1 2 ENDORSED ALAMEDĀ COUNTY 3 APR 1 8 2013 4 CLERK OF THE SUPERIOR COURT 5 By\_\_\_S\_MCMACKEDeputy 6 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF ALAMEDA 10 11 CENTER FOR ENVIRONMENTAL HEALTH, Lead Case No. RG 09-459448 12 Plaintiff, (Consolidated with Case Nos. RG 10-494289, RG 10-494513, RG 10-494517, 13 RG 11-598595, RG 11-598596, RG 11v. 603764, and RG 12-658652) 14 LULU NYC LLC, et al., <del>POSEDI C</del>ONSENT 15 Defendants. JUDGMENT 16 17 AND CONSOLIDATED CASES. 18 19 20 21 1. **DEFINITIONS** 22 "Covered Products" means wallets, handbags, purses, clutches, footwear 1.1 23 and/or belts; provided, however, that the terms of this Consent Judgment apply to each Settling 24 Defendant only as to those Covered Products designated for that Settling Defendant on Exhibit A. 25 1.2 "Effective Date" means the date on which this Consent Judgment is entered by 26 the Court. 27 1.3 "Lead Limit" means the following maximum concentrations of lead and lead 28 DOCUMENT PREPARED -1-

CONSENT JUDGMENT - LEAD CASE NO. RG 09-459448

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under Proposition 65, alleging that Settling Defendants violated Proposition 65 by exposing persons to Lead contained in Covered Products without first providing a clear and reasonable Proposition 65 warning.

- 2.3 Each Settling Defendant is a corporation that manufactures, distributes and/or offers for sale Covered Products in the State of California or has done so in the past.
- 2.4 For purposes of this Consent Judgment only, CEH and Settling Defendants (the "Parties") stipulate that this Court has jurisdiction over the allegations of violations contained in the operative Complaints applicable to each Settling Defendant and personal jurisdiction over Settling Defendants as to the acts alleged in the Complaints, that venue is proper in the County of Alameda, and that this Court has jurisdiction to enter this Consent Judgment.
- 2.5 Nothing in this Consent Judgment is or shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument or defense the Parties may have in any other legal proceeding. This Consent Judgment is the product of negotiation and compromise and is accepted by the Parties for purposes of settling, compromising and resolving issues disputed in this action.

# 3. INJUNCTIVE RELIEF

3.1 **Specification Compliance Date.** To the extent Settling Defendants have not already done so, no more than 30 days after the Effective Date, Settling Defendants shall provide the Lead Limit to its Vendors of Covered Products and shall instruct each Vendor to use reasonable efforts to provide Covered Products that comply with the Lead Limit on a nationwide basis.

# 3.2 Compliance.

3.2.1 Commencing on the Effective Date, Settling Defendants shall not purchase, import, Manufacture, sell or offer for sale any Covered Product that will be sold or offered for sale to California consumers that exceeds the Lead Limit.

# Settling Defendants shall have: (i) ceased shipping the specific products identified next to its name on Exhibit A (the "Recall Products") to stores and/or customers in California; (ii) withdrawn the Recall Products from the market in California; and (iii) if the Recall Products were not withdrawn from sale in California prior to the Effective Date, sent instructions to any of its stores and/or customers that offer the Recall Products for sale in California to cease offering such Recall Products for sale and to either return all Recall Products to Settling Defendants for destruction, or to directly destroy the Recall Products. Any destruction of the Recall Products shall be in compliance with all applicable laws. Within 60 days of the Effective Date, Settling Defendants shall certify to CEH that Settling Defendants have complied with this Section 3.3. If there is a dispute over the corrective action, the Parties shall meet and confer before seeking any remedy in court.

