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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
9	COUNTY OF ALAMEDA		
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11	CENTER FOR ENVIRONMENTAL HEALTH,) Case No. RG 14-749378	
12	Plaintiff,) [PROPOSED] CONSENT) JUDGMENT AS TO ROCKET DOG	
13	v.) BRANDS LLC	
14 15	ROCKET DOG BRANDS LLC, et al.,		
16	Defendants.)	
17		_)	
18			
19	1. DEFINITIONS		
20	1.1 "Covered Products" means for	otwear Manufactured, distributed, sold or	
21	offered for sale by Settling Defendant.		
22	1.2 "Effective Date" means the date on which this Consent Judgment is entered by		
23	the Court.		
24	1.3 "Lead Limits" means the maximum concentrations of lead and lead		
25	compounds ("Lead") by weight specified in Section 3.2.		
26	1.4 "Manufactured" and "Manufactures" means to manufacture, produce, or		
27	assemble.		
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1.5 "Paint or other Surface Coatings" means a fluid, semi-fluid, or other material, with or without a suspension of finely divided coloring matter, which changes to a solid film when a thin layer is applied to a metal, wood, stone, paper, leather, cloth, plastic, or other surface. This term does not include printing inks or those materials which actually become a part of the substrate, such as the pigment in a plastic article, or those materials which are actually bonded to the substrate, such as by electroplating or ceramic glazing.

1.6 "Vendor" means a person or entity that Manufactures, imports, distributes, or supplies a Covered Product to Settling Defendant.

2. INTRODUCTION

- 2.1 The parties to this Consent Judgment ("Parties") are the Center for Environmental Health ("CEH") and defendant Rocket Dog Brands LLC and its wholly owned subsidiary Millennial Brands LLC (together, "Settling Defendant").
- 2.2 On June 6, 2014, CEH served a 60-Day Notice of Violation under Proposition 65 (The Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.5, et seq.) (the "Notice") to Settling Defendant, the California Attorney General, the District Attorneys of every County in the State of California, and the City Attorneys for every City in the State of California with a population greater than 750,000. The Notice alleges that Settling Defendant violated Proposition 65 by exposing persons to Lead contained in footwear without first providing a clear and reasonable Proposition 65 warning.
- 2.3 On November 24, 2014, CEH filed the action entitled CEH v. Rocket Dog Brands LLC, et al., Case No. RG 14-749378, in the Superior Court of California for Alameda, naming Setting Defendant as a party in that action.
- 2.4 Settling Defendant manufactures, distributes and/or offers for sale Covered Products in the State of California or has done so in the past.
- 2.5 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the operative Complaint applicable to Settling Defendant (the "Complaint") and personal jurisdiction over Settling Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Alameda, 3466-00003

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and that this Court has jurisdiction to enter this Consent Judgment.

Nothing in this Consent Judgment is or shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument or defense the Parties may have in any other legal proceeding. This Consent Judgment is the product of negotiation and compromise and is accepted by the Parties for purposes of settling, compromising and resolving issues disputed in this action.

3. INJUNCTIVE RELIEF

- 3.1 **Specification Compliance Date.** To the extent it has not already done so, no more than 30 days after the Effective Date, Settling Defendant shall provide the Lead Limits to its Vendors of Covered Products and shall instruct each Vendor to use reasonable efforts to provide Covered Products that comply with the Lead Limits on a nationwide basis.
- 3.2 **Lead Limits.** Commencing 30 days after the Effective Date, Settling Defendant shall not purchase, import, Manufacture, supply to an unaffiliated third party, or sell or offer for sale any Covered Product that will be sold or offered for sale to California consumers that contains a material or is made of a component that exceeds the following Lead Limits:
 - 3.2.1 Paint or other Surface Coatings: 90 parts per million ("ppm").
 - 3.2.2 Polyvinyl chloride ("PVC"): 200 ppm.
- 3.2.3 All other materials or components other than cubic zirconia (sometimes called cubic zirconium, CZ), crystal, glass or rhinestones: 300 ppm.
- 3.2.4 Brass Components on Covered Products: 1.5% Lead, provided that any such brass components on a Covered Product shall comprise less than 10% by weight of the Covered Products. Within 30 days of the Effective Date, and at least once per year thereafter, Settling Defendant shall send a written request to its direct suppliers of brass components on Covered Products requesting such suppliers to use reasonable commercial efforts to reduce the

