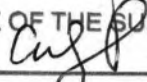


FILED
ALAMEDA COUNTY

MAY 12 2022

CLERK OF THE SUPERIOR COURT
By  Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

CENTER FOR ENVIRONMENTAL HEALTH,
a non-profit corporation,

Plaintiff,

v.

BALI LEATHERS, INC., *et al.*,

Defendants.

Case No. RG19029736

~~PROPOSED~~ CONSENT
JUDGMENT AS TO GORDINI
U.S.A., INC., CARHARTT, INC.,
AND CARROLL COMPANIES,
INC.

1 **1. INTRODUCTION**

2 1.1 The Parties to this Consent Judgment are the Center for Environmental Health, a
3 California non-profit corporation (“CEH”), and Gordini U.S.A., Inc. (“Gordini”), Carhartt, Inc.
4 (“Carhartt”) and Carroll Companies, Inc. (“Carroll”) (Gordini, Carhartt and Carroll are referred to
5 herein as “Settling Defendants”). CEH and Settling Defendants are referred to herein together as
6 the Parties or individually as a Party. The Parties enter into this Consent Judgment to settle
7 certain claims asserted by CEH against Settling Defendants as set forth in the operative complaint
8 in the above-captioned matter (the “Complaint”). This Consent Judgment addresses gloves that
9 are made with leather materials that are tanned with chromium compounds. Gordini makes
10 leather gloves sold under the Carhartt brand name. Carroll Companies sold leather gloves under
11 the Interstate Leather and Milwaukee Motorcycle Clothing Co. brand names. CEH asserts that
12 leather used to make gloves that are tanned with chromium compounds will expose consumers to
13 hexavalent chromium (“CrVI”), which is a chemical listed under Proposition 65 as known to the
14 State of California to cause cancer and reproductive toxicity.

15 1.2 On May 14, 2019 as to Gordini and Carhartt and on October 22, 2020 as to
16 Carroll, CEH issued a 60-day Notice of Violation under California Health & Safety Code
17 Section 25249.5 *et seq.* (“Proposition 65”) to Settling Defendants, the California Attorney
18 General, the District Attorneys of every county in California and the City Attorneys of every
19 California city with a population greater than 750,000, alleging that Settling Defendants violated
20 Proposition 65 by exposing persons to CrVI from leather gloves without first providing a clear
21 and reasonable Proposition 65 warning.

22 1.3 On August 2, 2019, CEH filed a Complaint in above-captioned matter naming
23 Gordini and Carhartt as defendants. On January 29, 2021, CEH amended the Complaint to name
24 Carroll as a defendant.

25 1.4 Each Settling Defendant is a business entity that is also a person in the course of
26 doing business as such term is defined under Proposition 65.

27 1.5 For purposes of this Consent Judgment only, the Parties stipulate that this Court
28 has jurisdiction over the allegations of violations contained in the Complaint and personal

1 jurisdiction over each Settling Defendant as to the acts alleged in the Complaint, that venue is
2 proper in the County of Alameda, and that this Court has jurisdiction to enter and enforce this
3 Consent Judgment as a full and final resolution of all claims which were or could have been
4 raised in the Complaint based on the facts alleged therein with respect to Covered Products sold
5 by each Settling Defendant.

6 1.6 Nothing in this Consent Judgment is or shall be construed as an admission by the
7 Parties of any fact, conclusion of law, issue of law or violation of law, nor shall compliance with
8 the Consent Judgment constitute or be construed as an admission by the Parties of any fact,
9 conclusion of law, issue of law or violation of law. Nothing in this Consent Judgment shall
10 prejudice, waive, or impair any right, remedy, argument or defense the Parties may have in any
11 other pending or future legal proceedings. This Consent Judgment is the product of negotiation
12 and compromise and is accepted by the Parties solely for purposes of settling, compromising, and
13 resolving issues disputed in this Action.