Market Withdrawal of Covered Products. On or before the Effective Date,

### 4. ENFORCEMENT

3.3

- 4.1 Any Party may, after meeting and conferring, by motion or application for an order to show cause before this Court, enforce the terms and conditions contained in this Consent Judgment. Enforcement of the terms and conditions of Section 3.2 of this Consent Judgment shall be brought exclusively pursuant to Sections 4.2 through 4.3.
- 4.2 **Notice of Violation.** CEH may seek to enforce the requirements of Section 3.2 by issuing a Notice of Violation pursuant to this Section 4.2.
  - 4.2.1 **Service of Notice.** CEH shall serve the Notice of Violation on the Settling Defendant(s) that CEH alleges to have violated Section 3.2 within 45 days of the date the alleged violation(s) was or were observed, provided, however, that: (i) CEH may have up to an additional 45 days to provide the Settling Defendant with the test data required by Section 4.2.2(d) below if it has not yet obtained it from its laboratory; and (ii) CEH may serve a Notice of Violation to a supplier of a Covered Product so long as: (a) the identity of the supplier cannot be discerned from the labeling of the Covered Product; and (b) the Notice of Violation to the supplier is served within 45 days of the date the supplier is identified by CEH.

4.2.2 **Supporting Documentation.** The Notice of Violation shall, at a minimum, set forth for each Covered Product: (a) the date(s) the alleged violation(s) was observed, (b) the location at which the Covered Product was offered for sale, (c) a description of the Covered Product giving rise to the alleged violation, and of each material or component that is alleged not to comply with the Lead Limit, including a picture of the Covered Product and all identifying information on tags and labels, and (d) all test data obtained by CEH regarding the Covered Product and related supporting documentation, including all laboratory reports, quality assurance reports and quality control reports associated with testing of the Covered Products. Such Notice of Violation shall be based at least in part upon total acid digest testing performed by an independent accredited laboratory. Wipe, swipe, x-ray fluorescence, and swab testing are not by themselves sufficient to support a Notice of Violation, although any such testing may be used as additional support for a Notice.

4.2.3 Additional Documentation. CEH shall promptly make available for inspection and/or copying upon request by and at the expense of the Settling Defendant, all supporting documentation related to the testing of the Covered Products and associated quality control samples, including chain of custody records, all laboratory logbook entries for laboratory receiving, sample preparation, and instrumental analysis, and all printouts from all analytical instruments relating to the testing of Covered Product samples and any and all calibration, quality assurance, and quality control tests performed or relied upon in conjunction with the testing of the Covered Products, obtained by or available to CEH that pertains to the Covered Product's alleged noncompliance with Section 3.2.

- 4.2.4 **Multiple Notices.** If a Settling Defendant has received more than four Notices of Violation in any 12-month period, at CEH's option, CEH may seek whatever fines, costs, penalties, or remedies are provided by law for failure to comply with the Consent Judgment. For purposes of determining the number of Notices of Violation pursuant to this Section 4.2.3, the following shall be excluded:
  - (a) Multiple notices identifying Covered Products Manufactured for or

sold to the Settling Defendant from the same Vendor; and

- (b) A Notice of Violation that meets one or more of the conditions of Section 4.3.3(b).
- 4.3 **Notice of Election.** Within 30 days of receiving a Notice of Violation pursuant to Section 4.2, including the test data required pursuant to 4.2.2(d), the Settling Defendant shall provide written notice to CEH stating whether it elects to contest the allegations contained in the Notice of Violation ("Notice of Election"). Failure to provide a Notice of Election shall be deemed an election to contest the Notice of Violation. Any payments required under this Section 4.3 shall be made payable to the Center For Environmental Health and included with the Settling Defendant's Notice of Election.
  - 4.3.1 **Contested Notices.** If the Notice of Violation is contested, the Notice of Election shall include all then-available documentary evidence regarding the alleged violation, including any test data. Within 30 days the parties shall meet and confer to attempt to resolve their dispute. Should such attempts at meeting and conferring fail, CEH may file an enforcement motion or application pursuant to Section 4.1. If the Settling Defendant withdraws its Notice of Election to contest the Notice of Violation before any motion concerning the violations alleged in the Notice of Violation is filed pursuant to Section 4.1, the Settling Defendant shall make a payment in the amount of \$12,500 and shall comply with all of the non-monetary provisions of Section 4.3.2. If, at any time prior to reaching an agreement or obtaining a decision from the Court, CEH or the Settling Defendant acquires additional test or other data regarding the alleged violation, it shall promptly provide all such data or information to the other Party.
  - 4.3.2 **Non-Contested Notices.** If the Notice of Violation is not contested, the Settling Defendant shall include in its Notice of Election a detailed description of corrective action that it has undertaken or proposes to undertake to address the alleged violation. Any such correction shall, at a minimum, provide reasonable assurance that the Covered Product will no longer be offered by the Settling Defendant or its customers for sale in California. If there is a dispute over the sufficiency of the proposed corrective

