

FILED  
ALAMEDA COUNTY

APR - 5 2022

CLERK OF THE SUPERIOR COURT  
By [Signature] Deputy

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ALAMEDA

CENTER FOR ENVIRONMENTAL HEALTH,

Plaintiff,

v.

ADIKA INC., *et al.*,

Defendants.

Case No. RG 21-099262

**[PROPOSED] CONSENT  
JUDGMENT AS TO ADIKA STYLE  
LTD.**

**1. DEFINITIONS**

1.1 "Accessible Component" means a component of a Covered Product that could be touched by a person during normal and reasonably foreseeable use.

1.2 "Covered Products" means belts made with leather, vinyl or imitation leather materials that are sold or offered for sale by Defendant.

1.3 "Effective Date" means the date on which this Consent Judgment is entered by the Court.

1.4 "Lead Limits" means a concentration level of no more than 90 parts per million ("ppm") lead and lead compounds by weight.

1           1.5           “Paint or other Surface Coatings” means a fluid, semi-fluid, or other material,  
2 with or without a suspension of finely divided coloring matter, which changes to a solid film  
3 when a thin layer is applied to a metal, wood, stone, paper, leather, cloth, plastic, or other surface.  
4 This term does not include printing inks or those materials which actually become a part of the  
5 substrate, such as the pigment in a plastic article, or those materials which are actually bonded to  
6 the substrate, such as by electroplating or ceramic glazing.

7           1.6           “Vendor” means a person or entity that Manufactures, imports, distributes, or  
8 supplies a Covered Product to Defendant.

9       **2.       INTRODUCTION**

10          2.1           The parties to this Consent Judgment (“Parties”) are the Center for  
11 Environmental Health (“CEH”) and Defendant Adika Style Ltd. (“Defendant”).

12          2.2           On February 2, 2021, CEH served a 60-Day Notice of Violation under  
13 Proposition 65 (The Safe Drinking Water and Toxic Enforcement Act of 1986, California Health  
14 & Safety Code §§ 25249.5, *et seq.*) (the “Notice”) on Defendant, the California Attorney General,  
15 the District Attorneys of every County in the State of California, and the City Attorneys for every  
16 City in the State of California with a population greater than 750,000. The Notice alleges that  
17 Defendant violated Proposition 65 by exposing persons to Lead contained in Covered Products  
18 without first providing a clear and reasonable Proposition 65 warning.

19          2.3           On May 13, 2021, 2018, CEH filed the action *Center for Environmental*  
20 *Health v. Adika Inc., et al.*, Case No. RG 121-099262, in the Superior Court of California for  
21 Alameda County.

22          2.4           On August 20, 2021, Defendant filed an answer denying CEH’s allegations  
23 and asserting affirmative defenses under Proposition 65.

24          2.5           Defendant sells Covered Products in the State of California and has done so in  
25 the past.

26          2.6           For purposes of this Consent Judgment only, the Parties stipulate that this  
27 Court has jurisdiction over the allegations of violations contained in the operative Complaint (the  
28 “Complaint”) and personal jurisdiction over Defendant as to the acts alleged in the Complaint,

1 that venue is proper in the County of Alameda, and that this Court has jurisdiction to enter this  
2 Consent Judgment.

3           2.7           Nothing in this Consent Judgment is or shall be construed as an admission by  
4 the Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall compliance  
5 with the Consent Judgment constitute or be construed as an admission by the Parties of any fact,  
6 conclusion of law, issue of law, or violation of law. This Consent Judgment is the product of  
7 negotiation and compromise and is accepted by the Parties for purposes of settling,  
8 compromising, and resolving issues disputed in this action.

9 **3. INJUNCTIVE RELIEF**

10           3.1           **Lead Limits.** Except as described in Section 3.2, commencing on the  
11 Effective Date, Defendant shall not sell or offer for sale any Covered Product that will be sold or  
12 offered for sale to California consumers that contains a material or is made of a component that  
13 exceeds the Lead Limits.

