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ENDORSED
FILED
ALAMEDA COUNTY

NOV - 8 2016

CLERK OF THE SUPERIOR COURT
By YOLANDA ESTRADA Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA

CENTER FOR ENVIRONMENTAL HEALTH,)
a non-profit corporation,)
)
Plaintiff,)
)
v.)
)
SKAI BLU, INC., *et al.*,)
)
Defendants.)

Case No. RG 15-792125

~~PROPOSED~~ CONSENT JUDGMENT
AS TO EDGEMINE, INC.

1. INTRODUCTION

1.1 This Consent Judgment is entered into by the Center for Environmental Health, a California non-profit corporation (“CEH”) on the one hand, and Edgemine, Inc. (“Defendant”) on the other hand, to settle certain claims asserted by CEH against Defendant as set forth in the operative complaint in the matter entitled *Center for Environmental Health v. Skai Blu, Inc., et al.*, Alameda County Superior Court Case No. RG 15-792125 (the “Action”).

1.2 On March 18, 2016, CEH provided a “Notice of Violation” relating to the California Safe Drinking Water and Toxic Enforcement Act of 1986 (“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 Defendant

1 regarding the presence of lead and lead compounds (collectively referred to herein as “Lead”) in
2 clothing made with leather, vinyl, or imitation leather materials (“Covered Products”).

3 1.3 On November 4, 2015, CEH filed the original Complaint in the Action. On
4 June 10, 2016, CEH filed a Doe Amendment adding Defendant to the Action.

5 1.4 Defendant is a corporation that employs ten (10) or more persons and that
6 manufactures, distributes, and/or sells Covered Products in the State of California.

7 1.5 For purposes of this Consent Judgment only, CEH and Defendant (the
8 “Parties”) stipulate that this Court has jurisdiction over the allegations of violations contained in
9 the Complaint and personal jurisdiction over Defendant as to the acts alleged in the Complaint,
10 that venue is proper in the County of Alameda, and that this Court has jurisdiction to enter this
11 Consent Judgment as a full and final resolution of all claims which were or could have been
12 raised in the Complaint based on the facts alleged therein with respect to Covered Products
13 manufactured, distributed, and/or sold by Defendant.

14 1.6 CEH and Defendant enter into this Consent Judgment as a full and final
15 settlement of all claims that were raised in the Complaint, or which could have been raised in the
16 Complaint, arising out of the facts or conduct related to Defendant alleged therein. By execution
17 of this Consent Judgment and agreeing to comply with its terms, the Parties do not admit any
18 facts or conclusions of law including, but not limited to, any facts or conclusions of law
19 suggesting or demonstrating any violations of Proposition 65 or any other statutory, common law,
20 or equitable requirements. Nothing in this Consent Judgment is or shall be construed as an
21 admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall
22 compliance with the Consent Judgment constitute or be construed as an admission by the Parties
23 of any fact, conclusion of law, issue of law, or violation of law. Defendant denies the material,
24 factual, and legal allegations in CEH’s Complaint and expressly denies any wrong doing
25 whatsoever. Nothing in this Consent Judgment shall prejudice, waive, or impair any right,
26 remedy, argument, or defense the Parties may have in this or any other pending or future legal
27 proceedings. This Consent Judgment is the product of negotiation and compromise and is
28 accepted by the Parties solely for purposes of settling, compromising, and resolving issues

1 disputed in this action.

2 **2. INJUNCTIVE RELIEF**

3 2.1 **Reformulation of Covered Products.** As of the date of entry of this Consent
4 Judgment (the “Effective Date”), Defendant shall not manufacture, ship, sell, or offer for sale any
5 Covered Product in California or anywhere else unless such Covered Product complies with the
6 following Lead Limits:

7 2.1.1 “Paint or other Surface Coatings” as that term is defined in 16 C.F.R.
8 § 1303.2(b): no more than 0.009 percent Lead by weight (90 parts per million) (“ppm”).

9 2.1.2 Polyvinyl chloride (“PVC”): no more than 0.02 percent Lead by weight
10 (200 ppm).

11 2.1.3 All other materials other than cubic zirconia (sometimes called cubic
12 zirconium, CZ), crystal, glass, or rhinestones: no more than 0.03 percent Lead by weight (300
13 ppm).

14 2.2 **Market Withdrawal of Covered Products.** On or before the Effective Date,
15 Defendant shall cease shipping the J.O.A. A-line Leather Knee Skirt in Olive, SKU No.
16 0220229343, Style No. KR1005, Item No. JOOOA3029734304114 (the “Recall Covered
17 Product”), to stores and/or customers in California, and Defendant shall withdraw the Recall
18 Covered Product from the market in California, and, at a minimum, send instructions to any of its
19 stores and/or customers that offer the Recall Covered Product for sale in California to cease
20 offering such Recall Covered Product for sale and to either return all Recall Covered Product to
21 Defendant for destruction, or to directly destroy the Recall Covered Product. Any destruction of
22 the Recall Covered Product shall be in compliance with all applicable laws. Defendant shall keep
23 and make available to CEH for inspection and copying records and correspondence regarding the
24 market withdrawal and destruction of the Recall Covered Product. If there is a dispute over the
25 corrective action, the Parties shall meet and confer before seeking any remedy in court.