action or its implementation, CEH shall promptly notify the Settling Defendant and the Parties shall meet and confer before seeking the intervention of the Court to resolve the dispute. In addition to the corrective action, the Settling Defendant shall be required to make a payment as reimbursement for costs for investigating, preparing, sending and prosecuting Notices of Violation, and to reimburse attorneys' fees and costs incurred in connection with these activities, in the amount set forth in Section 4.3.3.

### 4.3.3 Limitations in Non-Contested Matters.

- (a) The monetary liability of a Settling Defendant that elects not to contest a Notice of Violation before any motion concerning the violation(s) at issue has been filed shall be limited to the payments required by this Section 4.3.3, if any.
  - (b) The payment shall be:
    - (i) Ten thousand dollars (\$10,000); or
  - (ii) One thousand seven hundred fifty dollars (\$1,750) if the
    Settling Defendant, prior to receiving and accepting for distribution or sale
    the Covered Product identified in the Notice of Violation, obtained test
    results demonstrating that all of the materials or components in the
    Covered Product identified in the Notice of Violation complied with the
    Lead Limit, and further provided that such test results meet the same
    quality criteria to support a Notice of Violation as set forth in Section 4.2.2
    and that the testing was performed within two years prior to the date of the
    sales transaction on which the Notice of Violation is based. The Settling
    Defendant shall provide copies of such test results and supporting
    documentation to CEH with its Notice of Election; or
  - (iii) Not required or payable, if the Notice of Violation identifies the same Covered Product or Covered Products, differing only in size or color, that have been the subject of another Notice of Violation within the preceding 12 months.

Effective Date, each Settling Defendants. Within five (5) business days of the Effective Date, each Settling Defendant (or group of affiliated Settling Defendants identified together on Exhibit A) shall pay the sum set forth for that Settling Defendant on Exhibit A. The total settlement amount for each Settling Defendant shall be paid in three separate checks and delivered to the offices of the Lexington Law Group (Attn: Eric Somers), 503 Divisadero Street, San Francisco, California 94117-2212. Any failure by a Settling Defendant to comply with the payment terms herein shall be subject to a stipulated late fee to be paid by such Settling Defendant in the amount of \$100 for each day the full payment is not received after the date five (5) business days after the Effective Date. The late fees required under this Section shall be recoverable, together with reasonable attorneys' fees, in an enforcement proceeding brought pursuant to Section 5 of this Consent Judgment. The funds paid by the Settling Defendants shall be allocated as set forth on Exhibit A for each Settling Defendant between the following categories:

