

Evan J. Smith, Esquire (SBN 242352) FILED Ryan P. Cardona, Esquire (SBN 302113) BRODSKY & SMITH, LLC ALAMEDA COUNTY 9595 Wilshire Blvd., Ste. 900 JUL 1 2 2018 Beverly Hills, CA 90212 Telephone: (877) 534-2590 CLERK OF THE SUPERIOR COURT Facsimile: (310) 247-0160 4 5 Attornevs for Plaintiff 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 COUNTY OF ALAMEDA 9 10 EMA BELL, Case No.: RG17882842 11 [PROPOSED] ORDER APPROVING Plaintiff, PROPOSITION 65 SETTLEMENT AND VS. 12 CONSENT JUDGMENT 13 AMERICAN SPORTING GOODS Judge: Frank Roesch CORPORATION, SEQUENTIAL BRANDS GROUP, INC., THE TJX Dept.: 24 OPERATING COMPANIES, INC., 15 LIFEWORKS TECHNOLOGY GROUP. Hearing Date: July 12, 2018 LLC, 16 Hearing Time: 3:45 PM Defendants. 17 Reservation #: R-1966508 18 Plaintiff Ema Bell and Defendant Lifeworks Technology Group, LLC have agreed to the 19 terms of the settlement memorialized in the [Proposed] Consent Judgment attached as Exhibit A 20 to the Declaration of Evan J. Smith in Support of Motion to Approve Proposition 65 Settlement 21 and Consent Judgment lodged herewith, and Plaintiff has moved this Court for an Order 22 approving the settlement. 23 After consideration of the papers submitted and the arguments presented, the Court finds 24 that the settlement agreement set forth in the Consent Judgment meets the criteria established by 25 California Health & Safety Code § 25249.7(f)(4), in that: 26 1. The injunctive relief required by the Consent Judgment complies with 27 Proposition 65; 28



Evan Smith (Bar No. SBN 242352) BRODSKY & SMITH, LLC. 1 FILED 9595 Wilshire Blvd., Ste. 900 ALAMEDA COUNTY 2 Beverly Hills, CA 90212 JUL 1 2 2018 Tel: (877) 534-2590 3 CLERK OF THE SUPERIOR COURT By Pan Mulians Fax: (310) 247-0160 4 Attorneys for Plaintiff 5 6 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF ALAMEDA 10 EMA BELL, Case No.: RG17882842 11 Plaintiff, CONSENT JUDGMENT 12 Judge: Frank Roesch ٧. 13 AMERICAN SPORTING GOODS Dept.: 24 14 CORPORATION, SEQUENTIAL BRANDS GROUP, INC., THE TJX OPERATING COMPANIES, INC., LIFEWORKS TECHNOLOGY GROUP, LLC, Hearing Date: July 12, 2018 15 Hearing Time: 3:45 PM 16 Defendant. Reservation #: R-1966508 17 18 19 20 21 22 23 24 25 26 27

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1.1 The Parties. This Consent Judgment is entered into by and between Ema Bell acting in the public interest ("Bell") and Lifeworks Technology Group, LLC ("Lifeworks Technology Group"), with Bell and Lifeworks Technology Group collectively referred to as the "Parties" and each of them as a "Party." Bell is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Lifeworks Technology Group is alleged to be a person in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.

Group has exposed individuals to Diisononyl phthalate (DINP) from sport bands or sport sleeves, including those worn on the arms (collectively the "Avia Sport Bands") without providing clear and reasonable warnings under Proposition 65. DINP is listed under Proposition 65 as a chemical known to the State of California to cause cancer; and (b) Bell represents and warrants that as of the date of her execution of this Consent Judgment, other than the violations alleged in the Notices as to the Covered Products or the subject of a separate Settlement Agreement, she: (i) has no current knowledge or information based upon any investigation or otherwise that Lifeworks Technology Group is currently manufacturing, distributing, shipping, selling or offering for sale in California any product(s) that Bell believes is causing a violation of Proposition 65; and (ii) that she has no present intention of filing suit or providing a 60-Day Notice to Lifeworks Technology Group with respect to any other listed chemical under Proposition 65 with respect to any products manufactured or sold by Lifeworks Technology Group, including but not limited to the Covered Products.