14 **2. DEFINITIONS**

15 2.1 “Chrome-Free Leather” means that: (a) the skin or hide used to make the leather
16 was converted to leather by tanning agents free of chromium salts, including but not limited to
17 chromium sulfate; (b) the leather was not intentionally treated, dyed or exposed to chemicals that
18 contain chromium as an intended ingredient; and (c) the total content of the chromium in the
19 tanned leather is less than or equal to 0.1% (mass of chromium/total dry weight of leather) when
20 measured using ISO 17072-2.

21 2.2 “Chrome-Tanned Leather” means that the hide or skin used to make the leather
22 was converted to leather either by treatment solely with chromium salts or with chromium salts
23 together with a small amount of some other tanning agent, used merely to assist the chromium
24 tanning process, and not in sufficient amount to alter the essential chromium tanned character of
25 the leather that is tanned with chromium compounds.

26 2.3 “Covered Products” means unlined leather gloves or other gloves that are designed
27 such that any part of the inside of the glove that comes into contact with the skin of the user when
28 the glove is worn are made with leather.

2.4 “Effective Date” means the date on which this Consent Judgment is entered by the Court.

3. INJUNCTIVE RELIEF

3.1 **Notice to Tanneries and Suppliers:** If it has not done so already, within thirty (30) days of the Effective Date, each Settling Defendant shall give written notice to any tanneries or suppliers of Covered Products that all Covered Products shall be made with Chrome-Free Leather or non-leather materials.

3.2 **Reformulation:** After the Effective Date, no Settling Defendant shall sell any Covered Product that is made with leather that is not Chrome-Free Leather that will be sold or offered for sale by a Settling Defendant or any entity downstream of a Settling Defendant in California.

4. ENFORCEMENT

4.1 **Enforcement Procedures.** Either Party may by motion or application for an order to show cause before this Court seek to enforce the terms of this Consent Judgment. Prior to filing any such motion or application, a Party seeking to enforce shall provide the allegedly violating Party with a written notice setting forth the detailed factual and legal basis for the alleged violation (“Notice of Violation”). The Parties shall then meet and confer during the thirty (30) day period following the date the Notice of Violation was sent in an effort to try to reach agreement on an appropriate cure, penalty or related attorneys’ fees related to the alleged violation. After such thirty (30) day period, the Party seeking to enforce may, by new action, motion, or order to show cause before the Superior Court of Alameda, seek to enforce the terms and conditions contained in this Consent Judgment. In any enforcement proceeding, the Court shall not be limited by this Consent Judgment in fashioning remedies for failure to comply with Proposition 65, and may order compliance with Proposition 65 by reformulation, warnings or any other method it finds compliant with the law.

1 **5. PAYMENTS**

2 **5.1 Payments by Settling Defendants.** On or before seven (7) days after entry of this
3 Consent Judgment, Settling Defendants shall pay the amounts set forth on Exhibit A for each
4 Settling Defendant or group of Settling Defendants.

5 **5.2 Allocation of Payments.** The total settlement amount shall be paid in five (5)
6 separate checks in the amounts specified as follows and delivered as set forth below. Any failure
7 by Settling Defendants to comply with the payment terms herein shall be subject to a stipulated
8 late fee to be paid by Settling Defendants in the amount of \$100 for each day the full payment is
9 not received after the applicable payment due date set forth in Section 5.1. The late fees required
10 under this Section shall be recoverable, together with reasonable attorneys' fees, in an
11 enforcement proceeding brought pursuant to Section 4 of this Consent Judgment. The funds paid
12 by Settling Defendants shall be allocated as set forth below between the following categories and
13 made payable as follows:

14 **5.3 Each Settling Defendant or group of Settling Defendants shall pay the amounts set**
15 forth on Exhibit A as a civil penalty pursuant to Health & Safety Code §25249.7(b). The civil
16 penalty payment shall be apportioned in accordance with Health & Safety Code §25249.12 (25%
17 to CEH and 75% to the State of California's Office of Environmental Health Hazard Assessment
18 ("OEHHA")). Accordingly, each Settling Defendant or group of Settling Defendants shall pay
19 the amounts set forth on Exhibit A as a civil penalty payment to OEHHA by check made payable
20 to OEHHA and associated with taxpayer identification number 68-0284486. This payment shall
21 be delivered as follows:

