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1	Evan Smith (Bar No. SBN 242352) # 10). L
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4	Attorneys for Plaintiff	Superior Court of California County of San Francisco
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6		CLERK OF THE COURT
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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
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10	COUNTY OF SAN FRANCISCO	
11	GABRIEL ESPINOZA,	Case No.: CGC-23-609766
12	Plaintiff,	CONSENT JUDGMENT
13	v.	Judge: Richard B. Ulmer Dept.: 302
14	TONAL MUSIC, INC., GUITAR CENTER, INC.,	Hearing Date: April 9, 2024 Hearing Time: 9:30 AM
15	Defendants.	Complaint Filed: October 16, 2023
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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 Tonal Music, Inc. ("Tonal" 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. Tonal 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 in California to chromium (hexavalent compounds) (CrVI) from its sales of *Franklin®* leather guitar straps, UPC # 069593017130, without providing a clear and reasonable warning pursuant to Proposition 65. CrVI is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.
- Notice of Violation/Action. On or about October 27, 2022, Espinoza served Guitar Center, Inc. ("Guitar Center"), Tonal, 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 *Franklin®* leather guitar straps, UPC # 069593017130, can expose users in California to CrVI. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice. On October 16, 2023, Espinoza filed a complaint (the "Complaint").
- 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 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 Notice.

1.5 Defendant denies the material allegations contained in Espinoza's 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.

2. <u>DEFINITIONS</u>

- 2.1 Covered Products. The term "Covered Products" means Franklin® leather guitar straps, UPC # 069593017130, that are manufactured, distributed, shipped into California and offered for sale in California by Tonal that can expose user to CrVI.
- 2.2 Effective Date. The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.

3. <u>INJUNCTIVE RELIEF: WARNINGS</u>

- 3.1 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 §§ 3.1 and 3.2 must be provided for all Covered Products that Defendant manufacturers, imports, distributes, sells, or offers for sale in California. There shall be no obligation for Defendant to provide a warning 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 §§ 3.1(a) or (b), respectively:
 - (a) Warning. The "Warning" shall consist of the statement:
 - ⚠ WARNING: This product can expose you to chemicals including chromium (hexavalent compounds) (CrVI), 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: Tonal may, but is not required to, use the alternative short-form warning as set forth in this § 3.1(b) ("Alternative Warning") as follows:
 - A WARNING: Cancer and Reproductive Harm www.P65Warnings.ca.gov.

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A Warning or Alternative Warning provided pursuant to § 3.1 must print the word 3.2 "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. If "consumer information," as that term is defined in Title 27, California Code of Regulations, Section 25600.1(c) as it may be amended from time to time, is provided in a foreign language, Tonal shall provide the Warning or Alternative Warning in the foreign language in accordance with applicable warning regulations adopted by OEHHA.

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 Tonal 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 including an option for the warning to be provided via pop-up once a California zip code is included in the location for intended shipment destination. To comply with this Section, Tonal 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 approved and authorized 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 approved and authorized third-party internet sellers, provide such sellers with written notice in accordance with Title 27, California Code of Regulations, § 25600.2. Third-party internet sellers of the Covered Product that have been provided with written notice in accordance with Title 27, California Code of Regulations, § 25600.2 are not released in Section 5 of this Agreement if they fail to meet the warning requirements herein as to any products sold into California after ninety (90) days past the Effective Date.

Compliance with Warning Regulations. Defendant shall be deemed to be in compliance with this Consent Judgment by either adhering to §§ 3.2 and 3.3 of this Consent Judgment or by complying with warning regulations adopted by OEHHA applicable to the Covered Product and exposures at issue after the Effective Date. If OEHHA regulations require or permit specific safe harbor warning text and/or methods of transmission different than those set forth above, Tonal shall be entitled to use, at its discretion, such other specific safe harbor warning text and/or methods of transmission without being deemed in breach of this Consent Judgment.