1	level of Lead in the brass components of all Covered Products that will be sold or offered for sale		
2	to California consumers to no more than 300 ppm.		
3	3.2.5 For purposes of this Section 3.2, if a direct customer of Settling Defendant		
4	sells or offers for sale to California consumers a Covered Product more than 30 days after the		
5	Effective Date, Settling Defendant is deemed to have then "offered for sale to California		
6	consumers" that Covered Product.		
7	3.3 Action Regarding Specific Products.		
8	3.3.1 On or before the Effective Date, Settling Defendant shall cease selling in		
9	California the following Rocket Dog Covered Products:		
10	 Rocket Dog Chandana Stampede Flats in Yellow, SKU No. 8-86128- 		
11	34656-1, Style No. CHANDANAST; and		
12	• Rocket Dog Tada Socrates in Brown, SKU No. 8-86128-40336-3, Style		
13	No. TADASO		
14	(together, the "Section 3.3 Products"). On or before the Effective Date, Settling Defendant shall		
15	cease shipping the Section 3.3 Products to any of its stores and/or customers for resale of the		
16	Section 3.3 Products in California.		
17	3.4 Warnings for Covered Products.		
18	3.4.1 Warning Option. A Covered Product purchased, imported or		
19	Manufactured by Settling Defendant may, as an alternative to meeting the Lead Limits, be		
20	sold or offered for retail sale in California with a Clear and Reasonable Warning that		
21	complies with the provisions of Section 3.3.2.		
22	3.4.2 Proposition 65 Warnings . A Clear and Reasonable Warning under this		
23	Consent Judgment shall state:		
24	WARNING: This product contains lead, a chemical known to the State of California to cause birth defects or other reproductive		
25	harm. Do not allow children to mouth or chew.		
26	Or		
27	WARNING: This product contains lead, a chemical known to the State of California to cause birth defects or other reproductive		
28	harm. Do not mouth or chew.		
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Or

WARNING: This product contains lead, a chemical known to the State of California to cause birth defects or other reproductive

This statement shall be prominently displayed on the Covered Product or the packaging of the Covered Product in such a manner that it is likely to be read and understood by an ordinary individual prior to sale. For internet, catalog or any other sale where the consumer is not physically present and cannot see a warning displayed on the Covered Product or the packaging of the Covered Product prior to purchase or payment, the warning statement shall be displayed in such a manner that it is likely to be read and understood prior to the authorization of or actual payment.

4. **ENFORCEMENT**

- 4.1 **Specific Provisions.** Any Party may, after meeting and conferring, by motion or application for an order to show cause before this Court, enforce the terms and conditions contained in this Consent Judgment. Enforcement of the terms and conditions of Section 3.2 of this Consent Judgment shall be brought exclusively pursuant to Sections 4.2 through 4.3.
- 4.2 Notice of Violation. If CEH alleges that Settling Defendant sold or offered for retail sale to California consumers a Covered Product that (i) contains Lead in an amount that exceeds any of the applicable Lead Limits, and (ii) for which Settling Defendant did not provide a Clear and Reasonable Warning that complies with Section 3.4, CEH may issue a Notice of Violation pursuant to this Section 4.2.
- 4.2.1 **Service of Notice.** CEH shall serve the Notice of Violation on Settling Defendant within 45 days of the date the alleged violation(s) was or were observed, provided, however, that: (i) CEH may have up to an additional 45 days to provide Settling Defendant with the test data required by Section 4.2.2(d) below if it has not yet obtained it from its laboratory.
- 4.2.2 **Supporting Documentation.** The Notice of Violation shall, at a minimum, set forth for each Covered Product: (a) the date(s) the alleged violation(s) was observed, (b) the **location** at which the Covered Product was offered for sale, (c) a description of the Covered Product giving rise to the alleged violation, and of each material or component that is 3466-00003

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alleged not to comply with the Lead Limits, including a picture of the Covered Product and all identifying information on tags and labels, and (d) all test data obtained by CEH regarding the Covered Product and related supporting documentation, including all laboratory reports, quality assurance reports and quality control reports associated with testing of the Covered Products. Such Notice of Violation shall be based at least in part upon total acid digest testing performed by an independent accredited laboratory. Wipe, swipe, x-ray fluorescence, and swab testing are not by themselves sufficient to support a Notice of Violation, although any such testing may be used as additional support for a Notice. The Parties agree that the sample Notice of Violation attached hereto as Exhibit A is sufficient in form to satisfy the requirements of subsections (c) and (d) of this Section 4.2.2.

