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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF ALAMEDA

CENTER FOR ENVIRONMENTAL HEALTH,	)	Case No. RG14722774
a non-profit corporation,	)	
	)	
Plaintiff,	)	<b>[PROPOSED] CONSENT JUDGMENT</b>
	)	<b>AS TO CECICO, INC. AND FOREIGN</b>
vs.	)	<b>EXCHANGE, INC.</b>
	)	
CECICO, INC., <i>et al.</i> ,	)	
	)	
Defendants.	)	

**1. INTRODUCTION**

1.1 This Consent Judgment is entered into by the Center For Environmental Health, a California non-profit corporation (“CEH”) on the one hand, and Cecico, Inc. and Foreign Exchange, Inc. (collectively, “Defendants”) on the other hand, to settle certain claims asserted by CEH against Defendants as set forth in the operative complaint in the matter entitled *Center for Environmental Health v. Cecico, Inc., et al.*, Alameda County Superior Court Case No. RG14722774 (the “Action”).

1.2 On February 3, 2014, CEH provided a “Notice of Violation” relating to the California Safe Drinking Water and Toxic Enforcement Act of 1986 (“Proposition 65”) to the

1 California Attorney General, the District Attorneys of every county in California, the City  
2 Attorneys of every California city with a population greater than 750,000, and to Defendants  
3 regarding the presence of lead and lead compounds (collectively referred to herein as “Lead”) in  
4 clothing made with leather, vinyl, or imitation leather materials (“Covered Products”).

5 1.3 On April 24, 2014, CEH filed the Complaint against Defendants in the Action.

6 1.4 Each Defendant is a corporation that employs 10 or more persons, and that  
7 manufactures, distributes, and/or sells Covered Products in the State of California.

8 1.5 For purposes of this Consent Judgment only, CEH and Defendants (the  
9 “Parties”) stipulate that this Court has jurisdiction over the allegations of violations contained in  
10 the Complaint and personal jurisdiction over Defendants as to the acts alleged in the Complaint,  
11 that venue is proper in the County of Alameda, and that this Court has jurisdiction to enter this  
12 Consent Judgment as a full and final resolution of all claims which were or could have been  
13 raised in the Complaint based on the facts alleged therein with respect to Covered Products  
14 manufactured, distributed, and/or sold by Defendants.

15 1.6 CEH and Defendants enter into this Consent Judgment as a full and final  
16 settlement of all claims that were raised in the Complaint, or which could have been raised in the  
17 Complaint, arising out of the facts or conduct related to Defendants alleged therein. By execution  
18 of this Consent Judgment and agreeing to comply with its terms, the Parties do not admit any  
19 facts or conclusions of law including, but not limited to, any facts or conclusions of law  
20 suggesting or demonstrating any violations of Proposition 65 or any other statutory, common law,  
21 or equitable requirements. Nothing in this Consent Judgment is or shall be construed as an  
22 admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall  
23 compliance with the Consent Judgment constitute or be construed as an admission by the Parties  
24 of any fact, conclusion of law, issue of law, or violation of law. Defendants deny the material,  
25 factual and legal allegations in CEH’s Complaint and expressly deny any wrong doing  
26 whatsoever. Nothing in this Consent Judgment shall prejudice, waive, or impair any right,  
27 remedy, argument, or defense the Parties may have in this or any other pending or future legal  
28 proceedings. This Consent Judgment is the product of negotiation and compromise and is

1 accepted by the Parties solely for purposes of settling, compromising, and resolving issues  
2 disputed in this action.

## 3 **2. INJUNCTIVE RELIEF**

4 **2.1 Reformulation of Covered Products.** As of the date of entry of this Consent  
5 Judgment (the “Effective Date”), Defendants shall not manufacture, ship, sell, or offer for sale  
6 any Covered Product that will be sold or offered for sale to California consumers unless such  
7 Covered Product complies with the following Lead Limits:

8 2.1.1 “Paint or other Surface Coatings” as that term is defined in 16 C.F.R.  
9 § 1303.2(b): no more than 0.009 percent Lead by weight (90 parts per million (“ppm”). An  
10 “Accessible Component” means a component of a Covered Product that could be touched by a  
11 person during normal or reasonably foreseeable use.

12 2.1.2 Polyvinyl chloride (“PVC”): no more than 0.02 percent Lead by weight  
13 (200 ppm).

14 2.1.3 All other materials other than cubic zirconia (sometimes called cubic  
15 zirconium, CZ), crystal, glass or rhinestones: no more than 0.03 percent Lead by weight (300  
16 ppm).