14           3.2           **Warnings for Covered Products.**

15                   3.2.1 **Warning Option.** A Covered Product sold or offered for sale by  
16 Defendant after the Effective Date may, as an alternative to meeting the Lead Limits, be  
17 sold or offered for retail sale in California with a Clear and Reasonable Warning that  
18 complies with the provisions of this Section 3.2.

19                   3.2.2 **Proposition 65 Warnings.** A Clear and Reasonable Warning under this  
20 Consent Judgment shall state:

21                   **WARNING:** This product can expose you to lead, which is known to the State of  
22 California to cause birth defects or other reproductive harm. For more information  
23 go to [www.P65warnings.ca.gov](http://www.P65warnings.ca.gov).

24           The word “**WARNING**” must be in all capital letters and bold print.

25           This statement shall be prominently displayed on the Covered Product, on the packaging  
26 of the Covered Product, or on a placard or sign provided that the statement is displayed  
27 with such conspicuousness, as compared with other words, statements or designs as to  
28 render it likely to be read and understood by an ordinary individual prior to sale. If the

1 statement is displayed on a placard or sign where the Covered Product is offered for sale,  
2 the warning placard or sign must enable an ordinary individual to easily determine which  
3 specific Covered Product the warning applies to, and to differentiate between that Covered  
4 Product and other products to which the warning statement does not apply. For internet,  
5 catalog or any other sale where the consumer is not physically present, the warning  
6 statement shall be displayed in such a manner that it is likely to be read and understood by  
7 an ordinary individual prior to the authorization of or actual payment.

#### 8 **4. ENFORCEMENT**

9 The terms of this Consent Decree may be enforced by either party via a motion filed in  
10 this Court. Written notice of any alleged violation of this Consent Decree must be sent to the  
11 party alleged to be in violation prior to filing a motion to enforce this Consent Decree. The  
12 prevailing party on any such motion may be awarded fees and costs that were reasonably incurred  
13 in connection with bringing the motion.

#### 14 **5. PAYMENTS**

15 5.1 **Payments by Defendant.** Within thirty (30) days of the Effective Date,  
16 Defendant shall pay the total sum of \$29,500 as a settlement payment. Any failure by Defendant  
17 to comply with the payment terms herein shall be subject to a stipulated late fee to be paid by  
18 Defendant in the amount of \$50 for each day the full payment is not received after the applicable  
19 date set forth herein. The total settlement amount for Defendant shall be allocated as follows:

20 5.1.1 Defendant shall pay the sum of \$3,920 as a civil penalty pursuant to Health  
21 & Safety Code § 25249.7(b). The civil penalty payment shall be apportioned in accordance with  
22 Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of California's Office of  
23 Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of  
24 the civil penalty payment in the amount of \$2,940 shall be made payable to OEHHA and  
25 associated with taxpayer identification number 68-0284486. This payment shall be delivered as  
26 follows:

27  
28

1 For United States Postal Service Delivery:

2 Attn: Mike Gyurics  
3 Fiscal Operations Branch Chief  
4 Office of Environmental Health Hazard Assessment  
P.O. Box 4010, MS #19B  
Sacramento, CA 95812-4010

5 For Non-United States Postal Service Delivery:

6 Attn: Mike Gyurics  
7 Fiscal Operations Branch Chief  
8 Office of Environmental Health Hazard Assessment  
1001 I Street, MS #19B  
Sacramento, CA 95814

9 The CEH portion of the civil penalty payment in the amount of \$980 shall be made  
10 payable to the Center for Environmental Health and associated with taxpayer identification  
11 number 94-3251981. This payment shall be delivered to Lexington Law Group, 503 Divisadero  
12 Street, San Francisco, CA 94117.