26 **3. ENFORCEMENT**

27 3.1 **Enforcement Procedures.** Prior to bringing any motion or order to show
28 cause to enforce the terms of this Consent Judgment, a Party seeking to enforce shall provide the

1 violating party thirty (30) days advanced written notice of the alleged violation. The Parties shall
2 meet and confer during such thirty (30) day period in an effort to try to reach agreement on an
3 appropriate cure for the alleged violation. After such thirty (30) day period, the Party seeking to
4 enforce may, by new action, motion, or order to show cause before the Superior Court of
5 Alameda, seek to enforce the terms and conditions contained in this Consent Judgment.

6 **4. PAYMENTS**

7 4.1 **Payments from Defendant.** Within five (5) days of the entry of this Consent
8 Judgment, Defendant shall pay the total sum of \$32,500.

9 4.2 **Allocation of Payments.** The total settlement amount for Defendant shall be
10 paid in four (4) separate checks made payable and allocated as follows:

11 4.2.1 Defendant shall pay the sum of \$4,300 as a civil penalty pursuant to Health
12 & Safety Code § 25249.7(b). The civil penalty payment shall be apportioned in accordance with
13 Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of California's Office of
14 Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of
15 the civil penalty payment in the amount of \$3,225 shall be made payable to OEHHA and
16 associated with taxpayer identification number 68-0284486. This payment shall be delivered as
17 follows:

18 For United States Postal Service Delivery:

19 Attn: Mike Gyurics
20 Fiscal Operations Branch Chief
21 Office of Environmental Health Hazard Assessment
22 P.O. Box 4010, MS #19B
23 Sacramento, CA 95812-4010

24 For Non-United States Postal Service Delivery:

25 Attn: Mike Gyurics
26 Fiscal Operations Branch Chief
27 Office of Environmental Health Hazard Assessment
28 1001 I Street, MS #19B
Sacramento, CA 95814

The CEH portion of the civil penalty payment in the amount of \$1,075 shall be made
payable to the Center for Environmental Health and associated with taxpayer identification

1 number 94-3251981. This payment shall be delivered to Lexington Law Group, 503 Divisadero
2 Street, San Francisco, CA 94117.

3 4.2.2 Defendant shall pay the sum of \$6,400 as payment to CEH in lieu of
4 penalty pursuant to Health & Safety Code § 25249.7(b), and California Code of Regulations, Title
5 11, § 3202(b). CEH will use such funds to continue its work educating and protecting people
6 from exposures to toxic chemicals, including heavy metals. CEH may also use a portion of such
7 funds to monitor compliance with the reformulation requirements of this and other similar
8 Consent Judgments and to purchase and test Covered Products to confirm compliance with such
9 reformulation requirements. In addition, as part of its *Community Environmental Action and*
10 *Justice Fund*, CEH will use four percent (4%) of such funds to award grants to grassroots
11 environmental justice groups working to educate and protect people from exposures to toxic
12 chemicals. The method of selection of such groups can be found at the CEH web site at
13 www.ceh.org/justicefund. The payment in lieu of penalty check shall be made payable to the
14 Center for Environmental Health and associated with taxpayer identification number 94-3251981.
15 This payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco,
16 CA 94117.

17 4.2.3 Defendant shall pay the sum of \$21,800 as reimbursement of reasonable
18 attorneys' fees and costs. The attorneys' fees and cost reimbursement check shall be made
19 payable to the Lexington Law Group and associated with taxpayer identification number 94-
20 3317175. This payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San
21 Francisco, CA 94117.

22 **5. MODIFICATION AND DISPUTE RESOLUTION**

23 5.1 **Modification.** This Consent Judgment may be modified from time to time by
24 express written agreement of the Parties, with the approval of the Court, or by an order of this
25 Court upon motion and in accordance with law.

26 5.2 **Notice; Meet and Confer.** Any Party seeking to modify this Consent
27 Judgment shall attempt in good faith to meet and confer with the other Party prior to filing a
28 motion to modify the Consent Judgment.

1 **6. CLAIMS COVERED AND RELEASE**

2 6.1 This Consent Judgment is a full, final, and binding resolution between CEH
3 and Defendant and Defendant’s parents, shareholders, divisions, subdivisions, subsidiaries,
4 partners, sister companies, and their successors and assigns (“Defendant Releasees”), and all to
5 whom they distribute or sell Covered Products directly or indirectly including, but not limited to,
6 distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees
7 (“Downstream Defendant Releasees”), of any violation of Proposition 65 or any other statutory or
8 common law claims that have been or could have been asserted in the public interest against
9 Defendant, Defendant Releasees, and Downstream Defendant Releasees, regarding the failure to
10 warn about exposure to Lead arising in connection with Covered Products manufactured,
11 distributed, or sold by Defendant prior to the Effective Date.