- 4.2.3 Additional Documentation. CEH shall promptly make available for inspection and/or copying upon request by and at the expense of Settling Defendant, all supporting documentation related to the testing of the Covered Products and associated quality control samples, including chain of custody records, all laboratory logbook entries for laboratory receiving, sample preparation, and instrumental analysis, and all printouts from all analytical instruments relating to the testing of Covered Product samples and any and all calibration, quality assurance, and quality control tests performed or relied upon in conjunction with the testing of the Covered Products, obtained by or available to CEH that pertains to the Covered Product's alleged noncompliance with Section 3 and, if available, any exemplars of Covered Products tested.
- 4.2.4 **Multiple Notices.** If Settling Defendant has received more than four Notices of Violation in any 12-month period, at CEH's option, CEH may seek whatever fines, costs, penalties, or remedies are provided by law for failure to comply with the Consent Judgment. For purposes of determining the number of Notices of Violation pursuant to this Section 4.2.4, the following shall be excluded:
 - (a) Multiple notices identifying Covered Products Manufactured for or sold to Settling Defendant from the same Vendor; and
 - (b) A Notice of Violation that meets one or more of the conditions of Section 4.3.4(c).

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- 4.3 **Notice of Election.** Within 30 days of receiving a Notice of Violation pursuant to Section 4.2, including the test data required pursuant to 4.2.2(d), Settling Defendant shall provide written notice to CEH stating whether it elects to contest the allegations contained in the Notice of Violation ("Notice of Election"). Failure to provide a Notice of Election shall be deemed an election to contest the Notice of Violation. Any contributions to the Fashion Accessory Testing Fund required under this Section 4.3 shall be made payable to The Center for Environmental Health and included with Settling Defendant's Notice of Election.
- 4.3.1 Contested Notices. If the Notice of Violation is contested, the Notice of Election shall include all then-available documentary evidence regarding the alleged violation, including any test data. Within 30 days after CEH receives the Notice of Election, the parties shall meet and confer to attempt to resolve their dispute. Should such attempts at meeting and conferring fail, CEH may after such 30 day period file an enforcement motion or application pursuant to Section 4.1. If Settling Defendant withdraws its Notice of Election to contest the Notice of Violation before any motion concerning the violations alleged in the Notice of Violation is filed pursuant to Section 4.1, Settling Defendant shall make a contribution to the Proposition 65 Fashion Accessory Testing Fund in the amount of \$12,500 and shall comply with all of the non-monetary provisions of Section 4.3.2. If, at any time prior to reaching an agreement or obtaining a decision from the Court, CEH or Settling Defendant acquires additional test or other data regarding the alleged violation, it shall promptly provide all such data or information to the other Party.
- 4.3.2 **Non-Contested Notices.** If the Notice of Violation is not contested, Settling Defendant shall include in its Notice of Election a detailed description of corrective action that it has undertaken or proposes to undertake to address the alleged violation. Any such correction shall, at a minimum, provide reasonable assurance that the Covered Product will no longer be offered by Settling Defendant or its customers for sale in California.
 - (a) In addition, Settling Defendant shall promptly conduct an investigation into the lead content of other Covered Products supplied by the same supplier in order to try to proactively identify other Covered Products that do not meet the

lead standards and to withdraw such products from the market (or provide warnings for those Covered Products pursuant to Section 3.4). This investigation shall at a minimum include some random lead testing of other Covered Products supplied by such manufacturer.

