
28 Defendants and Defendants' parents, shareholders, divisions, subdivisions, subsidiaries, partners,

1 sister companies and their successors and assigns (“Defendant Releasees”), and all to whom they
2 distribute or sell Covered Products including, but not limited to, distributors, wholesalers,
3 customers, retailers, franchisees, cooperative members, and licensees (“Downstream Defendant
4 Releasees”), of any violation of Proposition 65 that has been or could have been asserted in the
5 public interest against Defendants, Defendant Releasees, and Downstream Defendant Releasees,
6 regarding the failure to warn about exposure to lead arising in connection with Covered Products
7 manufactured, distributed, or sold by Defendants prior to the Effective Date.

8 6.2 CEH, for itself and acting on behalf of the public interest pursuant to Health &
9 Safety Code § 25249.7(d), releases, waives, and forever discharges any and all claims against
10 Defendants, Defendant Releasees, and Downstream Defendant Releasees arising from any
11 violation of Proposition 65 that has been or could have been asserted in the public interest
12 regarding the failure to warn about exposure to lead arising in connection with Covered Products
13 manufactured, distributed or sold by Defendants prior to the Effective Date.

14 6.3 Compliance with the terms of this Consent Judgment by Defendants and the
15 Defendant Releasees shall constitute compliance with Proposition 65 by Defendants, the
16 Defendant Releasees and their Downstream Defendant Releasees with respect to any alleged
17 failure to warn about lead in Covered Products manufactured, distributed or sold by Defendants
18 after the Effective Date.

19 7. PROVISION OF NOTICE

20 7.1 When any Party is entitled to receive any notice under this Consent Judgment, the
21 notice shall be sent by first class and electronic mail as follows:

22 7.1.1 **Notices to Defendants.** The persons for Defendants to receive Notices
23 pursuant to this Consent Judgment shall be:

24 Maria E. Celis
25 Neville Peterson LLP
26 17 State Street, 19th Floor
27 New York, NY 10004
28 mcelis@npwny.com

7.1.2 **Notices to Plaintiff.** The person for CEH to receive Notices pursuant to

1 this Consent Judgment shall be:

2 Howard Hirsch
3 Lexington Law Group
4 503 Divisadero Street
5 San Francisco, CA 94117
6 hhirsch@lexlawgroup.com

7 7.2 Any Party may modify the person and address to whom the notice is to be sent by
8 sending the other Party notice by first class and electronic mail.

9 **8. COURT APPROVAL**

10 8.1 This Consent Judgment shall become effective on the Effective Date, provided
11 however, that CEH shall prepare and file a Motion for Approval of this Consent Judgment and
12 Defendants shall support approval of such Motion.

13 8.2 If this Consent Judgment is not entered by the Court, it shall be of no force or
14 effect and shall not be introduced into evidence or otherwise used in any proceeding for any
15 purpose.

16 **9. GOVERNING LAW AND CONSTRUCTION**

17 9.1 The terms of this Consent Judgment shall be governed by the laws of the State of
18 California.

19 **10. ENTIRE AGREEMENT**

20 10.1 This Consent Judgment contains the sole and entire agreement and understanding
21 of the Parties with respect to the entire subject matter hereof, and any and all prior discussions,
22 negotiations, commitments, or understandings related thereto, if any, are hereby merged herein
23 and therein. There are no warranties, representations, or other agreements between the Parties
24 except as expressly set forth herein. No representations, oral or otherwise, express or implied,
25 other than those specifically referred to in this Consent Judgment have been made by any Party
26 hereto. No other agreements not specifically contained or referenced herein, oral or otherwise,
27 shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically
28 contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the
Parties hereto only to the extent that they are expressly incorporated herein. No

1 supplementation, modification, waiver, or termination of this Consent Judgment shall be binding
2 unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions
3 of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other
4 provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

5 **11. RETENTION OF JURISDICTION**

6 11.1 This Court shall retain jurisdiction of this matter to implement or modify the
7 Consent Judgment.

8 **12. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT**

9 12.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized
10 by the Party he or she represents to stipulate to this Consent Judgment and to enter into and
11 execute the Consent Judgment on behalf of the Party represented and legally to bind that Party.

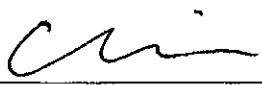
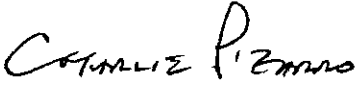
12 **13. NO EFFECT ON OTHER SETTLEMENTS**

13 13.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim
14 against another entity on terms that are different than those contained in this Consent Judgment.

15 **14. EXECUTION IN COUNTERPARTS**

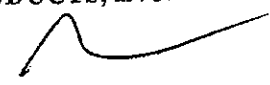

16 14.1 The stipulations to this Consent Judgment may be executed in counterparts and by
17 means of facsimile, which taken together shall be deemed to constitute one document.

18 **IT IS SO STIPULATED:**

19 20 Dated: <u>Sept 12</u> , 2012 21 22 23 24 25 26 27 28	CENTER FOR ENVIRONMENTAL HEALTH  _____ Printed Name  _____ Title
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Dated: <u>9/5</u> , 2012	A + PRODUCTS, INC.  <u>MIKE SCHREIBER</u> Printed Name <u>PRESIDENT</u> Title
Dated: <u>Aug 30</u> , 2012	R B III ASSOCIATES, INC.  <u>Matthew Lehrs</u> Printed Name <u>Pres / CEO</u> Title

IT IS SO ORDERED, ADJUDGED,
AND DECREED

Dated: 11/13/12

LYNN DURYEE

Judge of the Superior Court of the State of
California

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