- 5.1.1 A civil penalty pursuant to Health & Safety Code § 25249.7(b). CEH shall apportion this payment in accordance with Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of California's Office of Environmental Health Hazard Assessment). The civil penalty check shall be made payable to the Center For Environmental Health.
- 5.1.2 A payment in lieu of civil penalty to CEH pursuant to Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 3203(b). CEH shall use such funds to continue its work educating and protecting people from exposures to toxic chemicals, including heavy metals. In addition, as part of its Community Environmental Action and Justice Fund, CEH will use four percent of such funds to award grants to grassroots environmental justice groups working to educate and protect people from exposures to toxic chemicals. The method of selection of such groups can be found at the CEH web site at <a href="https://www.ceh.org/justicefund">www.ceh.org/justicefund</a>. The payment pursuant to this Section shall be made payable to the Center For Environmental Health.
  - 5.1.3 As reimbursement of a portion of CEH's reasonable attorneys' fees and

costs. The attorneys' fees and cost reimbursement check shall be made payable to the Lexington

### **MODIFICATION**

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- Written Consent. This Consent Judgment may be modified from time to time by express written agreement of the Parties with the approval of the Court, or by an order of this Court upon motion and in accordance with law.
- Meet and Confer. Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with all affected Parties prior to filing a motion to modify the Consent Judgment.

### CLAIMS COVERED AND RELEASED

- This Consent Judgment is a full, final and binding resolution between CEH on behalf of itself and the public interest and each Settling Defendant, and their parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, and attorneys ("Defendant Releasees"), and each entity to whom they directly or indirectly distribute or sell Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Downstream Defendant Releasees") of any violation of Proposition 65 that was or could have been asserted in the applicable Complaints against Settling Defendants, Defendant Releasees, and Downstream Defendant Releasees, based on failure to warn about alleged exposure to Lead contained in the Covered Products listed for each Settling Defendant on Exhibit A that were manufactured, distributed, or sold by a Settling Defendant prior to the Effective Date.
- Compliance with the terms of this Consent Judgment by a Settling Defendant and the Defendant Releasees constitutes compliance with Proposition 65 by such Settling Defendant, its Defendant Releasees and their Downstream Defendant Releasees with respect to any alleged failure to warn about Lead contained in the Covered Products listed for each Settling Defendant on Exhibit A that are distributed or sold by such Settling Defendant after the Effective
  - 7.3 Nothing in this Section 7 affects CEH's right to commence or prosecute an

	action under Proposition 65 against any person other than a Settling Defendant, Defendant		
	Releasee, or Downstream Defendant Releasee.		
	8. NOTICE		
	When CEH is entitled to receive any notice under this Consent Judgment, the		
	notice shall be sent by first class and electronic mail to:		
	Eric S. Somers		
	Lexington Law Group 503 Divisadero Street		
	San Francisco, CA 94117 esomers@lexlawgroup.com		
	When a Settling Defendant is entitled to receive any notice under this Consent		
	Judgment, the notice shall be sent by first class and electronic mail to the person(s) identified in		
	Exhibit A for each such Settling Defendant.		
	8.3 Any Party may modify the person and address to whom the notice is to be sen		
	by sending each other Party notice by first class and electronic mail.		
	9. COURT APPROVAL		
	9.1 This Consent Judgment shall become effective upon entry by the Court. CEH		
	shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendants		
	shall each support entry of this Consent Judgment.		
	9.2 If this Consent Judgment is not entered by the Court, it shall be of no force or		
	effect and shall never be introduced into evidence or otherwise used in any proceeding for any		
	purpose other than to allow the Court to determine if there was a material breach of Section 9.1.		
	10. ATTORNEYS' FEES		
	Should CEH prevail on any motion, application for an order to show cause or		
	other proceeding to enforce a violation of this Consent Judgment, CEH shall be entitled to its		
	reasonable attorneys' fees and costs incurred as a result of such motion or application. Should a		
	Settling Defendant prevail on any motion application for an order to show cause or other		
	proceeding, the Settling Defendant may be awarded its reasonable attorneys' fees and costs as a		
	result of such motion or application upon a finding by the Court that CEH's prosecution of the		
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motion or application lacked substantial justification. For purposes of this Consent Judgment, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure §§ 2016, *et seq.* 

- 10.2 Except as otherwise provided in this Consent Judgment, each Party shall bear its own attorneys' fees and costs.
- 10.3 Nothing in this Section 10 shall preclude a Party from seeking an award of sanctions pursuant to law.

# 11. OTHER TERMS

- The terms of this Consent Judgment shall be governed by the laws of the State of California.
- This Consent Judgment shall apply to and be binding upon CEH and Settling Defendants, and the successors or assigns of any of them.
- 11.3 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.
- 11.4 Nothing in this Consent Judgment shall release, or in any way affect any rights that any Settling Defendant might have against any other party, whether or not that party is a Settling Defendant.
- This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment.

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CONSENT JUDGMENT - LEAD CASE NO. RG 09-459448

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# IT IS SO STIPULATED: CENTER FOR ENVIRONMENTAL HEALTH Signature Title

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CONSENT JUDGMENT - LEAD CASE NO. RG 09-459448

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# LIKE DREAMS INC. Signature name Manager General Title

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1	EXHIBIT A Settling Defendants
2	
3	Settling Defendant: C & Co Collection, Inc.
4 5 6	1. Cases:  CEH v. Fashion Eden, et al., Case No. RG 12-658652 – Named in the original Complaint on or about April 2, 2013 via Doe Amendment.
7 8	2. Covered Product(s) Applicable to Defendant:
9	X Wallets, Handbags, Purses and Clutches
10	X Belts
11	Footwear
12	3. Recall Product(s):
13	Classic Metal Frame Wallet in Yellow, SKU No. 1021996071, Style No. Bag-319 (CEH
14	ID No. AB758)
15	4. Defendant's Settlement Payment and Allocation:
16	Total Settlement Payment \$50,000
17	40 0,000
18	Civil Penalty \$6,600
19	Payment in Lieu of Civil Penalty \$9,900
20	
21	Attorneys' Fees and Costs \$33,500
22	5. Person(s) to Receive Notices Pursuant to Section 8:
23 24	Daniel M. Park  Park Law a Professional Corporation
25	Park Law, a Professional Corporation 3700 Wilshire Boulevard, Suite 435 Los Angeles, CA 90010
26	danpark@parklawattorneys.com
27	
28	
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	FYHIRIT A

EXHIBIT A

1	EXHIBIT A Settling Defendants
2	
3	Settling Defendant: Like Dreams Inc.
4	1. Cases:
5	CEH v. Fashion Eden, et al., Case No. RG 12-658652 – Named in the original Complaint on or about April 2, 2013 via Doe Amendment.
7 8	2. Covered Product(s) Applicable to Defendant:
9	X Wallets, Handbags, Purses and Clutches
10	X Belts
10	X Footwear
12	3. Recall Product(s):
13	Love Culture Purse in Yellow, SKU No. 1040353071, Style No. LC-0725-04 Yellow (CEH ID No. FAT493)
14	Quilted Clutch in Coral, SKU No. 1043816301, Style No. DC-0222-4 (CEH ID No.
15	LCH004)
16	Soft Leatherette Bag in Orange, SKU No. 1038985121, Style No. DC-LC0315-3R (CEH ID No. LCH011)
17	4. Defendent?: Cottlement Demonstrational Alleret*:
18	4. Defendant's Settlement Payment and Allocation:
19	Total Settlement Payment \$30,000
20	Civil Panalty \$2,020
21	Civil Penalty \$3,930
22	Payment in Lieu of Civil Penalty \$5,900
23	Attorneys' Fees and Costs \$20,170
24	5. Person(s) to Receive Notices Pursuant to Section 8:
25	Daniel M. Park
26	Park Law, a Professional Corporation 3700 Wilshire Boulevard, Suite 435
27	Los Angeles, CA 90010 danpark@parklawattorneys.com
28	uanpark@parkiawanoineys.com
DOCUMENT PREPARED ON RECYCLED PAPER	EXHIRIT A

EXHIBIT A