1 2 3 4 5	Evan Smith (Bar No. SBN 242352) BRODSKY SMITH 9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212 Tel: (877) 534-2590 Fax: (310) 247-0160 Attorneys for Plaintiff	•	FEB 1 5 2024 CLERK OF THE COURT BY: Deputy Clerk
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8	SUPERIOR COURT	OF THE	STATE OF CALIFORNIA
9	COUNTY OF SAN FRANCISCO		
11	GABRIEL ESPINOZA,		Case No.: CGC-22-600424
12	Plaintiff,		CONSENT JUDGMENT
13	v.		Judge: Richard B. Ulmer
14	WATER SPORTS, LLC,	*	Dept.: 302 Hearing Date: February 15, 2024 Hearing Time: 9:30 AM
15	Defendant.	1	Complaint Filed: June 28, 2022
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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 Water Sports, LLC ("Water Sports" 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. Water Sports 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 di-isodecyl phthalate (DIDP) from its sales of (a) Instant Fun Sports bocce sets, UPC # 755786800756, and (b) Stream Machine children's pool rings, UPC # 755786810557, without providing a clear and reasonable exposure warning pursuant to Proposition 65. DIDP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm.
- Amazon.com, Inc., Amazon Technologies Company, Amazon Technologies, Inc. (collectively, "Amazon"), LunZhi Plastic Products Ltd., Water Sports and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of Stream Machine children's pool rings, UPC # 755786810557, expose users in California to DIDP. No public enforcer has brought and is diligently prosecuting the claims alleged in the notice.

On or about June 30, 2021, Espinoza served Amazon, LunZhi Plastic Products Ltd., Water Sports and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of Instant Fun Sports bocce

sets, UPC # 755786800756, expose users in California to DIDP. No public enforcer has brought and is diligently prosecuting the claims alleged in the notice.

- 1.4 The documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) dated June 29, 2021 and June 30, 2021 are collectively referred to as the "Notices."
 - 1.5 On June 28, 2022, Espinoza filed a complaint (the "Complaint").
- 1.6 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations contained in the Action filed in this matter, that venue is proper in the County of San Francisco, 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 Action based on the facts alleged therein and in the Notices.
- Notices and Complaint and maintains that it has not violated Proposition 65 and/or is not subject to that law. 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

- Covered Products. The term "Covered Products" means (a) Instant Fun Sports bocce sets, UPC # 755786800756, and (b) Stream Machine children's pool rings, UPC # 755786810557 that are manufactured, distributed, shipped into California and offered for sale in California by Water Sports.
- 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: REFORMULATION AND/OR WARNINGS

- Reformulation of Covered Products. As of the date this Consent Judgment is signed by both Parties, and continuing thereafter, Covered Products that Water Sports directly manufactures, imports, distributes, sells, or offers for sale in California shall either be: (a) reformulated Products pursuant to § 3.2, below; or (b) 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 DIDP 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. As of the date this Consent Judgment is signed by both Parties, and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 3.3 and 3.4 must be provided for all Covered Products that Defendant manufacturers, imports, distributes, sells, or offers for sale in California that is not a Reformulated Product. There shall be no obligation for Defendant to provide a warning or notification for Covered Products that enter the stream of commerce prior to the date this Consent Judgment is signed by both Parties. 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-isodecyl phthalate (DIDP), which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.
- (b) Alternative Warning: Water Sports may, but is not required to, use the alternative short-form warning as set forth in this § 3.3(b) ("Alternative Warning") as follows:
 - MARNING: 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 or Alternative 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 or Alternative 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. The Warning or Alternative 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.

In addition to affixing the Warning or Alternative Warning to the Covered Product's packaging or labeling, the Warning or Alternative Warning shall be posted on websites where Water Sports offers Products for sale to consumers in California. The requirements of this Section shall be satisfied if the Warning or Alternative Warning, or a clearly marked hyperlink using the word "WARNING," appears on the product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase. To comply with this Section, Water Sports shall (a) post the Warning or Alternative Warning on its own website and, if it has the ability to do so, on the websites of its third-party internet sellers; and (b) if it does not have the ability to post the Warning or Alternative Warning on the websites of its third-party internet sellers, provide such sellers with notice pursuant to Title 27, California Code of Regulations, § 25600.2. Any entity to whom Defendant provides notice in accordance with § 25600.2, but who did not provide the Warning or Alternative Warning, is not released in Section 5