22 For United States Postal Service Delivery:
23 Attn: Mike Gyurics
24 Fiscal Operations Branch Chief
25 Office of Environmental Health Hazard Assessment
26 P.O. Box 4010, MS #19B
27 Sacramento, CA 95812-4010

28 For Non-United States Postal Service Delivery:
 Attn: Mike Gyurics
 Fiscal Operations Branch Chief
 Office of Environmental Health Hazard Assessment

1 1001 I Street, MS #19B
2 Sacramento, CA 95814

3 5.3.1 Each Settling Defendant or group of Settling Defendants shall pay the
4 amounts set forth on Exhibit A as the CEH portion of the civil penalty payment by check made
5 payable to the Center for Environmental Health and associated with taxpayer identification
6 number 94-3251981. This payment shall be delivered to Lexington Law Group, 503 Divisadero
7 Street, San Francisco, CA 94117.

8 5.3.2 Each Settling Defendant or group of Settling Defendants shall pay the
9 amounts set forth on Exhibit A as an Additional Settlement Payment (“ASP”) to CEH pursuant to
10 Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 3204. CEH
11 will use these funds to support CEH programs and activities that seek to educate the public about
12 toxic chemicals, including hormone disruptors such as CrVI, work with industries interested in
13 moving toward safer alternatives, advocate with government, businesses, and communities for
14 business practices that are safe for human health and the environment, and thereby reduce the
15 public health impacts and risks of exposure to CrVI and other toxic chemicals in consumer
16 products sold in California. CEH shall obtain and maintain adequate records to document that
17 ASPs are spent on these activities and CEH agrees to provide such documentation to the Attorney
18 General within thirty (30) days of any request from the Attorney General. The payments pursuant
19 to this Section shall be made payable to the Center for Environmental Health and associated with
20 taxpayer identification number 94-3251981. These payments shall be delivered to Lexington
21 Law Group, 503 Divisadero Street, San Francisco, CA 94117.

22 5.3.3 Each Settling Defendant or group of Settling Defendants shall pay the
23 amounts set forth on Exhibit A as a reimbursement of a portion of CEH’s reasonable attorneys’
24 fees and costs. The attorneys’ fees and cost reimbursement shall be made in two separate checks
25 as follows: (a) a check in the amount set forth on Exhibit A as Lexington Law Group Fees and
26 Costs payable to the Lexington Law Group and associated with taxpayer identification number
27 94-3317175; and (b) a check in the amount set forth on Exhibit A as CEH Fees and Costs payable
28 to the Center For Environmental Health and associated with taxpayer identification number 94-

1 3251981. Both of these payments shall be delivered to Lexington Law Group, 503 Divisadero
2 Street, San Francisco, CA 94117.

3 **6. MODIFICATION OF CONSENT JUDGMENT AND TERMINATION OF**
4 **INJUNCTIVE RELIEF**

5 6.1 **Modification.** This Consent Judgment may be modified from time to time by
6 express written agreement of the Parties to which any such modification would apply, with the
7 approval of the Court, or by an order of this Court upon motion and in accordance with law.

8 6.2 **Notice; Meet and Confer.** Any Party seeking to modify this Consent Judgment
9 shall attempt in good faith to meet and confer during with the affected Party during a minimum of
10 a thirty (30) day period prior to filing a motion to modify the Consent Judgment.

11 **7. CLAIMS COVERED AND RELEASE**

12 7.1 Provided that each Settling Defendant has complied with Section 5 hereof, this
13 Consent Judgment is a full, final and binding resolution between CEH on behalf of itself and the
14 public interest and each Settling Defendant and its parents, subsidiaries, affiliated entities that are
15 under common ownership, directors, officers, employees, agents, shareholders, successors,
16 assigns, and attorneys (“Defendant Releasees”), and all entities to which each Settling Defendant
17 directly or indirectly distributes or sells Covered Products, including but not limited to its
18 distributors, wholesalers, customers, retailers, franchisees, licensors and licensees (“Downstream
19 Defendant Releasees”), of any violation of Proposition 65 based on failure to warn about alleged
20 exposure to CrVI contained in Covered Products that were manufactured, distributed, sold or
21 offered for sale by Gordini under the Carhartt brand name or by Carroll (the “Released Products”)
22 prior to the Effective Date.

