

1 2 NOV 3 0 2018 3 CLERK OF THE SUPERIOR COURT 4 5 6 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF ALAMEDA 10 11 Case No. RG 17-854336 CENTER FOR ENVIRONMENTAL HEALTH, 12 [PROPOSED] CONSENT Plaintiff, JUDGMENT AS TO OLIVIA 13 MILLER, INC. v. 14 DB SHOE COMPANY, LLC, et al., 15 Defendants. 16 17 18 19 1. **DEFINITIONS** 20 "Covered Products" means footwear that are Manufactured, distributed, sold 1.1 21 or offered for sale by Settling Defendant. 22 "Effective Date" means the date on which this Consent Judgment is entered by 1.2 23 the Court. "Lead Limits" means the maximum concentrations of lead and lead 1.3 25 compounds ("Lead") by weight specified in Section 3.2. 26 "Manufactured" and "Manufactures" means to manufacture, produce, or 1.4 27 assemble. 28 00119708.1 -1-DOCUMENT PREPARED ON RECYCLED PAPER

CONSENT JUDGMENT - OLIVIA MILLER, INC. - CASE NO. RG 17-854336

- 1.5 "Paint or other Surface Coatings" means a fluid, semi-fluid, or other material, with or without a suspension of finely divided coloring matter, which changes to a solid film when a thin layer is applied to a metal, wood, stone, paper, leather, cloth, plastic, or other surface. This term does not include printing inks or those materials which actually become a part of the substrate, such as the pigment in a plastic article, or those materials which are actually bonded to the substrate, such as by electroplating or ceramic glazing.
- 1.6 "Vendor" means a person or entity that Manufactures, imports, distributes, or supplies a Covered Product to Settling Defendant.

### 2. INTRODUCTION

- 2.1 The parties to this Consent Judgment ("Parties") are the Center for Environmental Health ("CEH") and Defendant Olivia Miller, Inc. ("Settling Defendant").
- On May 5, 2017, CEH served a 60-Day Notice of Violation under Proposition 65 (The Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.5, et seq.) (the "Notice") to Settling Defendant, the California Attorney General, the District Attorneys of every County in the State of California, and the City Attorneys for every City in the State of California with a population greater than 750,000. The Notice alleges that Settling Defendant violated Proposition 65 by exposing persons to Lead contained in footwear without first providing a clear and reasonable Proposition 65 warning.
- 2.3 On March 24, 2017, CEH filed the action Center for Environmental Health v. DB Shoe Company, LLC, et al., Case No. RG 17-854336, in the Superior Court of California for Alameda County. On or about July 24, 2017, CEH named Settling Defendant as a defendant in that action pursuant to California Code of Civil Procedure § 474.
- 2.4 Settling Defendant sells Covered Products in the State of California and has done so in the past.
- 2.5 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the operative Complaint applicable to Settling Defendant (the "Complaint") and personal jurisdiction over Settling Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Alameda,

and that this Court has jurisdiction to enter this Consent Judgment.

2.6 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 it has not already done so, no more than thirty (30) days after the Effective Date, Settling Defendant shall provide the Lead Limits to its Vendors of Covered Products and shall instruct each Vendor to use reasonable efforts to provide Covered Products that comply with the Lead Limits on a nationwide basis.
- 3.2 Lead Limits. Commencing on the Effective Date, Settling Defendant shall not purchase, import, Manufacture, supply to an unaffiliated third party, or sell or offer for sale any Covered Product that will be sold or offered for sale to California consumers that contains a material or is made of a component that exceeds the following Lead Limits:
  - 3.2.1 Paint or other Surface Coatings: 90 parts per million ("ppm").
  - 3.2.2 Polyvinyl chloride ("PVC"): 200 ppm.
  - 3.2.3 All other materials or components other than cubic zirconia (sometimes called cubic zirconium, CZ), crystal, glass or rhinestones: 300 ppm.

For purposes of this Section 3.2, when Settling Defendant's direct customer sells or offers for sale to California consumers a Covered Product after the Effective Date, Settling Defendant is deemed to have "offered for sale to California consumers" that Covered Product.

