

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 Settling Defendant.

9 **2. INTRODUCTION**

10 2.1 The parties to this Consent Judgment (“Parties”) are the Center for
11 Environmental Health (“CEH”) and Defendant E.S. Originals Inc. (“Settling Defendant”).

12 2.2 On October 31, 2014, 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”) to Settling Defendant, the California Attorney
15 General, the District Attorneys of every County in the State of California, and the City Attorneys
16 for every City in the State of California with a population greater than 750,000. The Notice
17 alleges that Settling Defendant violated Proposition 65 by exposing persons to Lead contained in
18 footwear without first providing a clear and reasonable Proposition 65 warning.

19 2.3 On April 8, 2015, CEH filed the action *Center for Environmental Health v.*
20 *Charming Charlie LLC, et al.*, Case No. RG 15-765590, in the Superior Court of California for
21 Alameda County, naming Settling Defendant as a defendant in that action.

22 2.4 Settling Defendant manufactures, distributes and/or offers for sale Covered
23 Products in the State of California or has done so in the past.

24 2.5 For purposes of this Consent Judgment only, the Parties stipulate that this
25 Court has jurisdiction over the allegations of violations contained in the operative Complaint
26 applicable to Settling Defendant (the “Complaint”) and personal jurisdiction over Settling
27 Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Alameda,
28 and that this Court has jurisdiction to enter this Consent Judgment.

1 2.6 Nothing in this Consent Judgment is or shall be construed as an admission by
2 the Parties of any fact, conclusion of law, issue of law or violation of law, nor shall compliance
3 with the Consent Judgment constitute or be construed as an admission by the Parties of any fact,
4 conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall
5 prejudice, waive or impair any right, remedy, argument or defense the Parties may have in any
6 other legal proceeding. This Consent Judgment is the product of negotiation and compromise and
7 is accepted by the Parties for purposes of settling, compromising and resolving issues disputed in
8 this action.

9 **3. INJUNCTIVE RELIEF**

10 3.1 **Specification Compliance Date.** To the extent it has not already done so, no
11 more than thirty (30) days after the Effective Date, Settling Defendant shall provide the Lead
12 Limits to its Vendors of Covered Products and shall instruct each Vendor to use reasonable
13 efforts to provide Covered Products that comply with the Lead Limits on a nationwide basis.

14 3.2 **Lead Limits.** Commencing on the Effective Date, Settling Defendant shall
15 not purchase, import, Manufacture, supply to an unaffiliated third party, or sell or offer for sale
16 any Covered Product that will be sold or offered for sale to California consumers that contains a
17 material or is made of a component that exceeds the following Lead Limits:

18 3.2.1 Paint or other Surface Coatings: 90 parts per million (“ppm”).

19 3.2.2 Polyvinyl chloride (“PVC”): 200 ppm.

20 3.2.3 All other materials or components other than cubic zirconia (sometimes
21 called cubic zirconium, CZ), crystal, glass or rhinestones: 300 ppm.

22 For purposes of this Section 3.2, when Settling Defendant’s direct customer sells
23 or offers for sale to California consumers a Covered Product after the Effective Date, Settling
24 Defendant is deemed to have “offered for sale to California consumers” that Covered Product.

25 3.3 **Action Regarding Specific Products.**

26 3.3.1 On or before the Effective Date, Settling Defendant shall cease selling in
27 California the following products: (i) the Rampage Rangler Flat Sandals in Red Patent,
28 SKU No. 8-86524-31315-0, Style No. MI1208; and (ii) the Rampage Raiden Flat Thong

1 Sandals in Tan, SKU No. 8-86524-81262-2, Style No. BB3016 (the “Section 3.3
2 Products”). On or before the Effective Date, Settling Defendant shall also: (i) cease
3 shipping the Section 3.3 Products to any of its stores and/or customers that resell the
4 Section 3.3 Products in California, and (ii) send instructions to its stores and/or customers
5 that resell the Section 3.3 Products in California instructing them either to: (a) return all of
6 the Section 3.3 Products to Settling Defendant for destruction; or (b) directly destroy the
7 Section 3.3 Products.

