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CLERIO OF THE COURT

Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

Case No. CGC-19-579995

PROPOSEDI CONSENT JUDGMENT AS TO WALMART INC.

1.1 On October 15, 2019, the Ecological Rights Foundation ("ERF") acting on behalf of itself and the general public, filed a Complaint for civil penalties and injunctive relief ("Complaint") in San Francisco Superior Court, Case No. CGC-19-579995 against defendant Walmart Inc. (also referred to herein as "Walmart" or "Defendant"). The Complaint alleges, among other things, that Defendant violated provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code sections 25249.5, et seq. (Proposition 65) by failing to give clear and reasonable warnings to those residents of California who, in the operation of 3d Printers using styrene monomer filaments-including acrylonitrile-butadiene-

CONSENT JUDGMENT (WALMART INC.) CGC-19-579995

28

styrene (ABS) filaments, polycarbonate ABS (PC-ABS) filaments and high impact polystyrene (HIPS) filaments—are exposed to Styrene, a chemical known to the State of California to cause cancer. The Complaint was based upon a 60-Day Notice letter, sent by ERF on April 24, 2019 to Walmart, FlashForge USA, Inc., Tevo 3D Electronic Technology Co. Ltd., the California Attorney General, all District Attorneys, and all City Attorneys with populations exceeding 750,000 (hereinafter, "the 60-Day Notice").

- 1.2 For purposes of this Consent Judgment, "Covered Products" are defined as: (1) the Flash Forge Creator Pro 3D Printer with Walmart Catalog Item ID 116567550 sold by Ingram Micro, Inc. ("Ingram Micro"); and (2) the Tevo Tarantula i3 TR-01A Printer with Walmart Catalog Item ID 573506677 sold by Sunsea Grocery on Walmart.com in California.
- 1.3 Defendant is a business that employs more than ten persons, and operates an online marketplace on which Covered Products were sold.
- 1.4 Plaintiff alleges that: (a) the Covered Products heat the above-identified filaments and thus release Styrene into the air; and (b) people using the 3D printers with filaments incorporating a styrene monomer, and others standing in the same room, inhale styrene in the normal course of use. Pursuant to Health and Safety Code Section 25249.8, Styrene is a chemical known to the State of California to cause cancer. ERF alleges that Covered Products sold by Defendant for use in California require a warning under Proposition 65, pursuant to Health and Safety Code section 25249.6.
- 1.5 For purposes of this Consent Judgment, the parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Walmart, that venue is proper in the County of San Francisco, and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Complaint.
- 1.6 This Consent Judgment resolves claims that are denied and disputed. The parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims

between the parties for the purpose of avoiding prolonged litigation. This Consent Judgment shall not constitute an admission with respect to any allegation of the Complaint, each and every allegation of which Walmart denies, nor may this Consent Judgment, or compliance with it, be used as evidence of any alleged wrongdoing, misconduct, culpability or liability on the part of Walmart.

1.7 The term "Effective Date" means the date that this Consent Judgment is entered by the Court.

2. INJUNCTIVE RELIEF

2.1 After the date of execution of this Consent Judgment by ERF and Walmart, Ingram Micro shall not sell the Flash Forge Creator Pro 3D Printer with Walmart Catalog Item ID 116567550 and Sunsea Grocery shall not sell the Tevo Tarantula i3 TR-01A Printer with Walmart Catalog Item ID 573506677 on Walmart.com in California.

3. SETTLEMENT PAYMENTS

3.1 Civil Penalties and Payments In Lieu of Penalties

Pursuant to Health and Safety Code section 25249.7(b)(2), Ingram Micro, on behalf of itself and Walmart, shall pay \$500.00 in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty amount remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty amount paid to Ecological Rights Foundation. Ingram Micro, on behalf of itself and Defendant, will provide these payments in two checks for the following amounts made payable to: (1) "OEHHA" in the amount of \$375.00; and (2) "Ecological Rights Foundation" in the amount of \$125.00.

The payments to OEHHA and Ecological Rights Foundation shall be sent no later than ten (10) days after the Effective Date. All payments shall be sent via USPS certified mail, return receipt requested, to the following addresses:

All payments to Ecological Rights Foundation shall be delivered to:

Fredric Evenson
Ecology Law Center
P.O. Box 1000
Santa Cruz, CA 95061

The payment to OEHHA shall be delivered to:

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

3.2 Attorneys' Fees and Litigation Costs

Ingram Micro, on behalf of itself and Walmart, shall reimburse ERF's counsel for \$17,500.00 in ERF's fees and costs incurred as a result of investigating and bringing this matter to Walmart's attention, and negotiating a settlement in the public interest. The payment shall be made payable to "Brian Gaffney Attorney Client Trust Account" and sent no later than fourteen (14) days after the Effective Date via USPS certified mail, return receipt requested, to the following address:

LAW OFFICES OF BRIAN GAFFNEY, A Professional Corporation 446 Old County Road, Suite 100-310 Pacifica, California 94044

4. RELEASE OF ALL CLAIMS

4.1 Release of Walmart, Ingram Micro, and Sunsea Grocery

ERF acting on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors and/or assignees (all of whom, collectively, are defined as the "ERF Releasors"), releases Walmart, and its parents, direct and indirect subsidiaries, affiliated entities, marketplaces, directors, officers, agents, employees, attorneys and each entity that sold or distributed, directly or indirectly, any Covered Products to Walmart or to whom Walmart directly or indirectly distributes or sells the Covered Products, including but not limited to, upstream and downstream vendors, manufacturers, distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees and all other downstream entities in the

distribution chain, and the predecessors, successors, and assigns of any of them, Ingram Micro, and Sunsea Grocery (collectively, the "Releasees"), from all claims raised in the 60-Day Notice and in the Complaint for violations of Proposition 65 through the Effective Date based on failure to warn about alleged exposures to Styrene from use of the Covered Products. This settlement is a full, final and binding resolution of all claims that were asserted against Walmart, and/or the Releasees based on the 60-Day Notice alleging failure to provide warnings for alleged exposures to Styrene contained in the Covered Products.

In further consideration of the promises and agreements herein contained, and for the payment to be made pursuant to Section 3 above, the ERF Releasors provide a release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands against Walmart and/or any of the Releasees of any nature, character, or kind, limited to and arising out of the claims that were asserted against Walmart and/or the Releasees, based on the 60-Day Notice for failure to provide warnings for alleged exposure to Styrene from use of the Covered Products.

4.2 Walmart's Release of ERF

Walmart, on behalf of itself and the Releasees, hereby waives any and all claims against ERF and the ERF Releasors for any and all actions taken or statements made (or those that could have been taken or made) by ERF and/or its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter or with respect to the Covered Products.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Covered Products will develop or be discovered. ERF on behalf of itself only, on one hand, and Walmart, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Effective Date, including

all rights of action therefor. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 above may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

ERF and Walmart each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code section 1542.

5. ENFORCEMENT OF JUDGMENT

5.1 The terms of this Consent Judgment shall be enforced exclusively by the parties hereto. The parties may, by noticed motion before the Superior Court of San Francisco County, giving the notice required by law, enforce the terms and conditions contained herein. However, in the event that a dispute arises with respect to any of the provisions of this Consent Judgment, the Parties shall meet and confer within 10 days after either Party receives written notice of an alleged violation of this Agreement, and make a good faith attempt to resolve the dispute before a noticed motion is filed. In any proceeding brought by either party to enforce this Consent Judgment, such party may seek whatever fines, costs, penalties or remedies as may be provided by law for any violation of Proposition 65 or this Consent Judgment.

6. <u>MODIFICATION OF JUDGMENT</u>

6.1 This Consent Judgment may be modified only upon written agreement of the parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any party as provided by law and upon entry of a modified Consent Judgment by the Court.

7. TERMINATION AND RETENTION OF JURISDICTION

7.1 This Court shall retain jurisdiction of this matter to implement and enforce the terms this Consent Judgment.

8. AUTHORITY TO EXECUTE CONSENT JUDGMENT

8.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of the party represented and legally bind that party.

9. SERVICE ON THE ATTORNEY GENERAL

9.1 ERF shall serve a copy of this Consent Judgment, signed by both parties, on the California Attorney General on behalf of the parties so that the Attorney General may review this Consent Judgment prior to its submittal to the Court for approval. No sooner than forty five (45) days after the Attorney General has received the aforementioned copy of this Consent Judgment, and in the absence of any written objection by the Attorney General to the terms of this Consent Judgment, the parties may seek Court approval and entry of an order approving.

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 and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the parties.

11. GOVERNING LAW

11.1 The validity, construction and performance of this Consent Judgment shall be governed by the laws of the State of California, without reference to any conflicts of law provisions of California law.

12. EXECUTION AND COUNTERPARTS

12.1 This Consent Judgment may be executed in counterparts which taken together shall be deemed to constitute one document.

COURT APPROVAL 13. 1 13.1 If this Consent Judgment is not approved by the Court, it shall be of no force or 2 effect, and cannot be used in any proceeding for any purpose. 3 14. **NOTICES** 4 14.1 Any notices or payments due under this Consent Judgment shall be sent by USPS 5 certified mail, return receipt requested. 6 7 If to Ecological Rights Foundation: Fredric Evenson 8 **Ecology Law Center** P.O. Box 1000 9 Santa Cruz, CA 95061 10 With a copy to: LAW OFFICES OF BRIAN GAFFNEY, A Professional Corporation 11 446 Old County Road, Suite 100-310 Pacifica, California 94044 12 If to WALMART INC.: 13 Thomas L. Van Wyngarden 14 Pillsbury Winthrop Shaw Pittman LLP 725 South Figueroa Street, 36th Floor 15 Los Angeles, CA 90017-5524 16 Any party, from time to time, may specify in writing to the other party a change of 17 address to which all notices and other communications shall be sent. 18 19 ECOLOGICAL RIGHTS FOUNDATION Ecological Kights Foundation Y: James Kungert, EXEC. DIR. 20 DATED AUGUST 13, 2021 21 22 23 24 25 26 27

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