23 7.2 Provided that each Settling Defendant has complied with Section 5 hereof, CEH,
24 for itself, its agents, successors and assigns, releases, waives, and forever discharges any and all
25 claims against each Settling Defendant, its Defendant Releasees, and its Downstream Defendant
26 Releasees arising from any violation of Proposition 65 or any other statutory or common law
27 claims that have been or could have been asserted by CEH individually or in the public interest
28

1 regarding the failure to warn about exposure to CrVI arising in connection with the Released
2 Products prior to the Effective Date.

3 7.3 Provided that each Settling Defendant has complied with Section 5 hereof,
4 compliance with the terms of this Consent Judgment by Settling Defendants shall constitute
5 compliance with Proposition 65 by each Settling Defendant, its Defendant Releasees and its
6 Downstream Defendant Releasees with respect to any alleged failure to warn about CrVI in
7 Covered Products manufactured, distributed, sold or offered for sale by each Settling Defendant
8 after the Effective Date.

9 **8. PROVISION OF NOTICE**

10 8.1 When CEH is entitled to receive any notice under this Consent Judgment, the
11 notice shall be sent by first class and electronic mail to:

12 Eric S. Somers
13 Lexington Law Group
14 503 Divisadero Street
15 San Francisco, CA 94117
esomers@lexlawgroup.com

16 8.2 When Gordini and Carhartt are entitled to receive any notice under this Consent
17 Judgment, the notice shall be sent by first class and electronic mail to:

18 Joseph Green
19 Kelley Drye & Warren LLP
20 Washington Harbour, Suite 400
21 3050 K Street, NW
22 Washington, D.C. 20007
JGreen@KelleyDrye.com

23 8.3 When Carroll is entitled to receive any notice under this Consent Judgment, the
24 notice shall be sent by first class and electronic mail to:

25 Nadia D. Adams
26 Womble Bond Dickinson (US) LLP
27 400 Spectrum Center Drive
28 Irvine, CA 92618
Nadia.Adams@wbd-us.com

1 8.4 Any Party may modify the person and address to whom the notice is to be sent by
2 sending the other Party notice by first class and electronic mail.

3 **9. COURT APPROVAL**

4 9.1 This Consent Judgment shall become effective when approved by the Court. CEH
5 shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendants
6 shall support approval of such Motion.

7 9.2 If this Consent Judgment is not entered by the Court, it shall be of no further force
8 or effect and shall not be introduced into evidence or otherwise used in any proceeding for any
9 purpose.

10 **10. GOVERNING LAW AND CONSTRUCTION**

11 10.1 The terms of this Consent Judgment shall be governed by the laws of the State of
12 California.

13 **11. ATTORNEYS' FEES**

14 11.1 Should CEH prevail on any motion, application for an order to show cause, or
15 other proceeding to enforce a violation of this Consent Judgment, CEH shall be entitled to its
16 reasonable attorneys' fees and costs incurred as a result of such motion or application. Should a
17 Settling Defendant prevail on any motion, application for an order to show cause, or other
18 proceeding, such Settling Defendant may be awarded its reasonable attorneys' fees and costs as a
19 result of such motion or application upon a finding by the Court that CEH's prosecution of the
20 motion or application lacked substantial justification. For purposes of this Consent Judgment, the
21 term "substantial justification" shall carry the same meaning as used in the Civil Discovery Act of
22 1986, Code of Civil Procedure §§ 2016, et seq.

23 11.2 Nothing in this Section 11 shall preclude a Party from seeking an award of
24 sanctions pursuant to law.