8 3.3.2 Any destruction of the Section 3.3 Products shall be in compliance with all
9 applicable laws.

10 3.3.3 Within sixty (60) days of the Effective Date, Settling Defendant shall
11 provide CEH with written certification from Settling Defendant confirming compliance
12 with the requirements of this Section 3.3.

13 **4. ENFORCEMENT**

14 4.1 Any Party may, after meeting and conferring, by motion or application for an
15 order to show cause before this Court, enforce the terms and conditions contained in this Consent
16 Judgment. Enforcement of the terms and conditions of Section 3.2 of this Consent Judgment
17 shall be brought exclusively pursuant to Sections 4.2 through 4.3.

18 4.2 **Notice of Violation.** CEH may seek to enforce the requirements of Section
19 3.2 by issuing a Notice of Violation pursuant to this Section 4.2.

20 4.2.1 **Service of Notice.** CEH shall serve the Notice of Violation on Settling
21 Defendant within 45 days of the date the alleged violation(s) was or were observed,
22 provided, however, that: (i) CEH may have up to an additional 45 days to provide Settling
23 Defendant with the test data required by Section 4.2.2(d) below if it has not yet obtained it
24 from its laboratory; and (ii) CEH may serve a Notice of Violation to a supplier of a
25 Covered Product so long as: (a) the identity of the supplier cannot be discerned from the
26 labeling of the Covered Product; and (b) the Notice of Violation to the supplier is served
27 within 45 days of the date the supplier is identified by CEH.

28 4.2.2 **Supporting Documentation.** The Notice of Violation shall, at a

1 minimum, set forth for each Covered Product: (a) the date(s) the alleged violation(s) was
2 observed, (b) the location at which the Covered Product was offered for sale, (c) a
3 description of the Covered Product giving rise to the alleged violation, and of each
4 material or component that is alleged not to comply with the Lead Limits, including a
5 picture of the Covered Product and all identifying information on tags and labels, and (d)
6 all test data obtained by CEH regarding the Covered Product and related supporting
7 documentation, including all laboratory reports, quality assurance reports and quality
8 control reports associated with testing of the Covered Products. Such Notice of Violation
9 shall be based at least in part upon total acid digest testing performed by an independent
10 accredited laboratory. Wipe, swipe, x-ray fluorescence, and swab testing are not by
11 themselves sufficient to support a Notice of Violation, although any such testing may be
12 used as additional support for a Notice. The Parties agree that the sample Notice of
13 Violation attached hereto as Exhibit A is sufficient in form to satisfy the requirements of
14 subsections (c) and (d) of this Section 4.2.2.

15 **4.2.3 Additional Documentation.** CEH shall promptly make available for
16 inspection and/or copying upon request by and at the expense of Settling Defendant, all
17 supporting documentation related to the testing of the Covered Products and associated
18 quality control samples, including chain of custody records, all laboratory logbook entries
19 for laboratory receiving, sample preparation, and instrumental analysis, and all printouts
20 from all analytical instruments relating to the testing of Covered Product samples and any
21 and all calibration, quality assurance, and quality control tests performed or relied upon in
22 conjunction with the testing of the Covered Products, obtained by or available to CEH that
23 pertains to the Covered Product's alleged noncompliance with Section 3 and, if available,
24 any exemplars of Covered Products tested.

25 **4.2.4 Multiple Notices.** If Settling Defendant has received more than four
26 Notices of Violation in any 12-month period, at CEH's option, CEH may seek whatever
27 fines, costs, penalties, or remedies are provided by law for failure to comply with the
28

1 Consent Judgment. For purposes of determining the number of Notices of Violation
2 pursuant to this Section 4.2.4, the following shall be excluded:

3 (a) Multiple notices identifying Covered Products Manufactured for or
4 sold to Settling Defendant from the same Vendor; and

5 (b) A Notice of Violation that meets one or more of the conditions of
6 Section 4.3.3(c).