17 **2.2 Market Withdrawal of Recall Covered Products.** On or before the  
18 Effective Date, Defendants shall cease shipping: (a) the Cecico Jacket in Burgundy & Navy, Item  
19 No. 110535, Style No. 8G6079, (b) the Foreign Exchange Miniskirt in Burgundy, Item No.  
20 102014, Style No. CS2225FE, as identified in CEH’s pre-suit Notice of Violation to Defendants,  
21 (c) Rust colored garment style S3T2767D84 (classified in the action by CEH as PL246), and (d)  
22 TOMATO colored garment style BK5300A (classified in the action by CEH as PL247)(the  
23 “Recall Covered Products”) to stores and/or customers in California, and Defendants shall  
24 withdraw the Recall Covered Products from the market in California, and, at a minimum, send  
25 instructions to any of its stores and/or customers that offer the Recall Covered Products for sale in  
26 California to cease offering such Recall Covered Products for sale in California, or to destroy the  
27 Recall Covered Products. Any destruction of the Recall Covered Products shall be in compliance  
28 with all applicable laws. Defendants shall keep and make available to CEH for inspection and

1 copying records and correspondence regarding the market withdrawal and/or destruction of the  
2 Recall Covered Products for a period not to exceed 1 year after the date of this Agreement. If  
3 there is a dispute over the corrective action, the Parties shall meet and confer before seeking any  
4 remedy in court

### 5 **3. ENFORCEMENT**

6 3.1 **Enforcement Procedures.** Prior to bringing any motion or order to show  
7 cause to enforce the terms of this Consent Judgment, a Party seeking to enforce shall provide the  
8 violating party thirty (30) days advanced written notice of the alleged violation. The Parties shall  
9 meet and confer during such thirty (30) day period in an effort to try to reach agreement on an  
10 appropriate cure for the alleged violation. After such thirty (30) day period, the Party seeking to  
11 enforce may, by new action, motion, or order to show cause before the Superior Court of  
12 Alameda, seek to enforce the terms and conditions contained in this Consent Judgment.

### 13 **4. PAYMENTS**

14 4.1 **Payments From Defendants.** Within ten (10) days of the entry of this  
15 Consent Judgment, Defendants shall pay the total sum of \$30,000 as a settlement payment.

16 4.2 **Allocation of Payments.** The total settlement amount shall be paid in  
17 separate checks delivered to the offices of the Lexington Law Group (Attn: Howard Hirsch), 503  
18 Divisadero Street, San Francisco, California 94117, and made payable and allocated as follows:

19 4.2.1 Defendants shall pay the total sum of \$3,900 as a penalty pursuant to  
20 Health & Safety Code § 25249.7(b), such money to be apportioned by CEH in accordance  
21 with Health & Safety Code § 25249.12. Defendants' combined penalty check shall be  
22 made payable to the Center for Environmental Health.

23 4.2.2 Defendants shall pay the total sum of \$5,900 as payment to CEH in lieu of  
24 penalty pursuant to Health & Safety Code § 25249.7(b), and California Code of  
25 Regulations, Title 11, § 3202(b). CEH will use such funds to continue its work educating  
26 and protecting people from exposures to toxic chemicals, including heavy metals. CEH  
27 may also use a portion of such funds to monitor compliance with the reformulation  
28 requirements of this and other similar Consent Judgments and to purchase and test

1 Covered Products to confirm compliance with such reformulation requirements. In  
2 addition, as part of its *Community Environmental Action and Justice Fund*, CEH will use  
3 four percent of such funds to award grants to grassroots environmental justice groups  
4 working to educate and protect people from exposures to toxic chemicals. The method of  
5 selection of such groups can be found at the CEH web site at [www.keh.org/justicefund](http://www.keh.org/justicefund).  
6 Defendants' combined payment in lieu of penalty check shall be made payable to the  
7 Center for Environmental Health.

8 4.2.3 Defendants shall pay the total sum of \$20,200 as reimbursement of  
9 reasonable attorneys' fees and costs. Defendants' combined attorneys' fees and cost  
10 reimbursement check shall be made payable to the Lexington Law Group.

## 11 **5. MODIFICATION AND DISPUTE RESOLUTION**

12 5.1 **Modification.** This Consent Judgment may be modified from time to time by  
13 express written agreement of the Parties, with the approval of the Court, or by an order of this  
14 Court upon motion and in accordance with law.

15 5.2 **Notice; Meet and Confer.** Any Party seeking to modify this Consent  
16 Judgment shall attempt in good faith to meet and confer with the other Party prior to filing a  
17 motion to modify the Consent Judgment.

## 18 **6. CLAIMS COVERED AND RELEASE**

19 6.1 This Consent Judgment is a full, final, and binding resolution between CEH  
20 and Defendants and Defendants' parents, shareholders, divisions, subdivisions, subsidiaries,  
21 partners, sister companies, and their successors and assigns ("Defendant Releasees"), and all to  
22 whom they distribute or sell Covered Products including, but not limited to, distributors,  
23 wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("Downstream  
24 Defendant Releasees"), of any violation of Proposition 65 or any other statutory or common law  
25 claims that have been or could have been asserted in the public interest against Defendants,  
26 Defendant Releasees, and Downstream Defendant Releasees, regarding the failure to warn about  
27 exposure to Lead arising in connection with Covered Products manufactured, distributed, or sold  
28 by Defendants prior to the Effective Date.