1.3 **Notices of Violation.** On or about August 14, 2017, Bell served American Sporting Goods Corporation ("ASG"), Sequential Brands Group, Inc. ("Sequential Brands"), The TJX Operating Companies, Inc. ("TJX")¹, and various public enforcement agencies with a document entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "First

The term "TJX" includes all subsidiaries, parent companies and affiliates of TJX.

 Notice"), alleging that ASG, Sequential Brands, and TJX were in violation of Proposition 65 for failing to warn consumers and customers that the Avia Sport Bands exposed users in California to DINP. On November 14, 2017, Bell served a Notice on the same parties as in the First Notice, including the various public enforcement agencies, but added Lifeworks Technology Group in order to provide Lifeworks Technology Group with identical notice of violation regarding the Avia Sport Bands as in the First Notice (the "Amended Notice"). The First Notice and the Amended Notice are collectively referred to as the "Notice." No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice with respect to the Avia Sport Bands.

- 1.4 **Complaint.** On November 17, 2017, Bell filed a Complaint in the matter as captioned above ("Complaint"). On January 25, 2018, Bell amended the Complaint to name Lifeworks Technology Group as an additional defendant².
- 1.5 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Lifeworks Technology Group as to the allegations contained in the complaint filed in this matter, that venue is proper in the County of Alameda, and that this Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein and/or in the Notice.
- 1.6 Lifeworks Technology Group denies the material allegations contained in Bell's Notice and Complaint and maintains that it has not violated Proposition 65. Nothing in this Consent Judgment shall be construed as an admission by Lifeworks Technology Group of any fact, finding, issue of law, or violation of law; nor shall compliance with this Consent Judgment constitute or be construed as an admission by Lifeworks Technology Group of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Lifeworks Technology Group. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Lifeworks Technology Group under this Consent Judgment.

² On May 24, 2018, Defendants ASG, Sequential Brands, and TJX were dismissed from the action.

2. **DEFINITIONS**

- 2.1 **Covered Products.** The term "Covered Products" means all Avia Sport Bands, of any style or type, including but not limited to those worn on the arm, marketed under the brand name Avia that have been distributed, sold and/or offered for sale in or into California by Lifeworks Technology Group, and that contain DINP.
- 2.2 **Effective Date.** The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.

3. INJUNCTIVE RELIEF: WARNINGS

- Commencing ninety (90) days after the Effective Date, and continuing thereafter, Lifeworks Technology Group shall not manufacture or order from any supplier any Covered Products intended for retail sale in California that contains DINP on any component to which consumers are exposed in excess of 0.1% (1,000 ppm) (collectively the "Reformulated Products") unless the Product is accompanied by a warning that complies with Article 6 of Title 27 of the California Code of Regulations. Products sold by Lifeworks Technology Group before Effective Date may sell through and be sold by others downstream in the retail chain without a warning even if not a Reformulated Product. Until August 30, 2018, the warning shall consist of either:
 - (a) The statement: "WARNING: This product contains a chemical known to the State of California to cause cancer [and birth defects or other reproductive harm]."; or
 - (b) (1) A symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline to the left of the word "warning" in bold all capital letters, followed by the statement "This product can expose you to chemicals including Diisononyl phthalate (DINP), which is known to the State of California to cause cancer [and birth defects or other reproductive harm]. For more information, go to www.P65Warnings.ca.gov."; or (2) a warning consisting of a symbol that is a black exclamation point in a yellow equilateral triangle with a bold black outline to the left of the word "warning" in bold all capital letters, followed by the statement "Cancer [and Reproductive Harm] www.P65Warnings.ca.gov."

For Products manufactured on and after August 30, 2018, the warning set forth in Paragraph 2.1(b) shall be used.

Language that appears within the brackets [...] may, but is not, required to be included in the warning, depending on presence of a listed chemical. The warning provided pursuant to Section 3.1 shall be affixed to or printed on the Covered Product's packaging or labeling. The warning shall be prominently affixed to or printed on the packaging, labeling, or instruction booklet and displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. A warning may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the product and shall be at least the same size as those other safety warnings.