7 4.3 **Notice of Election.** Within thirty (30) days of receiving a Notice of Violation
8 pursuant to Section 4.2, including the test data required pursuant to 4.2.2(d), Settling Defendant
9 shall provide written notice to CEH stating whether it elects to contest the allegations contained in
10 the Notice of Violation (“Notice of Election”). Failure to provide a Notice of Election shall be
11 deemed an election to contest the Notice of Violation. Any contributions to the Fashion
12 Accessory Testing Fund required under this Section 4.3 shall be made payable to The Center for
13 Environmental Health and included with Settling Defendant’s Notice of Election.

14 4.3.1 **Contested Notices.** If the Notice of Violation is contested, the Notice of
15 Election shall include all then-available documentary evidence regarding the alleged
16 violation, including any test data. Within thirty (30) days the parties shall meet and confer
17 to attempt to resolve their dispute. Should such attempts at meeting and conferring fail,
18 CEH may file an enforcement motion or application pursuant to Section 4.1. If Settling
19 Defendant withdraws its Notice of Election to contest the Notice of Violation before any
20 motion concerning the violations alleged in the Notice of Violation is filed pursuant to
21 Section 4.1, Settling Defendant shall make a contribution to the Proposition 65 Fashion
22 Accessory Testing Fund in the amount of \$12,500 and shall comply with all of the non-
23 monetary provisions of Section 4.3.2. If, at any time prior to reaching an agreement or
24 obtaining a decision from the Court, CEH or Settling Defendant acquires additional test or
25 other data regarding the alleged violation, it shall promptly provide all such data or
26 information to the other Party.

27 4.3.2 **Non-Contested Notices.** If the Notice of Violation is not contested,
28 Settling Defendant shall include in its Notice of Election a detailed description of

1 corrective action that it has undertaken or proposes to undertake to address the alleged
2 violation. Any such correction shall, at a minimum, provide reasonable assurance that the
3 Covered Product will no longer be offered by Settling Defendant or its customers for sale
4 in California. If there is a dispute over the sufficiency of the proposed corrective action or
5 its implementation, CEH shall promptly notify Settling Defendant and the Parties shall
6 meet and confer before seeking the intervention of the Court to resolve the dispute. In
7 addition to the corrective action, Settling Defendant shall make a contribution to the
8 Fashion Accessory Testing Fund in the amount of \$10,000, unless one of the provisions of
9 Section 4.3.3 applies.

10 **4.3.3 Limitations in Non-Contested Matters.**

11 (a) If it elects not to contest a Notice of Violation before any motion
12 concerning the violation(s) at issue has been filed, the monetary liability of Settling
13 Defendant shall be limited to the contributions required by Section 4.3.2 and this Section
14 4.3.3, if any.

15 (b) If more than one Settling Defendant has manufactured, sold, offered
16 for sale or distributed a Covered Product identified in a non-contested Notice of Violation,
17 only one required contribution may be assessed against all Settling Defendants as to the
18 noticed Covered Product.

19 (c) The contribution to the Fashion Accessory Testing Fund shall be:

20 (i) One thousand seven hundred fifty dollars (\$1,750) if Settling
21 Defendant, prior to receiving and accepting for distribution or sale the
22 Covered Product identified in the Notice of Violation, obtained test results
23 demonstrating that all of the materials or components in the Covered
24 Product identified in the Notice of Violation complied with the applicable
25 Lead Limits, and further provided that such test results meet the same
26 quality criteria to support a Notice of Violation as set forth in Section 4.2.2
27 and that the testing was performed within two years prior to the date of the
28 sales transaction on which the Notice of Violation is based. Settling

1 Defendant shall provide copies of such test results and supporting
2 documentation to CEH with its Notice of Election; or

3 (ii) One thousand five hundred dollars (\$1,500) if Settling
4 Defendant is in violation of Section 3.2 only insofar as that Section deems
5 Settling Defendant to have “offered for sale to California consumers” a
6 product sold at retail by Settling Defendant’s customer, provided however,
7 that no contribution is required or payable if Settling Defendant has already
8 been required to pay a total of ten thousand dollars (\$10,000) pursuant to
9 this subsection. This subsection shall apply only to Covered Products that
10 Settling Defendant demonstrates were shipped prior to the Effective Date;
11 or

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

16 **5. PAYMENTS**

17 5.1 **Payments by Settling Defendant.** Within five (5) business days of the Effective
18 Date, Settling Defendant shall pay the total sum of \$55,000 as a settlement payment. The total
19 settlement amount for Settling Defendant shall be paid in three separate checks and delivered to
20 the offices of the Lexington Law Group (Attn: Eric Somers), 503 Divisadero Street, San
21 Francisco, California 94117-2212, and made payable and allocated as follows:

22 5.1.1 Settling Defendant shall pay the sum of \$7,250 as a civil penalty pursuant
23 to Health & Safety Code § 25249.7(b). CEH shall apportion this payment in accordance with
24 Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of California’s Office of
25 Environmental Health Hazard Assessment). The civil penalty check shall be made payable to the
26 Center for Environmental Health.

27 5.1.2 Settling Defendant shall pay the sum of \$10,900 as a payment in lieu of
28 civil penalty to CEH pursuant to Health & Safety Code § 25249.7(b), and California Code of

1 Regulations, Title 11, § 3203(b). CEH shall use such funds to continue its work educating and
2 protecting people from exposures to toxic chemicals, including heavy metals. In addition, as part
3 of its Community Environmental Action and Justice Fund, CEH will use four percent of such
4 funds to award grants to grassroots environmental justice groups working to educate and protect
5 people from exposures to toxic chemicals. The method of selection of such groups can be found
6 at the CEH web site at www.ceh.org/justicefund. The payment pursuant to this Section shall be
7 made payable to the Center for Environmental Health.

8 5.1.3 Settling Defendant shall also separately pay the sum of \$36,850 to the
9 Lexington Law Group as reimbursement of a portion of CEH's reasonable attorneys' fees and
10 costs. The attorneys' fees and cost reimbursement check shall be made payable to the Lexington
11 Law Group.

12 **6. MODIFICATION**

13 6.1 **Written Consent.** This Consent Judgment may be modified from time to
14 time by express written agreement of the Parties with the approval of the Court, or by an order of
15 this Court upon motion and in accordance with law.

16 6.2 **Meet and Confer.** Any Party seeking to modify this Consent Judgment shall
17 attempt in good faith to meet and confer with all affected Parties prior to filing a motion to
18 modify the Consent Judgment.

19 **7. CLAIMS COVERED AND RELEASED**

20 7.1 This Consent Judgment is a full, final and binding resolution between CEH on
21 behalf of itself and the public interest and Settling Defendant, and its parents, subsidiaries,
22 affiliated entities that are under common ownership, directors, officers, employees, and attorneys
23 ("Defendant Releasees"), and each entity to whom they directly or indirectly distribute or sell
24 Covered Products, including but not limited to distributors, wholesalers, customers, retailers,
25 franchisees, cooperative members, licensors, and licensees ("Downstream Defendant Releasees")
26 of any violation of Proposition 65 that was or could have been asserted in the Complaint against
27 Settling Defendant, Defendant Releasees, and Downstream Defendant Releasees, based on failure
28 to warn about alleged exposure to Lead contained in Covered Products that were sold by Settling

1 Defendant prior to the Effective Date.

2 7.2 Compliance with the terms of this Consent Judgment by Settling Defendant
3 constitutes compliance with Proposition 65 with respect to Lead in Covered Products sold by
4 Settling Defendant.

5 7.3 This Consent Judgment resolves all monetary claims CEH has asserted against
6 Settling Defendant and any of its retail customers under Fashion Accessory Testing Fund Notices
7 of Violation issued or to be issued by CEH that are related to the Section 3.3 Products.