13 5.1.2 Defendant shall pay the sum of \$2,935 as an Additional Settlement  
14 Payment ("ASP") to CEH pursuant to Health & Safety Code § 25249.7(b), and California Code  
15 of Regulations, Title 11, § 3204. CEH intends to place these funds in CEH's Toxics and Youth  
16 Fund and use them to support CEH programs and activities that seek to educate the public about  
17 lead and other toxic chemicals in consumer products that are marketed to youth, expand its use of  
18 social media to communicate with youth in California about the risks of exposures to lead and  
19 other toxic chemicals in the products they use and about ways to reduce those exposures, work  
20 with industries that market products to youth to reduce exposure to lead and other toxic  
21 chemicals, and thereby reduce the public health impacts and risks of exposure to lead and other  
22 toxic chemicals in consumer products that are marketed to youth in California. CEH shall obtain  
23 and maintain adequate records to document that ASP funds are spent on these activities and CEH  
24 agrees to provide such documentation to the Attorney General within thirty days of any request  
25 from the Attorney General. The payment pursuant to this Section shall be made payable to the  
26 Center for Environmental Health and associated with taxpayer identification number 94-3251981.  
27 This payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco,  
28 CA 94117.

5.1.3 Defendant shall also separately pay the sum of \$22,645 as reimbursement of a portion of CEH's reasonable attorneys' fees and costs. This payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117. The attorneys' fees and cost reimbursement shall be made in two separate checks as follows: (a) \$19,020 payable to the Lexington Law Group and associated with taxpayer identification number 94-3317175; and (b) \$3,625 payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. These payments shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

5.2 To summarize, Defendant shall deliver checks made out to the payees and in the amounts set forth below:

PAYEE	TYPE	AMOUNT	DELIVER TO
OEHHA	Civil Penalty	\$2,940	OEHHA
Center for Environmental Health	Civil Penalty	\$980	LLG
Center for Environmental Health	ASP	\$2,935	LLG
Center for Environmental Health	Fees and Costs	\$3,625	LLG
Lexington Law Group	Fees and Costs	\$19,020	LLG

## 6. MODIFICATION

6.1 **Written Consent.** This Consent Judgment may be modified from time to time by express written agreement of the Parties with the approval of the Court, or by an order of this Court upon motion and in accordance with law.

6.2 **Meet and Confer.** Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with all affected Parties prior to filing a motion to modify the Consent Judgment.

## 7. CLAIMS COVERED AND RELEASED

7.1 Provided that Defendant complies in full with its obligations under Section 5 hereof, this Consent Judgment is a full, final and binding resolution between CEH on behalf of itself and the public interest and Defendant and its parents, subsidiaries, affiliated entities that are

1 under common ownership, directors, officers, employees, agents, shareholders, predecessors,  
2 successors, assigns, and attorneys ("Defendant Releasees"), and all entities, businesses or persons  
3 to which Defendant directly or indirectly distributes, ships, supplies, sells or offers for sale  
4 Covered Products, including but not limited to distributors, wholesalers, customers, retailers,  
5 franchisees, licensors, and licensees ("Downstream Defendant Releasees"), of any violation of  
6 Proposition 65 based on failure to warn about alleged exposure to Lead contained in Covered  
7 Products that were manufactured, sold, distributed, supplied, shipped or offered for sale by  
8 Defendant prior to the Effective Date.

9 7.2 Provided that Defendant complies in full with its obligations under Section 5  
10 hereof, CEH, for itself, its agents, predecessors, successors and assigns, releases, waives, and  
11 forever discharges any and all claims against Defendant, Defendant Releasees, and Downstream  
12 Defendant Releasees arising from any violation of Proposition 65 or any other statutory or  
13 common law claims that have been or could have been asserted by CEH individually regarding  
14 the failure to warn about exposure to Lead arising in connection with Covered Products  
15 manufactured, distributed or sold by Defendant prior to the Effective Date.

16 7.3 Provided that Defendant complies in full with its obligations under Section 5  
17 hereof, compliance with the terms of this Consent Judgment by Defendant constitutes compliance  
18 with Proposition 65 with respect to Lead in Covered Products sold by Defendant after the  
19 Effective Date.