25 **12. ENTIRE AGREEMENT**

26 12.1 This Consent Judgment contains the sole and entire agreement and understanding
27 of the Parties with respect to the entire subject matter hereof, and any and all prior discussions,
28 negotiations, commitments, or understandings related thereto, if any, are hereby merged herein

1 and therein. There are no warranties, representations, or other agreements between the Parties
2 except as expressly set forth herein. No representations, oral or otherwise, express or implied,
3 other than those specifically referred to in this Consent Judgment have been made by any Party
4 hereto. No other agreements not specifically contained or referenced herein, oral or otherwise,
5 shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically
6 contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the
7 Parties hereto only to the extent that they are expressly incorporated herein. No waiver of any of
8 the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the
9 other provisions hereof, whether or not similar, nor shall such waiver constitute a continuing
10 waiver.

11 **13. RETENTION OF JURISDICTION**

12 13.1 This Court shall retain jurisdiction of this matter to implement or modify the
13 Consent Judgment.

14 **14. SUCCESSORS AND ASSIGNS.**

15 14.1 This Consent Judgment shall apply to and be binding upon CEH and Settling
16 Defendants, and their respective divisions, subdivisions, and subsidiaries, and the successors or
17 assigns of any of them.

18 **15. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT**

19 15.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized
20 by the Party he or she represents to stipulate to this Consent Judgment and to enter into and
21 execute the Consent Judgment on behalf of the Party represented and to legally bind that Party.

22 **16. NO EFFECT ON OTHER SETTLEMENTS**

23 16.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim
24 against an entity that is not a Settling Defendant on terms that are different from those contained
25 in this Consent Judgment.

1 **17. EXECUTION IN COUNTERPARTS**

2 17.1 The stipulations to this Consent Judgment may be executed in counterparts and by
3 means of portable document format (pdf), which taken together shall be deemed to constitute one
4 document.

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IT IS SO ORDERED:

Dated: MAY 12 2022, 2022




Judge of the Superior Court of California

IT IS SO STIPULATED:

Dated: January 27, 2022

**CENTER FOR ENVIRONMENTAL
HEALTH**



Signature

Michael Green
Printed Name

CEO
Title

Dated: _____, 2022

GORDINI U.S.A., INC.

Signature

Printed Name

Title

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IT IS SO ORDERED:

Dated: _____, 2022

Judge of the Superior Court of California

IT IS SO STIPULATED:

Dated: _____, 2022

**CENTER FOR ENVIRONMENTAL
HEALTH**

Signature

Printed Name

Title

Dated: _____, 2022

GORDINI U.S.A., INC.

Signature

DAVID GELLIS

Printed Name

PRESIDENT, GORDINI USA, INC

Title

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Dated: February 9th, 2022

CARHARTT, INC.

Anna Inch
Signature

Anna Inch
Printed Name

VP/General Counsel
Title

Dated: _____, 2022

CARROLL COMPANIES, INC.

Signature

Printed Name

Title

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Dated: _____, 2022

CARHARTT, INC.

Signature

Printed Name

Title

Dated: January 28, 2022

CARROLL COMPANIES, INC.

Jo Evelyn Miller
Signature

Jo Evelyn Miller
Printed Name

CFO
Title

EXHIBIT A

Gordini and Carhartt shall jointly pay a total of \$80,000 in the amounts set forth below pursuant to Section 5:

Payee	Type	Amount	Deliver To
Total Civil Penalty	Penalty	\$10,820	N/A
OEHHA	Penalty	\$8,115	OEHHA per Section 5.2.1
Center For Environmental Health	Penalty	\$2,705	LLG
Center For Environmental Health	ASP	\$8,105	LLG
Lexington Law Group	Fees and Costs	\$51,500	LLG
Center For Environmental Health	Fees and Costs	\$9,575	LLG

Carroll Companies, Inc. shall pay a total of \$20,000 in the amounts set forth below pursuant to Section 5:

Payee	Type	Amount	Deliver To
Total Civil Penalty	Penalty	\$2,576	N/A
OEHHA	Penalty	\$1,932	OEHHA per Section 5.2.1
Center For Environmental Health	Penalty	\$644	LLG
Center For Environmental Health	ASP	\$1,924	LLG
Lexington Law Group	Fees and Costs	\$13,100	LLG
Center For Environmental Health	Fees and Costs	\$2,400	LLG