### 3.3 Action Regarding Specific Products.

3.3.1 On or before the Effective Date, Settling Defendant shall cease selling in California: (1) the Olivia Miller Girl Jubilee Emoji Sneakers in Red, Style No. OMS-

1057, SKU No. 6-57486-44311-3; (2) the Olivia Miller Carrara Women's Multi-Buckle T-Strap Sandals in Blush, Kohls SKU No. 38155540, UPC No. 657486387073; (3) the Olivia Miller Pelham Women's Booties in Cognac, Style No. OMP-1181, SKU No. 6-57486-40553-1, Item No. 037-1070F; and (4) the Olivia Miller Ankle Chain Women's Booties in Brown, Style No. OMM-9734-STK, JC Penney SKU No. 03771970018, Item No. 037-7197F (the "Section 3.3 Products"). On or before the Effective Date, Settling Defendant shall also: (i) cease shipping the Section 3.3 Products to any of its stores and/or customers that resell the Section 3.3. Products in California, and (ii) send instructions to its stores and/or customers that resell the Section 3.3. Products in California instructing them either to: (a) return all of the Section 3.3 Products to Settling Defendant for destruction; or (b) directly destroy the Section 3.3 Products.

- 3.3.2 Any destruction of the Section 3.3 Products shall be in compliance with all applicable laws.
- 3.3.3 Within sixty (60) days of the Effective Date, Settling Defendant shall provide CEH with written certification from Settling Defendant confirming compliance with the requirements of this Section 3.3.

### 4. ENFORCEMENT

- 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 Settling

  Defendant within 45 days of the later of either the date the alleged violation(s) was or

  were observed or the date that CEH learns that the Covered Product was manufactured or
  sold by Settling Defendant, provided, however, that CEH may have up to an additional 45

  online of Violation on Settling and the later of either the date the alleged violation(s) was or
  were observed or the date that CEH learns that the Covered Product was manufactured or
  sold by Settling Defendant, provided, however, that CEH may have up to an additional 45

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- 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 Limits, 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. The Parties agree that the sample Notice of Violation attached hereto as Exhibit A is sufficient in form to satisfy the requirements of subsections (c) and (d) of this Section 4.2.2.
- 4.2.3 Additional Documentation. CEH shall promptly make available for inspection and/or copying upon request by and at the expense of 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 and, if available, any exemplars of Covered Products tested.
- 4.2.4 **Multiple Notices.** If 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 4.2.4, the following shall be excluded:

- Multiple notices identifying Covered Products Manufactured for or (a) sold to Settling Defendant from the same Vendor; and
- A Notice of Violation that meets one or more of the conditions of Section 4.3.3(c).
- 4.3 Notice of Election. Within thirty (30) days of receiving a Notice of Violation pursuant to Section 4.2, including the test data required pursuant to 4.2.2(d), 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 contributions to the Fashion Accessory Testing Fund required under this Section 4.3 shall be made payable to The Center for Environmental Health and included with Settling Defendant's Notice of Election.
  - 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 thirty (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 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, Settling Defendant shall make a contribution to the Proposition 65 Fashion Accessory Testing Fund in the amount of \$12,500 and shall comply with all of the nonmonetary provisions of Section 4.3.2. If, at any time prior to reaching an agreement or obtaining a decision from the Court, CEH or 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,

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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 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 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, Settling Defendant shall make a contribution to the Fashion Accessory Testing Fund in the amount of \$10,000, unless one of the provisions of Section 4.3.3 applies.

### 4.3.3 Limitations in Non-Contested Matters.

- (a) If it elects not to contest a Notice of Violation before any motion concerning the violation(s) at issue has been filed, the monetary liability of Settling Defendant shall be limited to the contributions required by Section 4.3.2 and this Section 4.3.3, if any.
- (b) If more than one Settling Defendant has manufactured, sold, offered for sale or distributed a Covered Product identified in a non-contested Notice of Violation, only one required contribution may be assessed against all Settling Defendants as to the noticed Covered Product.
  - (c) The contribution to the Fashion Accessory Testing Fund shall be:
  - (i) One thousand seven hundred fifty dollars (\$1,750) if 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 applicable
    Lead Limits, 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

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sales transaction on which the Notice of Violation is based. Settling Defendant shall provide copies of such test results and supporting documentation to CEH with its Notice of Election; or

- (ii) One thousand five hundred dollars (\$1,500) if Settling Defendant is in violation of Section 3.2 only insofar as that Section deems Settling Defendant to have "offered for sale to California consumers" a product sold at retail by Settling Defendant's customer, provided however, that no contribution is required or payable if Settling Defendant has already been required to pay a total of ten thousand dollars (\$10,000) pursuant to this subsection. This subsection shall apply only to Covered Products that Settling Defendant demonstrates were shipped prior to the Effective Date; 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.

