

Evan Smith (Bar No. SBN 242352) BRODSKY & SMITH, LLC. 9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212 Tel: (877) 534-2590 Fax: (310) 247-0160 1 ALAMEDA COUNTY 2 NOV 04 2021 3 CLERK CETHE SUPERIOR COURT 4 Attorneys for Plaintiff 5 Deputy 6 7 8 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF ALAMEDA 10 11 GABRIEL ESPINOZA, Case No.: RG20077402 12 Plaintiff, CONSENT JUDGMENT 13 ٧. Judge: Richard Seabolt Courtroom.: 521 14 ACUSHNET COMPANY, BIG 5 CORP., Hearing Date: September 16, 2021 Hearing Time: 2:30 PM Reservation #: R-2279147 15 Defendants. 16 21 22 23 24 25 26 27 28

## 1. INTRODUCTION

- 1.1 The Parties. This Consent Judgment is entered into by and between Gabriel Espinoza acting on behalf of the public interest (hereinafter "Espinoza") and Acushnet Company ("Acushnet" or "Defendant") with Espinoza and Defendant collectively referred to as the "Parties" and each of them as a "Party." Espinoza 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. Acushnet 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. Espinoza alleges that Defendant has exposed individuals to chromium (hexavalent compounds) ("CrVI") from its sales of WeatherSof golf gloves without providing a clear and reasonable exposure warning pursuant to Proposition 65. CrVI is listed under Proposition 65 as a chemical known to the State of California to cause cancer and reproductive toxicity.
- Notice of Violation. On or about October 10, 2019, Espinoza served Acushnet, 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 WeatherSof golf gloves expose users in California to CrVI. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice. On or about December 10, 2020, Espinoza 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 Notice and 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 Notice and/or Complaint.

13

19

16

20

21

22 23

25 26

24

27

28

1.5 Defendant denies the material allegations contained in the Notice and Complaint 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.

#### **DEFINITIONS** 2.

- Covered Products. The term "Covered Products" means WeatherSof golf gloves, 2.1 that include a leather palm patch, that are manufactured, distributed and/or offered for sale in California by Acushnet.
- 2.2 Effective Date. The term "Effective Date" means the date Acushnet's counsel receives notice that this Consent Judgment is entered as a Judgment of the Court.

### 3. INJUNCTIVE RELIEF

- 3.1 Commitment to not Sell and/or Manufacture the Covered Product. Subject to Section 3.3 below, commencing October 1, 2021, and continuing thereafter, Acushnet agrees that it shall not manufacture the Covered Product. Acushnet may sell through its inventory of previously manufactured Covered Products in California, with no obligation to warn or remove such Covered Products from existing inventory, as long as such Covered Products entered the stream of commerce prior to the Effective Date through and including June 30, 2022, subject to Section 3.3.1 below. Following the expiration of the sell-through period, no further sales of the Covered Product will be made in California.
- Commitment to sell CrVI Free Gloves. Subject to Section 3.3.1 below, 3.2 commencing July 1, 2022, and continuing thereafter, Acushnet agrees that it shall only distribute, sell or offer for sale in California Covered Products made of wholly synthetic leather ("CrVI Free Gloves"). CrVI Free Gloves shall not contain any detectable amount of CrVI when analyzed

pursuant to accepted testing methodologies utilized by federal or state governmental agencies for the purpose of determining CrVI exposure from use of the Covered Products.

- 3.3 Supply Chain Delays Beyond Defendant's Control. Subject to the sell-through period in Section 3.1, the current date of October 1, 2021, by which Acushnet will not sell and/or manufacture the Covered Product, is subject to the following. In the event that there occurs a supply chain interruption or manufacturing stoppage or work delay (collectively, "Delay"), as a result of the COVID-19 crisis or any other event beyond Defendant's reasonable control, which makes Defendant's compliance with the foregoing date commercially reasonably impracticable, Defendant shall notify Plaintiff of this delay in writing, no later than 30 days before October 1, 2021. At the time Defendant's notification is sent, Defendant will be granted a 90-day extension of the October 1, 2021 discontinuation of sales and/or manufacture date, pursuant to Section 3.1, to December 30, 2021. If conditions of Delay continue, Defendant shall, no later than 30 days before December 30, 2021, notify Plaintiff in writing of this delay, at which time Defendant will be granted another 90-day extension from December 30, 2021 to March 30, 2022.
- 3.3.1 In the event of an extension of the discontinuation of manufacture date of October 1, 2021 to December 30, 2021, Acushnet shall also be granted a 90-day extension of the currently agreed upon commitment to sell CrVI Free Gloves date of July 1, 2022, pursuant to Section 3.2, to September 29, 2022.

## 4. MONETARY TERMS

- 4.1 Civil Penalty. Acushnet shall pay \$7,000.00 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 Espinoza, as provided by California Health & Safety Code § 25249.12(d).
- 4.1.1 Within ten (10) days of the Effective Date, Acushnet shall issue two separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$5,250.00; and to (b) "Brodsky & Smith, LLC in Trust for Espinoza" in the amount of \$1,750.00. Payment owed to Espinoza pursuant to this Section shall be delivered to the following payment address:

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

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

Evan J. Smith, Esquire

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, Acushnet shall pay \$55,000.00 to Brodsky & Smith, LLC ("Brodsky Smith") as complete reimbursement for Espinoza's attorneys' fees and costs incurred as a result of investigating, bringing this matter to Acushnet' attention, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure § 1021.5.

### RELEASE OF ALL CLAIMS

5.1 This Consent Judgment is a full, final, and binding resolution between Espinoza acting on his own behalf, and on behalf of the public interest, and Acushnet, 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 directly or indirectly obtain ("Upstream Releasees") 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, including but not limited to Big 5 Corp., franchisees, and cooperative members ("Downstream Releasees"), of all claims for violations of Proposition 65 based on exposure to CrVI from use of the Covered Products as set forth in the Notice and Complaint, with respect to any Covered Products manufactured, distributed, or sold by Acushnet prior to the Effective Date through and including June 30, 2022, subject to Section 3.3 (inclusive of 3.3.1). It is the Parties' intent that 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 Notice and Complaint against Acushnet and/or the Upstream Releasees 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.

5.2 In addition to the foregoing, Espinoza, on behalf of himself, his past and current agents, representatives, attorneys, and successors and/or assignees, and not in his representative capacity, hereby releases Defendant Releasees, Upstream Releasees and Downstream Releasees from all claims that he has asserted or could have asserted against said Releasees arising out of Proposition 65. Espinoza acting on behalf of himself, his past and current agents, representatives, attorneys, and successors and/or assignees, and not in his representative capacity further waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Acushnet, Defendant Releasees, Upstream 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 Acushnet, Defendant Releasees, Upstream Releasees or Downstream Releasees. With respect to the foregoing waivers and releases in this paragraph, Espinoza 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 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 Acushnet waives any and all claims against Espinoza, his attorneys and other representatives, for any and all actions taken or statements made by Espinoza 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

The terms of this Consent Judgment shall be governed by the laws of the \$tate 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. The Parties agree that after the Effective Date should compliance with Proposition 65 with respect to exposure to CrVI from use of the Covered Products be governed by operation of law (i.e. Court Order regarding chromium (VI) in leather products, regulatory exemption) Acushnet may choose to comply with such operation of law and such action would not be a breach or violation of this Consent Judgment.

## 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-

days, the case shall proceed on its normal course.

28

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. 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 attorney's fees and costs.
- 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. AUTHORIZATION

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 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.

1	AGREED TO:	AGREED TO:
2		
3	Date: 7(30(2)	Date: 7/23/2021
4	Ву: 6	By Adad A his 1
5	GABRIEL ESPINOZA	ACUSHNET COMPANY /
6		
7	IT IS SO ORDERED, ADJUDGED AN	
8	NOV 04 2021	Videard C. Salvet
9	Dated:	Judge of Superior Court
10		RICHARD L. SEABOLT
11		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		<b>!</b>
24		
25		
26		
27		
28		10
	COLIS	SENT II MCMENT