- Defendant shall meet and confer with CEH about the results of the investigation and actions taken by Settling Defendant to provide reasonable assurance that the Covered Product set forth in the Notice of Violation supplied by the same supplier will not be sold in California without complying with the terms of this Consent Judgment. Provided that Settling Defendant has complied with this Section, Settling Defendant shall not be responsible for a monetary payment under this Section 4.3 related to a Notice of Violation for a Covered Product supplied by the same supplier for a period of 180 days after the date of the initial Notice of Violation.
- 4.3.3 If there is a dispute over the sufficiency of the proposed corrective action or its implementation, CEH shall promptly notify Settling Defendant and the Parties shall meet and confer before seeking the intervention of the Court to resolve the dispute. In addition to the corrective action, Settling Defendant shall make a contribution to the Fashion Accessory Testing Fund in the amount of \$10,000, unless one of the provisions of Section 4.3.4 applies.

4.3.4 Limitations in Non-Contested Matters.

- (a) If Settling Defendant elects to not contest a Notice of Violation before any motion concerning the violation(s) at issue has been filed, the monetary liability of Settling Defendant shall be limited to the contributions required by Section 4.3.2 and this Section 4.3.4, if any.
- (b) If more than one Settling Defendant has manufactured, sold, offered for sale or distributed a Covered Product identified in a non-contested Notice of Violation, only one required contribution may be assessed against all Settling Defendants as to the noticed Covered Product.
 - (c) The contribution to the Fashion Accessory Testing Fund shall be:

(i) Five hundred dollars (\$500) if Settling Defendant is in violation of Section 3.2 only insofar as that Section deems Settling Defendant to have "offered for sale to California consumers" a product sold at retail by Settling Defendant's customer not in compliance with either Section 3.2 or 3.4, provided however, that no contribution is required or payable if Settling Defendant has already been required to pay a total of ten thousand dollars (\$10,000) pursuant to this subsection. This subsection shall apply only to Covered Products that Settling Defendant demonstrates were shipped prior to 30 days after the Effective Date; or

(ii) Not required or payable, if the Notice of Violation identifies the same Covered Product or Covered Products, differing only in size or color, that have been the subject of another Notice of Violation within the preceding 12 months.

5. **PAYMENTS**

- **Payments by Settling Defendant.** Within five (5) business days of the Effective 5.1 Date, Settling Defendant shall pay the total sum of \$57,500 as a settlement payment. The total settlement amount for Settling Defendant shall be paid in three separate checks and delivered to the offices of the Lexington Law Group (Attn: Eric Somers), 503 Divisadero Street, San Francisco, California 94117-2212, and made payable and allocated as follows:
- 5.1.1 Settling Defendant shall pay the sum of \$7,600 as a civil penalty pursuant to Health & Safety Code § 25249.7(b). CEH shall apportion this payment in accordance with Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of California's Office of Environmental Health Hazard Assessment). The civil penalty check shall be made payable to the Center For Environmental Health.
- 5.1.2 Settling Defendant shall pay the sum of \$11,400 as a payment in lieu of civil penalty to CEH pursuant to Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 3203(b). CEH shall use such funds to continue its work educating and protecting people from exposures to toxic chemicals, including heavy metals. In addition, as part 3466-00003

of its Community Environmental Action and Justice Fund, CEH will use at least four percent of such funds to award grants to grassroots environmental justice groups working to educate and protect people from exposures to toxic chemicals. The method of selection of such groups can be found at the CEH web site at www.ceh.org/justicefund. The payment pursuant to this Section shall be made payable to the Center For Environmental Health.

5.1.3 Settling Defendant shall also separately pay the sum of \$38,500 to the Lexington Law Group as reimbursement of a portion of CEH's reasonable attorneys' fees and costs. The attorneys' fees and cost reimbursement check shall be made payable to the Lexington Law Group.

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 This Consent Judgment is a full, final and binding resolution between CEH on behalf of itself and the public interest and Settling Defendant, and its parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, and attorneys ("Defendant Releasees"), and each entity to whom it directly or indirectly distributes or sell Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Downstream Defendant Releasees") of any violation of Proposition 65 that was or could have been asserted in the Complaint against Settling Defendant, Defendant Releasees, and Downstream Defendant Releasees, based on alleged exposure to lead contained in Covered Products in violation of Proposition 65 or in violation of a Consent Judgment between CEH and Defendant Releasees or Downstream Defendant Releasees that were sold by Settling Defendant prior to or within 30 days after the

3466-00003

1	Effecti	ve Date.	
2		7.2	Compliance with the terms of this Consent Judgment by Settling Defendant
3	constit	utes comp	liance with Proposition 65 with respect to Lead in Covered Products which
4	Settlin	g Defenda	nt manufactures, distributes, sells, and/or offers for sale in California while the
5	Conse	nt Judgmer	nt is in effect.
6	8.	NOTICE	
7		8.1	When CEH is entitled to receive any notice under this Consent Judgment, the
8	notice	shall be se	ent by first class and electronic mail to:
9			Eric S. Somers
10			Lexington Law Group 503 Divisadero Street
11			San Francisco, CA 94117 esomers@lexlawgroup.com
12		8.2	When Settling Defendant is entitled to receive any notice under this Consent
13	Judgm		tice shall be sent by first class and electronic mail to:
14		.,	Arthur Fine
15			Mitchell Silberberg & Knupp LLP 11377 West Olympic Boulevard
16 17			Los Angeles, CA 90064 abf@msk.com
18		8.3	Any Party may modify the person and address to whom the notice is to be sent
19	by sen	ding each	other Party notice by first class and electronic mail.
20	9.	COURT	APPROVAL
21		9.1	This Consent Judgment shall become effective upon entry by the Court. CEH
22	shall p	repare and	file a Motion for Approval of this Consent Judgment and Settling Defendant
23	shall s	upport entr	ry of this Consent Judgment.
24		9.2	If this Consent Judgment is not entered by the Court, it shall be of no force or
25	effect a	and shall n	ever be introduced into evidence or otherwise used in any proceeding for any
26	purpos	se other tha	an to allow the Court to determine if there was a material breach of Section 9.1.
27	10.	ATTOR	NEYS' FEES
28		10.1	Should CEH prevail on any motion, application for an order to show cause or
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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, modification, waiver, or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

- 12.4 Nothing in this Consent Judgment shall release, or in any way affect any rights that Settling Defendant might have against any other party, whether or not that party is a Settling Defendant.
- This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment.
- 12.6 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document.
- 12.7 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.
- The Parties, including their counsel, have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any

