Evan Smith (Bar No. SBN 242352) BRODSKY & SMITH, LLC. 9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212 FILED ALAMEDA COUNTY Tel: (877) 534-2590 3 Fax: (310) 247-0160 JAN 1 0 2018 2019 4 Attorneys for Plaintiff 5 CLERK OF THE SUPERIOR COURT 6 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF ALAMEDA 10 Case No.: RG18914807 ANTHONY FERREIRO, 11 CONSENT JUDGMENT 12 Plaintiff, NOËL WISE Judge: 13 Dept.: 24 ٧. Hearing Date: January \$, 2019 OFF-GRID SOLUTIONS USA, LLC, Hearing Time: 3:45 PM 14 Reservation #: R-2020079 15 Defendant. 16 17 18 19 20 21 22 23 24 25 26

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1.1 The Parties. This Consent Judgment is entered into by and between Anthony Ferreiro acting on behalf of the public interest (hereinafter "Ferreiro") and Off-Grid Solutions USA, LLC ("WakaWaka" or "Defendant") with Ferreiro and Defendant collectively referred to as the "Parties" and each of them as a "Party." Ferreiro is an individual residing in California that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. WakaWaka 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.

1.2 Allegations and Representations. Ferreiro alleges that Defendant has exposed individuals to di(2-ethylhexyl) phthalate ("DEHP") from its sales of WakaWaka Waterproof Pouch without providing a clear and reasonable exposure warning pursuant to Proposition 65. DEHP is listed under Proposition 65 as a chemical known to the State of California to cause cancer and reproductive toxicity. Defendant denies these allegations and denies that a warning under Proposition 65 is required for any products it sells in California.

Notice of Violation/Complaint. On or about April 6, 2018, Ferreiro served WakaWaka Holding B.V., Defendant's parent company, Best Buy Co., Inc., and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notice"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of the WakaWaka Waterproof Pouch expose users in California to DEHP. No public enforcer has brought or is diligently prosecuting the claims alleged in the Notice. On July 30, 2018, Ferreiro filed a complaint (the "Complaint") in the matter against defendant Best Buy Co., Inc. On November 7, 2018, Plaintiff amended Complaint (the "Amended Complaint") in order to substitute WakaWaka as the defendant in the Action.

The Complaint and the Amended Complaint are collectively referred to herein as, the "Action."

1.4 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations in the Action, 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 that were or that could have been raised in the Action based on the facts alleged therein and/or in the Notice.

1.5 Defendant denies the material allegations contained in Ferreiro's Notice and Action and maintains that it has not violated Proposition 65. Nothing in this Consent Judgment shall be construed as an admission by Defendant 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 Defendant of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Defendant. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Defendant under this Consent Judgment.

# 2. **DEFINITIONS**

- 2.1 Covered Products. The term "Covered Products" means WakaWaka waterproof pouches, bags, totes and cases that are manufactured, distributed and/or offered for sale in California by WakaWaka
- 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

Reformulation of Covered Products. As of the date this Consent Judgment is signed by both Parties, and continuing thereafter, Covered Products that WakaWaka directly manufactures, imports, distributes, sells, or offers for sale in California shall either: (a) be Reformulated Products pursuant to § 3.2 below; or (b) be labeled with a clear and reasonable exposure warning pursuant to §§ 3.3 and 3.4 below. For purposes of this Consent Judgment, a "Reformulated Product" is a Covered Product that is in compliance with the standard set forth in

§ 3.2 below. The warning requirement set forth in §§ 3.3 and 3.4 shall not apply to any Reformulated Product.

- Products that contain concentrations less than or equal to 0.1% (1,000 parts per million (ppm)) of DEHP when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or another methodology utilized by federal or state government agencies for the purpose of determining the phthalate content in a solid substance.
- 3.3 Clear and Reasonable Warning. As of the date this Consent Judgment is signed by both Parties, and continuing thereafter, a clear and reasonable exposure warning as set forth in this § 3.3 and in § 3.4 must be provided for all Covered Products that Defendant manufacturers, imports, distributes, sells, or offers for sale in California that is not a Reformulated Product. There shall be no obligation for Defendant to provide a warning for Covered Products that enter the stream of commerce prior to the date this Consent Judgment is signed by both Parties. The warning shall consist of either the Warning or Alternative Warning described in § 3.3(a) or (b), respectively:
  - (a) Warning. The "Warning" shall consist of the statement:
  - ⚠ WARNING: This product can expose you to chemicals including di(2-ethylhexyl) phthalate (DEHP), 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.
  - (b) Alternative Warning: WakaWaka may, but is not required to, use the alternative short-form warning as set forth in this § 3.3(b) ("Alternative Warning") as follows:

**⚠ WARNING**: Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

3.4 A Warning or Alternative Warning provided pursuant to § 3.3 must print the word "WARNING" in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word "WARNING" must be a black exclamation point in a yellow equilateral triangle with a black outline, except that if the sign or label for the Covered Product does not use the color yellow, the symbol may be in black and white. The symbol must be in a size no smaller than the height of the word "WARNING". The warning shall be affixed to or

printed on the Covered Product's packaging or labeling, or on a placard, shelf tag, sign or electronic device or automatic process, providing that the warning is 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 Covered Product and shall be at least the same font size as those other safety warnings.