12 6.2 CEH, for itself and acting on behalf of the public interest pursuant to Health &
13 Safety Code § 25249.7(d), releases, waives, and forever discharges any and all claims against
14 Defendant, Defendant Releasees, and Downstream Defendant Releasees arising from any
15 violation of Proposition 65 or any other statutory or common law claims that have been or could
16 have been asserted in the public interest regarding the failure to warn about exposure to Lead
17 arising in connection with Covered Products manufactured, distributed, or sold by Defendant
18 prior to the Effective Date.

19 6.3 Compliance with the terms of this Consent Judgment by Defendant and the
20 Defendant Releasees shall constitute compliance with Proposition 65 by Defendant, the
21 Defendant Releasees, and their Downstream Defendant Releasees with respect to any alleged
22 failure to warn about Lead in Covered Products manufactured, distributed, or sold by Defendant
23 after the Effective Date.

24 **7. PROVISION OF NOTICE**

25 7.1 When any Party is entitled to receive any notice under this Consent Judgment,
26 the notice shall be sent by first class and electronic mail as follows:

27 7.1.1 **Notices to Defendant.** The person for Defendant to receive notices
28 pursuant to this Consent Judgment shall be:

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Frank N. Lee
Law Office of Frank N. Lee
3435 Wilshire Blvd. #450
Los Angeles, CA 90010
franklee@gmail.com

7.1.2 **Notices to Plaintiff.** The person for CEH to receive notices pursuant to this Consent Judgment shall be:

Howard Hirsch
Lexington Law Group
503 Divisadero Street
San Francisco, CA 94117
hhirsch@lexlawgroup.com

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

8. COURT APPROVAL

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

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

9. GOVERNING LAW AND CONSTRUCTION

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

10. ENTIRE AGREEMENT

10.1 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

1 Party hereto. No other agreements not specifically contained or referenced herein, oral or
2 otherwise, shall be deemed to exist or to bind any of the Parties hereto. Any agreements
3 specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind
4 any of the Parties hereto only to the extent that they are expressly incorporated herein. No
5 supplementation, modification, waiver, or termination of this Consent Judgment shall be binding
6 unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions
7 of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other
8 provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

9 **11. RETENTION OF JURISDICTION**

10 11.1 This Court shall retain jurisdiction of this matter to implement or modify the
11 Consent Judgment.

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

13 12.1 Each signatory to this Consent Judgment certifies that he or she is fully
14 authorized by the Party he or she represents to stipulate to this Consent Judgment and to enter into
15 and execute the Consent Judgment on behalf of the Party represented and legally to bind that
16 Party.

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

18 13.1 Nothing in this Consent Judgment shall preclude CEH from resolving any
19 claim against another entity on terms that are different than those contained in this Consent
20 Judgment.

21 **14. EXECUTION IN COUNTERPARTS**

22 14.1 The stipulations to this Consent Judgment may be executed in counterparts
23 and by means of facsimile, which taken together shall be deemed to constitute one document.

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IT IS SO STIPULATED:

<p>Dated: <u>22 July, 2016</u></p>	<p>CENTER FOR ENVIRONMENTAL HEALTH</p> <p><u><i>Cui</i></u></p> <p>Signature</p> <p><u><i>Concetta Pizzano</i></u></p> <p>Printed Name</p> <p><u><i>ASSOCIATE DIRECTOR</i></u></p> <p>Title</p>
------------------------------------	--

<p>Dated: _____, 2016</p>	<p>EDGEMINE, INC.</p> <p>_____</p> <p>Signature</p> <p>_____</p> <p>Printed Name</p> <p>_____</p> <p>Title</p>
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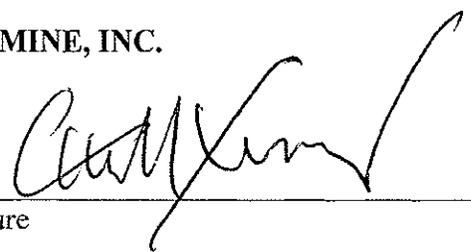
**IT IS SO ORDERED, ADJUDGED,
AND DECREED:**

Dated: _____

JUDGE OF THE SUPERIOR COURT OF THE
STATE OF CALIFORNIA

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IT IS SO STIPULATED:

<p>Dated: _____, 2016</p>	<p>CENTER FOR ENVIRONMENTAL HEALTH</p> <hr/> <p>Signature</p> <hr/> <p>Printed Name</p> <hr/> <p>Title</p> <hr/>
<p>Dated: <u>7/12</u>, 2016</p>	<p>EDGEMINE, INC.</p>  <hr/> <p>Signature</p> <p><u>Kevin Kang</u></p> <hr/> <p>Printed Name</p> <p><u>CEO.</u></p> <hr/> <p>Title</p> <hr/>

**IT IS SO ORDERED, ADJUDGED,
AND DECREED:**

Dated: NOV - 8 2016

GEORGE C. HERNANDEZ, JR.

 JUDGE OF THE SUPERIOR COURT OF THE
 STATE OF CALIFORNIA