## 5. PAYMENTS

- \$30,000 as a settlement payment according to the following schedule: (a) within 14 days of the Effective Date: \$10,000; (b) within 60 days after the Effective Date: \$10,000, and (c) within 12 months after the Effective Date: \$10,000. Any failure by Settling Defendant to comply with the payment terms herein shall be subject to a stipulated late fee to be paid by Settling Defendant in the amount of \$100 for each day the full payment is not received after the applicable date set forth herein. The total settlement amount for Settling Defendant shall be paid by separate checks, made payable and allocated as follows:
- 5.1.1 Settling Defendant shall pay the sum of \$5,620 as a civil penalty pursuant to Health & Safety Code § 25249.7(b). The civil penalty payment shall be apportioned in accordance with Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of

1	California's Office of Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the
2	OEHHA portion of the civil penalty payment in the amount of \$4,215 shall be made payable to
3	OEHHA and associated with taxpayer identification number 68-0284486. This total amount shall
4	be made in three payments of \$1,405 each payable on or before 14 days of the Effective Date,
5	within 60 days after the Effective Date, and within 12 months after the Effective Date, and each
6	delivered as follows:
7	For United States Postal Service Delivery:
8	Attn: Mike Gyurics
9 10	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment P.O. Box 4010, MS #19B Sacramento, CA 95812-4010
11	For Non-United States Postal Service Delivery:
12	Attn: Mike Gyurics
13	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment
14	1001 I Street, MS #19B Sacramento, CA 95814
15	The CEH portion of the civil penalty payment in the amount of \$1,405 shall be made
16	payable to the Center For Environmental Health and associated with taxpayer identification
17	number 94-3251981. This total amount shall be made in two payments of \$468 payable on or
18	before 14 days of the Effective Date and within 60 days after the Effective Date, and one payment
19	of \$469 payable within 12 months after the Effective Date, and each delivered to Lexington Law
20	Group, 503 Divisadero Street, San Francisco, CA 94117.
21	5.1.2 Settling Defendant shall pay the sum of \$4,215 as an Additional Settlement
22	Payment ("ASP") to CEH pursuant to Health & Safety Code § 25249.7(b), and California Code
23	of Regulations, Title 11, § 3204. CEH intends to place these funds in CEH's Toxics and Youth
24	Fund and use them to support CEH programs and activities that seek to educate the public about
25	lead and other toxic chemicals in consumer products that are marketed to youth, expand its use of
26	social media to communicate with youth in California about the risks of exposures to lead and
27	other toxic chemicals in the products they use and about ways to reduce those exposures, work
28	with industries that market products to youth to reduce exposure to lead and other toxic

chemicals, and thereby reduce the public health impacts and risks of exposure to lead and other toxic chemicals in consumer products that are marketed to youth in California. CEH shall obtain and maintain adequate records to document that ASP funds are spent on these activities and CEH agrees to provide such documentation to the Attorney General within thirty days of any request from the Attorney General. The payment pursuant to this Section shall be made payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. This total amount shall be made in three payments of \$1,405 each payable on or before 14 days of the Effective Date, within 60 days after the Effective Date, and within 12 months after the Effective Date, and each delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

5.1.3 Settling Defendant shall also separately pay the sum of \$20,165 to the Lexington Law Group 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 Law Group and associated with taxpayer identification number 94-3317175. This total amount shall be made in two payments of \$6,722 payable on or before 14 days of the Effective Date and within 60 days after the Effective Date, and one payment of \$6,721 payable within 12 months after the Effective Date, and each delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

## 6. MODIFICATION

- 6.1 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.

### 7. CLAIMS COVERED AND RELEASED

7.1 Provided that Settling Defendant complies in full with its obligations under Section 5 hereof, this Consent Judgment is a full, final and binding resolution between CEH on

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# New York, NY 10001

8.3 Any Party may modify the person and address to whom the notice is to be sent 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 Defendant shall 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

- 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 Settling Defendant prevail on any motion application for an order to show cause or other proceeding, 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 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.
- Except as otherwise provided in this Consent Judgment, each Party shall bear its own attorneys' fees and costs.
- Nothing in this Section 10 shall preclude a Party from seeking an award of sanctions pursuant to law.