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

1	Judgment or by complying with warning requirements adopted by OEHHA applicable to the	
2	Covered Product and exposures at issue after the Effective Date. If "consumer information," as that	
3	term is defined in Title 27, California Code of Regulations, Section 25600.1(c) as it may be	
4	amended from time to time, is provided in a foreign language, Water Sports shall provide the	
5	Warning in the foreign language in accordance with applicable warning regulations adopted by	
6	ОЕННА.	
7	4. MONETARY TERMS	
8	4.1 Civil Penalty. Water Sports shall pay \$2,000.00 as a Civil Penalty pursuant to	
9	Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health	
10	& Safety Code § 25192, with 75% of these funds remitted to OEHHA and the remaining 25% of	
11	the Civil Penalty remitted to Espinoza, as provided by California Health & Safety Code	
12	§ 25249.12(d).	
13	4.1.1 Within ten (10) days of the Effective Date, Water Sports shall issue two	
14	separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$1,500.00; and	
15	to (b) "Gabriel Espinoza" in the amount of \$500.00. Payment owed to Espinoza pursuant to this	
16	Section shall be delivered to the following payment address:	
17	Evan J. Smith, Esquire Brodsky Smith	
18	Two Bala Plaza, Suite 805	
19	Bala Cynwyd, PA 19004 Payment owed to OEHHA (EIN: 68-0284486) pursuant to this Section shall be delivered directly	
20	*	
21	to OEHHA (Memo Line "Prop 65 Penalties") at one of the following address(es):	
22	For United States Postal Service Delivery:	
23	Mike Gyurics Fiscal Operations Branch Chief	
24	Office of Environmental Health Hazard Assessment P.O. Box 4010	
25	Sacramento, CA 95812-4010	
26	For Non-United States Postal Service Delivery:	
27	Mike Gyurics Fiscal Operations Branch Chief	
28	Office of Environmental Health Hazard Assessment	

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1001 I Street Sacramento, CA 95814

A copy of the check payable to OEHHA shall be mailed to Brodsky Smith at the address set forth above as proof of payment to OEHHA.

4.2 Attorneys' Fees. Within ten (10) days of the Effective Date, Water Sports shall pay \$25,000.00 to Brodsky Smith ("Brodsky Smith") as complete reimbursement for Espinoza's attorneys' fees and costs incurred as a result of investigating, bringing this matter to the attention of Water Sports, 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 Espinoza 5.1 acting on his own behalf, and on behalf of the public interest, and Water Sports, 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, licensees retailers, including but not limited to, Amazon, and its parents, subsidiaries, and affiliates, franchisees, and cooperative members, and their predecessors, successors and assigns ("Downstream Releasees"), of all claims for violations of Proposition 65 based on exposure to DIDP from the Covered Products manufactured, distributed, and/or sold by Water Sports prior to the Effective Date as set forth in the Notices. It is the Parties' intention that this Consent Judgment shall have preclusive effect such that no other actions by private enforcers, whether purporting to act in his, her, or its interests or the public interest shall be permitted to pursue and take any action with respect to any violation of Proposition 65 based on exposure to DIDP from use of the Covered Products that was alleged in the Complaint, or that could have been brought pursuant to the Notices against Water Sports and the Downstream Releasees ("Proposition 65 Claims"). Water Sports'

compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 by Water Sports with regard to exposure to DIDP from 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 assignees, and <u>not</u> in his representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Water Sports, 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 Water Sports, Defendant 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 Water Sports waives any and all claims against Espinoza, his attorneys and other representatives, for any and all actions taken, or statements made (or those that could have been taken or 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 with respect to Covered Products.

6. <u>INTEGRATION</u>

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

1	merged within it. No representations or terms of agreement other than those contained herein exist			
2	or have been made by any Party with respect to the other Party or the subject matter hereof.			
3	7. <u>GOVERNING LAW</u>			
4	7.1 The terms of this Consent Judgment shall be governed by the laws of the State of			
5	California and apply within the State of California. In the event that Proposition 65 is repealed or			
6	is otherwise rendered inapplicable by reason of law generally, or as to Covered Products, then			
7	Defendant shall have no further obligations pursuant to this Consent Judgment with respect to, and			
8	to the extent that, Covered Products are so affected.			
9	8. <u>NOTICES</u>			
10	8.1 Unless specified herein, all correspondence and notices required to be provided			
11	pursuant to this Consent Judgment shall be in writing and personally delivered or sent by: (i) first-			
12	class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party			
13	by the other party at the following addresses and by e-mail to the addresses set forth below:			
14	For Defendant:			
15	Bao Vu			
16	Stoel Rives LLP 1 Montgomery Street, Suite 3230			
17	San Francisco, CA 94104 bao.vu@stoel.com			
18	And			
19	For Espinoza:			
20	Evan Smith Brodsky Smith			
21	9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212			
22	esmith@brodskysmith.com Any party, from time to time, may specify in writing to the other party a change of address to			
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26	which shall be deemed an original, and all of which, when taken together, shall constitute one an			
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28	the same document.			

AUTHORIZATION 14. 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 IT IS SO ORDERED, ADJUDGED AND DECREED: Dated: Judge of Superior Court

14. <u>AUTHORIZATION</u>

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.

AGREED TO:	AGREED TO:
Date: 13 39 33	Date:
Ву:	By:
GABRIEL ESPINOZA	WATER SPORTS, LLC
IT IS SO ORDERED, ADJUDGED AND	DECREED:
Dated: 2/15/24	ali
Dated.	Judge of Superior Court
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