## 20 **8. NOTICE**

21 8.1 When CEH is entitled to receive any notice under this Consent Judgment, the  
22 notice shall be sent by first class and electronic mail to:

23 Howard Hirsch  
24 Lexington Law Group  
25 503 Divisadero Street  
26 San Francisco, CA 94117  
27 hhirsch@lexlawgroup.com

28 8.2 When Defendant is entitled to receive any notice under this Consent  
Judgment, the notice shall be sent by electronic mail to:



8.3 Any Party may modify the person and address to whom the notice is to be sent by sending each other Party notice by electronic mail.

**9. COURT APPROVAL**

9.1 This Consent Judgment shall become effective upon entry by the Court. CEH shall prepare and file a Motion for Approval of this Consent Judgment and Defendant shall support entry of this Consent Judgment.

9.2 If this Consent Judgment is not entered by the Court, it shall be of no force or effect and shall never be introduced into evidence or otherwise used in any proceeding for any purpose other than to allow the Court to determine if there was a material breach of Section 9.1.

**10. ATTORNEYS' FEES**

10.1 Except as otherwise provided in this Consent Judgment, each Party shall bear its own attorneys' fees and costs.

10.2 Nothing in this Section 10 shall preclude a Party from seeking an award of sanctions pursuant to law.

**11. OTHER TERMS**

11.1 The terms of this Consent Judgment shall be governed by the laws of the State of California.

11.2 This Consent Judgment shall apply to and be binding upon CEH and Defendant, and the successors or assigns of any of them.

11.3 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, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto. No supplementation,



1 modification, waiver, or termination of this Consent Judgment shall be binding unless executed in  
2 writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent  
3 Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof  
4 whether or not similar, nor shall such waiver constitute a continuing waiver.

5 11.4 Nothing in this Consent Judgment shall release or in any way affect any rights  
6 that Defendant might have against any other party.

7 11.5 This Court shall retain jurisdiction of this matter to implement or modify the  
8 Consent Judgment.

9 11.6 The stipulations to this Consent Judgment may be executed in counterparts  
10 and by means of facsimile or portable document format (pdf), which taken together shall be  
11 deemed to constitute one document.

12 11.7 Each signatory to this Consent Judgment certifies that he or she is fully  
13 authorized by the Party he or she represents to stipulate to this Consent Judgment and to enter into  
14 and execute the Consent Judgment on behalf of the Party represented and legally to bind that  
15 Party.

16 11.8 This Consent Judgment and its wording are the result of mutual arm's-length  
17 negotiation, and in the event of a dispute concerning the meaning of any term contained herein,  
18 no adverse inference or presumption shall be drawn against any Party as a result of that Party's  
19 role in drafting this Consent Judgment.

20 **IT IS SO ORDERED:**

21 April 5<sup>PM</sup>  
22 Dated: March 1, 2022

23 BERNIE  
24 Judge of the Superior Court  
25  
26  
27  
28

1 **IT IS SO STIPULATED:**

2 **CENTER FOR ENVIRONMENTAL HEALTH**

3  
4 

5 \_\_\_\_\_  
Signature

6  
7 Michael Green

8 \_\_\_\_\_  
Printed Name

9 CEO

10 \_\_\_\_\_  
Title

11  
12 **ADIKA STYLE LTD.**

13  
14  
15 \_\_\_\_\_  
Signature

16  
17 \_\_\_\_\_  
Printed Name

18  
19  
20 \_\_\_\_\_  
Title


1 **IT IS SO STIPULATED:**  
2 **CENTER FOR ENVIRONMENTAL HEALTH**

3  
4  
5 \_\_\_\_\_  
Signature

6  
7 \_\_\_\_\_  
Printed Name

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9 \_\_\_\_\_  
Title

10  
11 **ADIKA STYLE LTD.**

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15 \_\_\_\_\_  
Signature

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17 \_\_\_\_\_  
Printed Name

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Title