# 11. OTHER TERMS

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

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

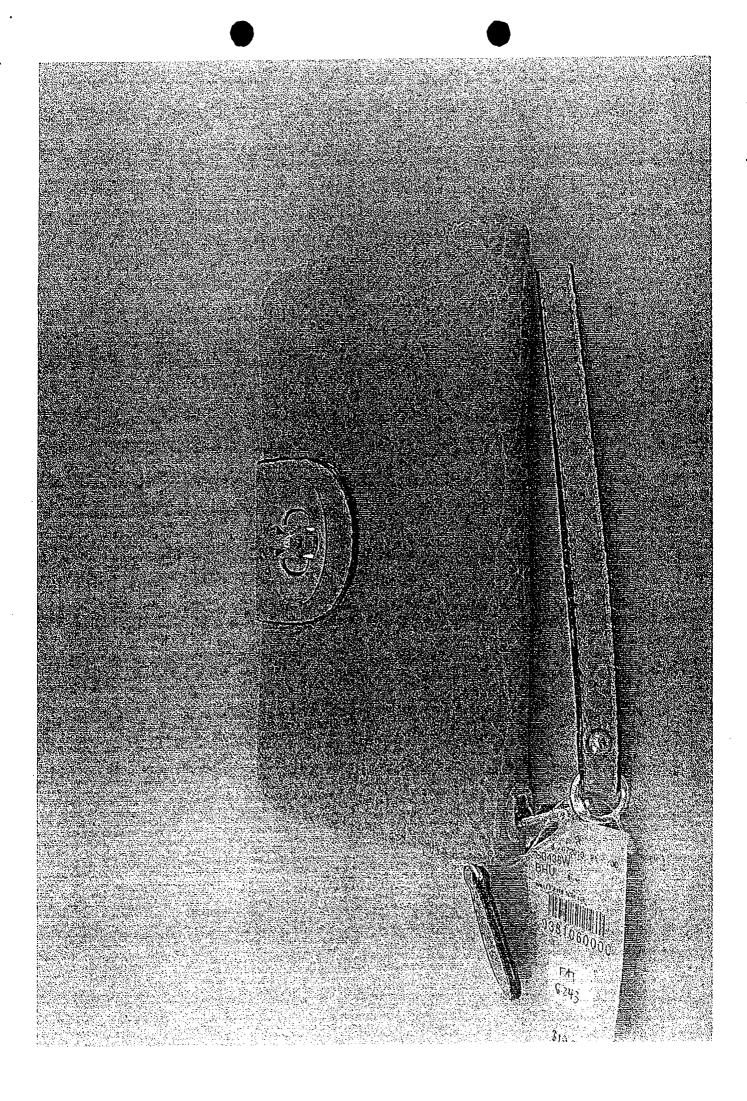
- 11.3 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are 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 supplementation, modification, waiver, or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound thereby. 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.
- Nothing in this Consent Judgment shall release, or in any way affect any rights that 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.
- 11.6 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document.
- 11.7 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the Party he or she represents to stipulate to this Consent Judgment and to enter into and execute the Consent Judgment on behalf of the Party represented and legally to bind that Party.
- 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.

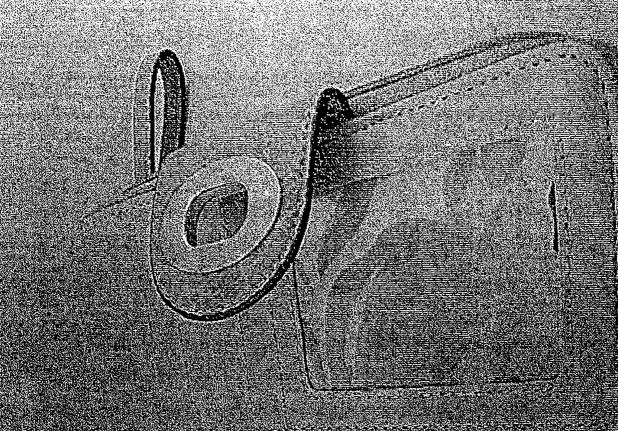
This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of 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: IT IS SO STIPULATED: CENTER FOR ENVIRONMENTAL HEALTH Signature Printed Name 00119708.1