4. MONETARY TERMS

- 4.1 Civil Penalty. Tonal shall pay \$1,000.00 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 sixty (60) days of the Effective Date, Tonal shall issue two separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$750.00; and to (b) "Gabriel Espinoza" in the amount of \$250.00. Payment owed to Espinoza pursuant to this Section shall be delivered to the following payment address:

Evan J. Smith, Esquire Brodsky Smith Two Bala Plaza, Suite 805 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 at the address set forth above as proof of payment to OEHHA.

4.2 Attorneys' Fees. Within sixty (60) days of the Effective Date, Tonal shall pay \$15,500.00 to 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 Tonal, 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

acting on his own behalf, and on behalf of the public interest, and Tonal, 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, including but not limited to, Guitar Center, and its parents, subsidiaries, and affiliates, franchisees, cooperative members and licensees ("Downstream Releasees"), of all claims for violations of Proposition 65 based on exposure to CrVI from use of the Covered Products manufactured, distributed, or sold by Tonal prior to the Effective Date as set forth in the Notice. It is the Parties' intention that this Consent Judgment shall have preclusive effect such that no other

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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 CrVI from use of the Covered Products that was alleged in the Complaint, or that could have been brought pursuant to the Notice against Tonal and the Downstream Releasees ("Proposition 65 Claims"). Tonal's compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 by Tonal with regard to exposure to CrVI from use of the Covered Products.

In addition to the foregoing, Espinoza, on behalf of himself, his past and current 5.2 agents, representatives, attorneys, and successors and assignees, and not in his representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Tonal, 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, fines, penalties, claims, 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 Tonal, Defendant Releasees or Downstream Releasees, including but not limited to all failure to warn claims, arising out of alleged or actual exposures to any chemicals listed under Proposition 65 (including without limitation to CrIV) in the Covered Products supplied or distributed by Tonal. 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 Tonal 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. 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

- 7.1 The terms of this Consent Judgment shall be governed by the laws of the State 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.
- 7.2 If, after the Effective Date, a court enters judgment in the Actions or another Proposition 65 enforcement action brought by Espinoza over exposure to CrVI in Covered Products that imposes different injunctive relief from that set forth in this Consent Judgment, a Settling Defendant may seek to modify Section 3 of this Consent Judgment to conform with the injunctive relief provided in such later 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-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

For Defendant:

Ryan Landis Gordon Rees Scully Mansukhani 5 Park Plaza, Ste. 1100 Irvine, CA 92614

And

For Espinoza:

Evan Smith Brodsky Smith 9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212

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> <u>APPROVAL</u>

- 10.1 Espinoza agrees 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. 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.
- 15. **Public Benefit**. It is the Parties' understanding that the commitments Tonal has agreed to herein, and actions to be taken by Tonal under this Consent Judgment, would confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of the Parties that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Tonal's or Releasee's failure to provide a warning concerning exposure to CrIV prior to use of the Products it has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Products addressed in this Consent Judgment, provided that Tonal is in material compliance with this Consent Judgment.

1	AGREED TO:	AGREED TO:
3	Date:	MDI
5	By: GABRIEL ESPINOZA	TONAL MUSIC, INC.
6 7	IT IS SO ORDERED, ADJUDGED AND D	ECREED:
8	Dated:	
0		Judge of Superior Court
1		RICHARD ULMER
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1	AGREED TO:	AGREED TO:
2	Date: 3 30 34	Date
3	Date: 3 30 34	Date:
4	By:	By: TONAL MUSIC, INC.
5	GABRIEL ESPINOZA	TOTAL MOSIC, INC.
6		
7	IT IS SO ORDERED, ADJUDGED AND	DECREED:
8	Dated: 4/9/24	
9	Dated: 4 9 9 1 9 1 9	Judge of Superior Court
10		RICHARD ULMER
11		THE SEIVIER
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CONSENT JUDGMENT