4. MONETARY TERMS

- 4.1 **Civil Penalty.** Lifeworks Technology Group shall pay a Civil Penalty of \$1,000.00 pursuant to Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health & Safety Code § 25192, with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to Bell, as provided by California Health & Safety Code § 25249.12(d).
- 4.1.1 Within ten (10) days of the Effective Date, Lifeworks Technology Group shall issue two separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$750.00; and (b) "Brodsky & Smith, LLC in Trust for Bell" in the amount of \$250.00. Payment owed to Bell pursuant to this Section shall be delivered to the following payment address:

Evan J. Smith, Esquire Brodsky & Smith, LLC Two Bala Plaza, Suite 510 Bala Cynwyd, PA 19004

Payment owed to OEHHA (EIN: 68-0284486) pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at one of the following address(es):

For United States Postal Service Delivery:

Mike Gyurics

Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment P.O. Box 4010 Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

A copy of the check payable to OEHHA shall be mailed to Brodsky & Smith, LLC at the address set forth above as proof of payment to OEHHA.

Attorneys' Fees. Lifeworks Technology Group shall pay \$24,000.00 to Brodsky & Smith, LLC ("Brodsky Smith") as complete reimbursement for Plaintiff Bell's attorneys' fees and costs incurred as a result of investigating, bringing this matter to Lifeworks Technology Group's attention, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure section 1021.5. Payment shall be made within ten (10) days of the Effective Date and sent to the address for Brodsky & Smith set forth in section 4.1.1, above.

5. FINALITY & RELEASE OF ALL CLAIMS

5.1 This Consent Judgment is a full, final, and binding resolution between Bell acting in the public interest, and Lifeworks Technology Group and its officers, directors, employees, parents, shareholders, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their successors and assigns ("Defendant Releasees"), and all entities from whom they obtain and to whom they directly or indirectly distribute or sell Covered Products, including but not limited to manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees retailers, franchisees, and cooperative members, including but not limited to ASG, TJX, Sequential Brands, Burlington Coat Factory, Inc., and each of their respective subsidiaries and affiliates (collectively the "Downstream Defendant Releasees"), of all claims for violations of Proposition 65 based on exposure to DINP from Covered Products as set forth in the Notice, with respect to any Covered Products manufactured, distributed, or sold by Lifeworks Technology

Group prior to the Effective Date. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with regard to the Covered Products.

5.2 In addition to the foregoing, Bell, on behalf of herself, her past and current agents, representatives, attorneys, and successors and/or assignees, and <u>not</u> in her representative capacity. hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Lifeworks Technology Group, all Defendant Releasees, and all Downstream Defendant Releasees from any and all manner of actions, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, penalties, damages, charges, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, now or in the future, with respect to any alleged violations of Proposition 65 related to or arising from Covered Products manufactured, distributed, or sold by Lifeworks Technology Group, any Defendant Releasee or any Downstream Defendant Releasee. With respect to the foregoing waivers and releases in this paragraph, Bell hereby specifically waives any and all rights and benefits which she now has, or in the future may have, conferred by virtue of the provisions of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

- 5.3 Lifeworks Technology Group waives any and all claims against Bell, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Bell and her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to Covered Products.
- 5.4 These releases and waivers are effective on the date the Court approves this Consent Judgment.

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6. INTEGRATION

6.1 This Consent Judgment contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

7. GOVERNING LAW

7.1 The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to Covered Products, then Lifeworks Technology Group shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, Covered Products are so affected.

8. NOTICES

8.1 Unless specified in this Consent Judgment, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

For Lifeworks Technology Group:

Thomas N. FitzGibbon Apex Law APC 233 Wilshire Blvd., Ste. 400 Santa Monica, CA 90401

And

For Bell:

Evan Smith Brodsky & Smith, LLC 2 Bala Plaza, Suite 510 Bala Cynwyd, PA 19004

Any party, from time to time, may specify in writing to the other party a change of address, including electronic mail address, to which all notices and other communications shall be sent. As a courtesy, each notice that must or may be given under this Consent Judgment shall also be sent

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 Section 2016, et seq.

12.2 Nothing in this Section shall preclude a Party from seeking an award of sanctions pursuant to law.

13. RETENTION OF JURISDICTION

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

14. <u>AUTHORIZATION</u>

14.1 The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this document and certifies that he or she is fully authorized by the Party he or she represents to execute the Consent Judgment on behalf of the Party represented and legally bind that Party. Except as explicitly provided in this Stipulation, each Party is to bear its own fees and costs.

Date: 5/23 19 Date: 5/8/18

By:
LIN WORKS TECHNOLOGY
GROUP, NO.

Dated: 7/12/2018 Full Proceed.

Judge of Superior Court