1           6.2           CEH, for itself and acting on behalf of the public interest pursuant to Health &  
2 Safety Code § 25249.7(d), releases, waives, and forever discharges any and all claims against  
3 Defendants, Defendant Releasees, and Downstream Defendant Releasees arising from any  
4 violation of Proposition 65 or any other statutory or common law claims that have been or could  
5 have been asserted in the public interest regarding the failure to warn about exposure to Lead  
6 arising in connection with Covered Products manufactured, distributed, or sold by Defendants  
7 prior to the Effective Date.

8           6.3           Compliance with the terms of this Consent Judgment by Defendants and the  
9 Defendant Releasees shall constitute compliance with Proposition 65 by Defendants, the  
10 Defendant Releasees, and their Downstream Defendant Releasees with respect to any alleged  
11 failure to warn about Lead in Covered Products manufactured, distributed, or sold by Defendants  
12 after the Effective Date.

13       **7.       PROVISION OF NOTICE**

14           7.1           When any Party is entitled to receive any notice under this Consent Judgment,  
15 the notice shall be sent by first class and electronic mail as follows:

16                       7.1.1   **Notices to Defendants.** The person for Defendants to receive notices  
17 pursuant to this Consent Judgment shall be:

18                                       Martin J. Kaufman, Esq.  
19                                       The Kaufman Law Firm, APC  
20                                       2300 Westwood Blvd., Suite 200  
  Los Angeles, CA 90064  
  mjk@lawkaufman.com

21                       7.1.2   **Notices to Plaintiff.** The person for CEH to receive notices pursuant to  
22 this Consent Judgment shall be:

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

26           7.2           Any Party may modify the person and address to whom the notice is to be sent  
27 by sending the other Party notice by first class and electronic mail.

1       **8.       COURT APPROVAL**

2               8.1           This Consent Judgment shall become effective on the Effective Date, provided  
3 however, that CEH shall prepare and file a Motion for Approval of this Consent Judgment and  
4 Defendants shall support approval of such Motion.

5               8.2           If this Consent Judgment is not entered by the Court, it shall be of no force or  
6 effect and shall not be introduced into evidence or otherwise used in any proceeding for any  
7 purpose.

8       **9.       GOVERNING LAW AND CONSTRUCTION**

9               9.1           The terms of this Consent Judgment shall be governed by the laws of the State  
10 of California.

11       **10.       ENTIRE AGREEMENT**

12              10.1           This Consent Judgment contains the sole and entire agreement and  
13 understanding of the Parties with respect to the entire subject matter hereof, and any and all prior  
14 discussions, negotiations, commitments, or understandings related thereto, if any, are hereby  
15 merged herein and therein. There are no warranties, representations, or other agreements between  
16 the Parties except as expressly set forth herein. No representations, oral or otherwise, express or  
17 implied, other than those specifically referred to in this Consent Judgment have been made by any  
18 Party hereto. No other agreements not specifically contained or referenced herein, oral or  
19 otherwise, shall be deemed to exist or to bind any of the Parties hereto. Any agreements  
20 specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind  
21 any of the Parties hereto only to the extent that they are expressly incorporated herein. No  
22 supplementation, modification, waiver, or termination of this Consent Judgment shall be binding  
23 unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions  
24 of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other  
25 provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

26       **11.       RETENTION OF JURISDICTION**

27              11.1           This Court shall retain jurisdiction of this matter to implement or modify the  
28 Consent Judgment.

12. **AUTHORITY TO STIPULATE TO CONSENT JUDGMENT**

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

13. **NO EFFECT ON OTHER SETTLEMENTS**

13.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim against another entity on terms that are different than those contained in this Consent Judgment.

14. **EXECUTION IN COUNTERPARTS**

14.1 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

**IT IS SO STIPULATED:**

Dated: Feb 12, 2015

**CENTER FOR ENVIRONMENTAL HEALTH**



Charlotte Pizarro

Printed Name


Associate Director

Title



1 Dated: Feb. 2, 2015

2 CECICO, INC.

3 

4  
5  
6 Kelly Ann  
7 Printed Name

8  
9 CEO  
10 Title

11 Dated: Feb. 2, 2015

12 FOREIGN EXCHANGE, INC.

13 

14  
15  
16 Albert Han  
17 Printed Name

18  
19 CFO  
20 Title

21  
22 **IT IS SO ORDERED, ADJUDGED,**  
23 **AND DECREED**

24  
25 Dated:

26 JUDGE OF THE SUPERIOR COURT OF THE  
27 STATE OF CALIFORNIA