3.5 Compliance with Warning Regulations. Defendant shall be deemed to be in compliance with this Consent Judgment by either adhering to §§ 3.3 and 3.4 of this Consent Judgment or by complying with warning requirements adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") after the Effective Date.

# 4. MONETARY TERMS

- 4.1 Civil Penalty. WakaWaka shall pay \$2,000.00 as a Civil Penalty 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 OEHHA and the remaining 25% of the Civil Penalty remitted to Ferreiro, as provided by California Health & Safety Code § 25249.12(d).
- 4.1.1 Within ten (10) days of the Effective Date, WakaWaka shall issue two separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$1,500.00; and (b) "Brodsky & Smith, LLC in Trust for Ferreiro" in the amount of \$500.00. Payment owed to Ferreiro 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

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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 Óperations 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. Within ten (10) days of the Effective Date, WakaWaka shall pay \$18,000.00 to Brodsky & Smith, LLC ("Brodsky Smith") as complete reimbursement for 4.2 Ferreiro's reasonable attorneys' fees and costs and all other expense incurred as a result of investigating, bringing this matter to WakaWaka's attention, litigating, negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure §1021.5

#### RELEASE OF ALL CLAIMS 5.

This Consent Judgment is a full, final, and binding resolution between Ferreiro 5.1 acting on his own behalf, and on behalf of the public interest, and WakaWaka, and its past, current and future parents, owners, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their predecessors, successors and assigns (collectively, the "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, Best Buy Stores, L.P. and its past, current and future parents, owners, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions, subdivisions, subsidiaries, partners, sister companies and affiliates, and their predecessors, successors and assigns (collectively, the "Downstream

Releasces"), of all claims for violations of Proposition 65 based on exposure to DEHP from Covered Products. This Consent Judgment shall have preclusive effect such that no other person or entity or authority, whether purporting to act in his, her, or its interests or in the public interest, shall be permitted to pursue and/or take any action with respect to any violation of Proposition 65 that was alleged in the Action, in the Notice or that could have been brought against WakaWaka and/or its Downstream Releasees relating to or in any way arising out of the Covered Products. 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, Ferreiro, on behalf of himself and his past and current agents, representatives, attorneys, and successors and/or assignees, and not in his representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action against, and hereby releases, WakaWaka, the Defendant Releasees, and the Downstream Releasees from any and all manner of actions, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, losses, costs, expenses, fines, penalties 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 out of the Covered Products. With respect to the foregoing waivers and releases in this paragraph, Ferreiro hereby specifically waives any and all rights and benefits which he now has, or in the future may have, conferred by virtue of the provisions of \$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 OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

5.3 WakaWaka waives any and all claims against Ferreiro, his attorneys and other representatives for any and all actions taken or statements made (or those that could have been taken or made) by Ferreiro and his 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.

#### 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 Defendant 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 herein, 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 Defendant:

Steve N. Siegel, Esq. Dinsmore & Shohl LLP 255 East 5<sup>th</sup> Street, Suite 1900 Cincinnati, OH 45202

and

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#### For Ferreiro:

Evan Smith Brodsky & Smith, LLC 9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212

Any party, from time to time, may specify in writing to the other party a change of address to

which all notices and other communications shall be sent.

### 9. COUNTERPARTS; FACSIMILE SIGNATURES

9.1 This Consent Judgment may be executed in counterparts and may be delivered by facsimile or electronic mail, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

# 10. <u>COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)/COURT</u> APPROVAL

- 10.1 Ferreiro agrees to comply with the requirements set forth in California Health & Safety Code § 25249.7(f) and to promptly bring a Motion for Approval of this Consent Judgment. Defendant agrees it shall support approval of such Motion.
- 10.2 This Consent Judgment shall not be effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved by the Court. In such case, the Parties agree to meet and confer on how to proceed, and if an agreement as to how to proceed is not reached within 30 days, the case shall proceed on its normal course.
- 10.3 If the Court approves this Consent Judgment and that approval is reversed or vacated by an appellate court, the Parties shall meet and confer as to whether to modify the terms of this Consent Judgment. If the Parties do not jointly agree on a course of action to take in the event of a reversal by an appellate court, the case shall proceed on its normal course.

#### 11. MODIFICATION

11.1 This Consent Judgment may be modified only by further stipulation of the Parties in writing and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

#### 12. ATTORNEY'S FEES

- 12.1 A Party who unsuccessfully brings or contests an action arising out of this Consent Judgment shall be required to pay the prevailing party's reasonable attorneys' fees and costs.
- 12.2 Nothing in this Section shall preclude a Party from seeking an award of sanctions pursuant to law.

## RETENTION OF JURISDICTION 13. This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment. 14. **AUTHORIZATION** The undersigned are authorized to execute this Consent Judgment on behalf of the 14.1 respective Parties and have read, understood and agree to all of the terms and conditions of this document and certify 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 to legally bind that Party. Except as explicitly provided herein, each Party is to bear its own fees and costs. **AGREED TO:** AGREED TO: Date:November 8th, 2018 By: Camille van Gestel -OFF-GRID SOLUTIONS USA, LLC IT IS SO ORDERED, ADJUDGED AND DECREED: