

Evan Smith (Bar No. SBN 242352) 1 BRODSKY & SMITH, LLC. 9595 Wilshire Blvd., Ste. 900 2 Beverly Hills, CA 90212 ALAMEDA COUNTY Tel: (877) 534-2590 3 Fax: (310) 247-0160 JUL 1 7 2020 4 Attorneys for Plaintiffs 5 Deputy 6 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF ALAMEDA 10 11 GABRIEL ESPINOZA and EMA BELL, Case No.: HG19047716 12 **CONSENT JUDGMENT** Plaintiffs, 13 Judge: Stephen Kaus v. Dept.: 19 Hearing Date: April 29, 2020 Hearing Time: 3:00 PM 14 PLANO SYNERGY HOLDING, INC., 15 Reservation #: R-2167593 Defendant. 16 17 18 19 20 21 22 23 24 25 26 27

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1. INTRODUCTION

- 1.1 The Parties. This Consent Judgment is entered into by and between Gabriel Espinoza ("Espinoza") and Ema Bell ("Bell"), each acting on behalf of the public interest (hereinafter "Plaintiffs") and Plano Synergy Holding, Inc. and its subsidiaries and affiliates ("Plano" or "Defendant") with Plaintiffs and Defendant collectively referred to as the "Parties" and each of them as a "Party." Espinoza and Bell are individuals who reside in California and who seek to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Plano 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. Plaintiffs allege that Defendant has exposed individuals to di(2-ethylhexyl) phthalate (DEHP) from its sales of fishing nets and blade bags 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.
- 1.3 Notices of Violation/Complaint. On or about April 3, 2019 (Bell) and July 29, 2019 (Espinoza), Plaintiffs served Plano, and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (collectively, the "Notices"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of blade bags (Bell) and fishing nets (Espinoza) expose users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notices. On December 20, 2019, Plaintiffs filed a complaint (the "Complaint") in the matter.
- 1.4 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant 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 Notices.

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: (a) Plano blade bags and (b) Frabill fishing nets that are manufactured, distributed and/or offered for sale in California by Plano.
- 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. Any Covered Products that Plano directly manufactures or orders from third parties, after 120 days from the Effective Date and that Plano 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.
- 3.2 **Reformulation Standard.** "Reformulated Products" shall mean Covered 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 other 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. Warnings specified in Section 3.3 and Section 3.4 must be given for all Covered Products that do not qualify as "Reformulated Products" (as that term is defined in Section 3.2) that Plano directly manufactures or orders from third parties, after 120 days from the Effective Date and that Plano distributes, sells, or offers for sale in California. 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: For on product warnings, Plano 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.

"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 size as those other safety warnings.

If Plano sells Covered Products via an internet website to customers located in California. the warning requirements of this section shall be satisfied if the foregoing warning appears either:

(a) on the same web page on which a Covered Product is displayed and/or described; (b) on the same page as the price for the Covered Product; or (c) on one or more web pages displayed to a purchaser prior to purchase during the checkout process. Alternatively, a symbol consisting of a black exclamation point in a yellow or white equilateral triangle may appear adjacent to or immediately following the display, description, price, or checkout listing of the Covered Product, if the warning statement appears elsewhere on the same web page in a manner that clearly associates it with the product(s) to which the warning applies.

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. Plano shall pay \$3,000.00 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 Plaintiffs, as provided by California Health & Safety Code § 25249.12(d).
- 4.1.1 Within ten (10) days of the Effective Date, Plano shall issue three (3) separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$2,250.00; (b) "Brodsky & Smith, LLC in Trust for Espinoza" in the amount of \$375.00; and to (c) "Brodsky & Smith, LLC in Trust for Bell" in the amount of \$375.00. Payment owed to Plaintiffs 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.

4.2 Attorneys' Fees. Within ten (10) days of the Effective Date, Plano shall pay \$28,500.00 to Brodsky & Smith, LLC ("Brodsky Smith") as complete reimbursement for Plaintiffs' attorneys' fees and costs incurred as a result of investigating, bringing this matter to Plano's attention, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure § 1021.5.

5. RELEASE OF ALL CLAIMS

This Consent Judgment is a full, final, and binding resolution between Plaintiffs, each acting on their own behalf, and on behalf of the public interest, and Plano, and its parents, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their predecessors, 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 Big 5 Corp., Overton's Inc. and each of their parents, shareholders, members, directors, officers, managers, employees. representatives, agents, attorneys, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their predecessors, successors and assigns ("Downstream Releasees"), of all

claims for violations of Proposition 65 based on exposure to DEHP from Covered Products as set forth in the Notices, with respect to any Covered Products that were manufactured by Plano or ordered by Plano dating back from 120 days after the Effective Date. This Consent Judgment shall have preclusive effect such that no other person or entity, whether purporting to act in his, her, or its interests or 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 Complaint, or that could have been brought pursuant to the Notices against Plano and/or the Downstream Releasees of the Covered Products ("Proposition 65 Claims"). Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with regard to the Covered Products.

current agents, representatives, attorneys, and successors and/or assignces, and <u>not</u> in their representative capacity, hereby waive all rights to institute or participate in, directly or indirectly, any form of legal action and releases Plano, Defendant Releasees, and 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, 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 Plano, Defendant Releasees or Downstream Releasees. With respect to the foregoing waivers and releases in this paragraph, Plaintiffs hereby specifically waives any and all rights and benefits which they now have, 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 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.

5.3 Plano waives any and all claims against Plaintiffs, their attorneys and other representatives, for any and all actions taken or statements made (or those that could have been

Brodsky & Smith, LLC 9595 Wilshire Blvd., Ste. 900

Beverly Hills, CA 90212

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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 by facsimile, 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 Plaintiffs agree 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 such agreement is not reached within 30 days, the case shall proceed on its normal course.
- 10.3 If the Court approves this Consent Judgment and 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, the case shall proceed on its normal course on the trial court's calendar.

11. MODIFICATION

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

12. <u>RETENTION OF JURISDICTION</u>

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

	13. <u>AUTHORIZATION</u>	
2	13.1 The undersigned are authorized to execute this Consent Judgment on behalf of the	
3	respective Parties and have read, understood and agree to all of the terms and condition and for	
4	document and certify that he or she is fully authorized by the Party he or she represents to execute	
5	the Consent Judgment on behalf of the Party represented and legally bind that Party is known a	
6	explicitly provided herein each Party is to bear its own fees and costs	
8	AGREED TO:	AGREED TO
9	2/4/11/20	n.
10	Date: Elife 164 40	Dute:
	By: 6 ABRIEL ESPINOZA	By:EMA BELL
12	GAMARI EdiliNOZI	
13	AGREED TO:	
14		
15	Date:	
16	By: PLANO SYNERGY HOLDING, INC.	
17	IT IS SO ORDERED, ADJUDGED AND DECREED:	
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9	Dated	
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CONSENT JUDGMENT

13. **AUTHORIZATION** 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 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 legally bind that Party. Except as explicitly provided herein each Party is to bear its own fees and costs. AGREED TO: AGREED TO: Date: GABRIEL ESPINOZA AGREED TO: Date: PLANO SYNERGY HOLDING, INC. IT IS SO ORDERED, ADJUDGED AND DECREED: Dated: 7-17 - 2020 Judge of Superior Court