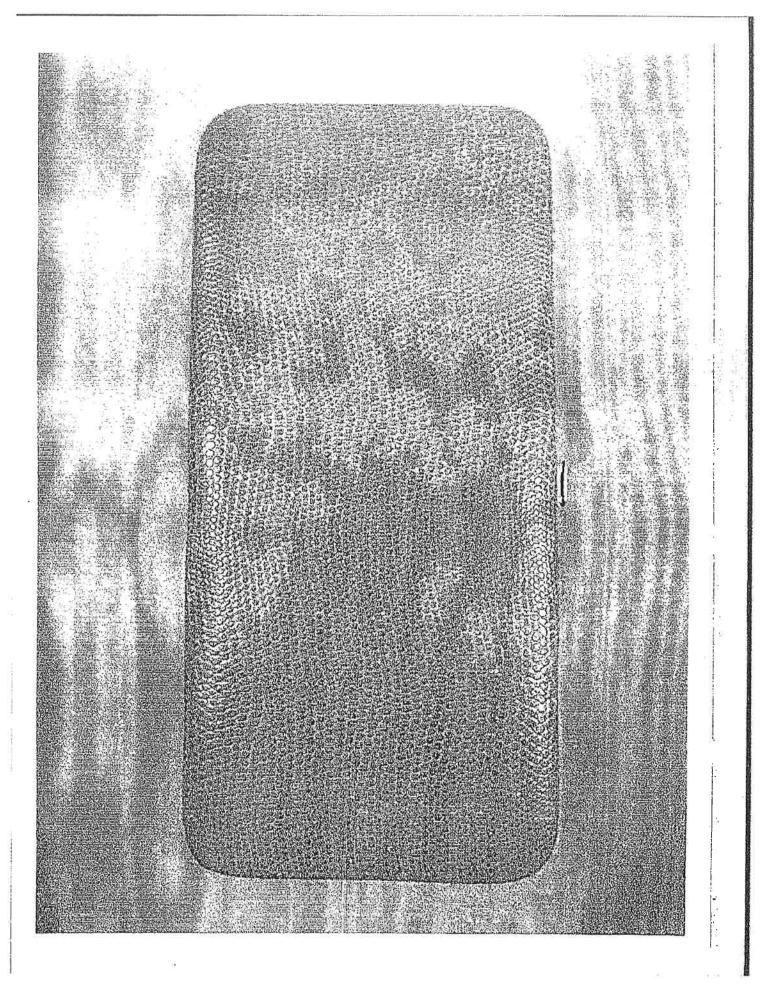
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1	Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this		
2	Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to		
3	be resolved against the drafting Party should not be employed in the interpretation of this Consent		
4	Judgment and, in this regard, the Parties hereby waive California Civil Code § 1654.		
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6	IT IS SO ORDERED:		
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9	Dated: Judge of the Superior Court		
10	Judge of the Superior Court		
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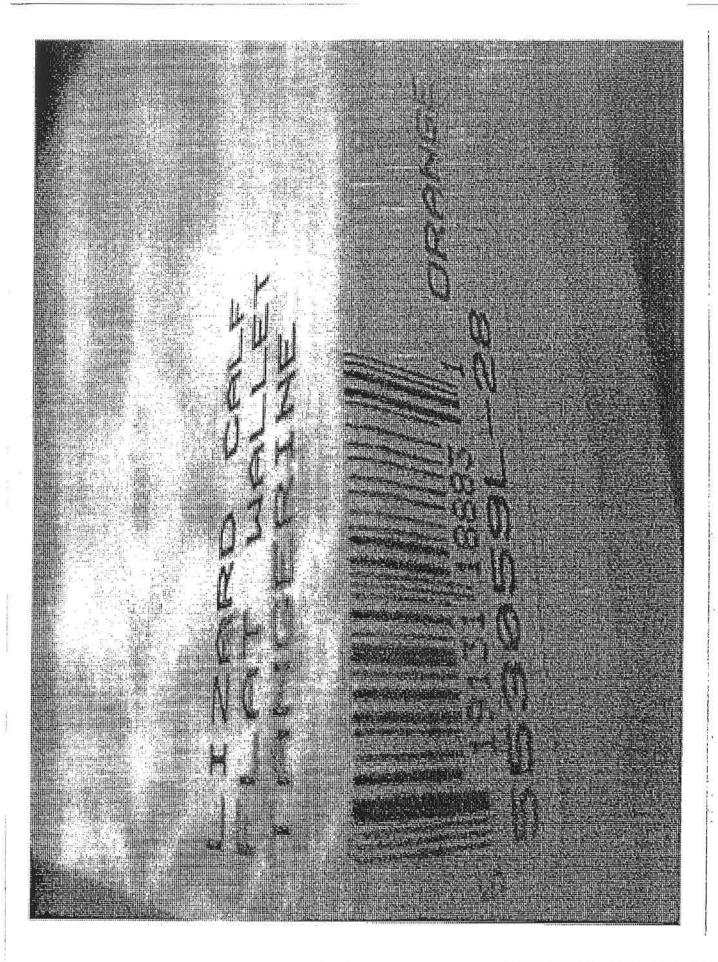
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10	AssociATE DIDECTOR	_
11	Title	
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14	ROCKET DOG BRANDS LLC	
15		
16	C:	-
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Exhibit A



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365 North Canyons Parkway, Suite 201 Tech Center: 2441 Constitution Drive Livermore CA 94551



925-828-1440 www.TheNFLcom

Analytical Report

August 03, 2011

Lexington Law Group 503 Divisidero Street San Francisco, CA 94117 Analytical Report No.: CL3573-33 Analysis Dates: 07/26/11 - 08/03/11

Listed below are the results of our analyses for sample(s) received on July 26, 2011;

NFL ID AF02363				
Result	Units	Method Ref.		
67500	ppm	NIOSH 7082		
	Result	Result Units		

A portion of the sample was digested in a microwave oven with concentrated nitric acid and analyzed by ICP-MS.

Sample(s) were received in good condition unless and results are reported based on the sample(s) as received, unless otherwise noted. Please note that these results apply only to the sample(s) submitted for this report. Samples from a different portion of the same lot may produce different results.

The National Food Lab services are provided subject to our standard terms and conditions, which can be found on our website, www.TheNFL.com. Should you have any questions concerning these results, please do not hesitate to contact us. Thank you for using the services of the National Food Lab.

Sincerely,

Grace Bandong, Division Manager, Food Contaminants - Chemistry

cc: The NFL's Accounts Receivable

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