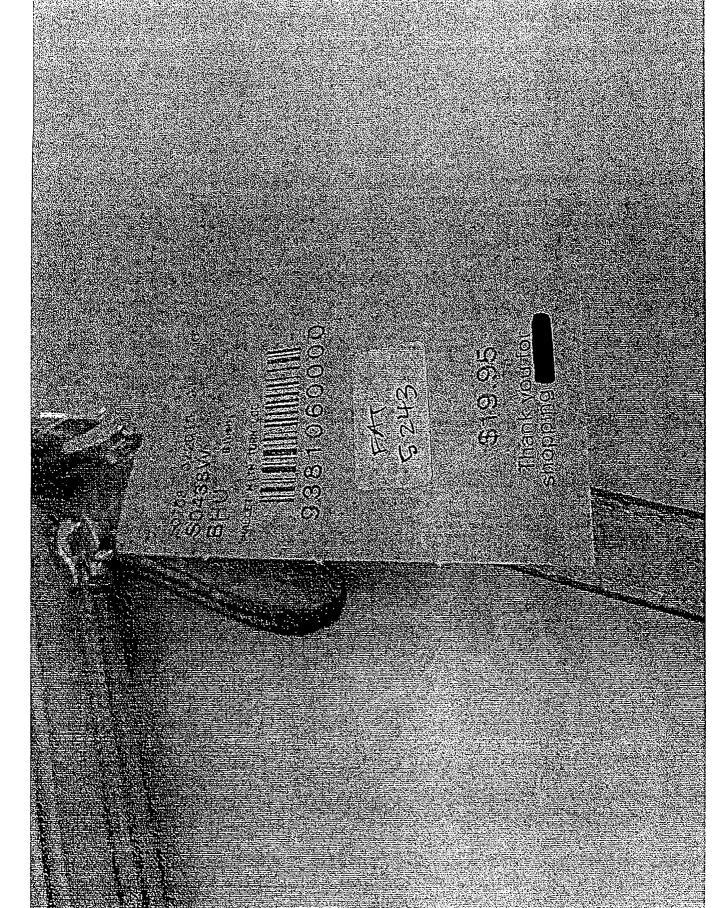
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OLIVIA MILLER, INC. Signature Title 1.80701100 DOCUMENT PREPARED ON RECYCLED PAPER -15-CONSENT JUDGMENT - OLIVIA MILLER, INC. - CASE NO. RG 17-854336

# Exhibit A









		Lead	
Lab #:	281148	Location:	Lead in Fashion Accessories
Client:	Center for Environmental Health	Prep:	EPA 3050B
Project#:	FASHION ACCESSORIES	Analysis:	EPA 6020
Analyte:	Lead	Diln Fac:	100.0
Field ID:	FAT5243-BLUSH ZIP WALLET	Batch#:	240126
Lab ID:	281148-001	Sampled:	. 09/14/16
Matrix:	Miscell.	Received:	09/15/16
Units:	mg/Kg	Prepared:	10/13/16
Basis:	as received	Analyzed:	10/20/16

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Batch QC Report

		Lead	
Lab #:	281148	Location:	Lead in Fashion Accessories
Client:	Center for Environmental Health	Prep:	EPA 3050B
Project#:	FASHION ACCESSORIES	Analysis:	EPA 6020
Analyte:	Lead	Diln Fac:	100.0
Type:	BLANK	Batch#:	240126
Lab ID:	OC855565	Prepared:	10/13/16
Matrix:	Miscell.	Analyzed:	10/20/16
Onits:	mg/Kg		

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		Lead	
Lab #:	281148	Location:	Lead in Fashion Accessories
Client:	Center for Environmental Health	Prep:	EPA 3050B
Project#:	FASHION ACCESSORIES	Analysis:	EPA 6020
Analyte:	Lead	Batch#:	240126
Matrix:	Miscell.	Prepared:	10/13/16
Units:	mg/Kg	Analyzed:	10/20/16
Diln Fac:	25.00		

Туре	Lab ID	Spiked	Result	%REC	Limits	RPD.	Lim	Š.
BS	QC855566	26.82	30.31	113	80-125			
BSD	QC855567	25.16	29.33	117	80-125	3	20	