8 **8. NOTICE**

9 8.1 When CEH is entitled to receive any notice under this Consent Judgment, the
10 notice shall be sent by first class and electronic mail to:

11 Eric S. Somers
12 Lexington Law Group
13 503 Divisadero Street
14 San Francisco, CA 94117
15 esomers@lexlawgroup.com

16 8.2 When Settling Defendant is entitled to receive any notice under this Consent
17 Judgment, the notice shall be sent by first class and electronic mail to:

18 Matthew S. Kenefick
19 Jeffer Mangels Butler & Mitchell LLP
20 2 Embarcadero Center, 5th Floor
21 San Francisco, CA 94111
22 mkenefick@jmbm.com

23 8.3 Any Party may modify the person and address to whom the notice is to be sent
24 by sending each other Party notice by first class and electronic mail.

25 **9. COURT APPROVAL**

26 9.1 This Consent Judgment shall become effective upon entry by the Court. CEH
27 shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendant
28 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.

1 **10. ATTORNEYS' FEES**

2 10.1 Should CEH prevail on any motion, application for an order to show cause or
3 other proceeding to enforce a violation of this Consent Judgment, CEH shall be entitled to its
4 reasonable attorneys' fees and costs incurred as a result of such motion or application. Should
5 Settling Defendant prevail on any motion application for an order to show cause or other
6 proceeding, Settling Defendant may be awarded its reasonable attorneys' fees and costs as a result
7 of such motion or application upon a finding by the Court that CEH's prosecution of the motion
8 or application lacked substantial justification. For purposes of this Consent Judgment, the term
9 substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986,
10 Code of Civil Procedure §§ 2016, *et seq.*

11 10.2 Except as otherwise provided in this Consent Judgment, each Party shall bear
12 its own attorneys' fees and costs.

13 10.3 Nothing in this Section 10 shall preclude a Party from seeking an award of
14 sanctions pursuant to law.

15 **11. TERMINATION**

16 11.1 This Consent Judgment shall be terminable by CEH or by Settling Defendant
17 at any time after January 1, 2020, upon the provision of 30 days advanced written notice; such
18 termination shall be effective upon the subsequent filing of a notice of termination with Superior
19 Court of Alameda County.

20 11.2 Should this Consent Judgment be terminated pursuant to this Section, it shall
21 be of no further force or effect as to the terminated parties; provided, however that if CEH is the
22 terminating Party, the provisions of Sections 5 and 7 shall survive any termination and provided
23 further that if Settling Defendant is the terminating Party, the provisions of Sections 5 and 7.1
24 shall survive any termination.

25 **12. OTHER TERMS**

26 12.1 The terms of this Consent Judgment shall be governed by the laws of the State
27 of California.

28 12.2 This Consent Judgment shall apply to and be binding upon CEH and Settling

1 Defendant, and the successors or assigns of any of them.

2 12.3 This Consent Judgment contains the sole and entire agreement and
3 understanding of the Parties with respect to the entire subject matter hereof, and any and all prior
4 discussions, negotiations, commitments, or understandings related thereto, if any, are hereby
5 merged herein and therein. There are no warranties, representations, or other agreements between
6 the Parties except as expressly set forth herein. No representations, oral or otherwise, express or
7 implied, other than those specifically referred to in this Consent Judgment have been made by any
8 Party hereto. No other agreements not specifically contained or referenced herein, oral or
9 otherwise, shall be deemed to exist or to bind any of the Parties hereto. No supplementation,
10 modification, waiver, or termination of this Consent Judgment shall be binding unless executed in
11 writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent
12 Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof
13 whether or not similar, nor shall such waiver constitute a continuing waiver.

14 12.4 Nothing in this Consent Judgment shall release, or in any way affect any rights
15 that Settling Defendant might have against any other party, whether or not that party is a Settling
16 Defendant.

17 12.5 This Court shall retain jurisdiction of this matter to implement or modify the
18 Consent Judgment.

19 12.6 The stipulations to this Consent Judgment may be executed in counterparts
20 and by means of facsimile or portable document format (pdf), which taken together shall be
21 deemed to constitute one document.

22 12.7 Each signatory to this Consent Judgment certifies that he or she is fully
23 authorized by the Party he or she represents to stipulate to this Consent Judgment and to enter into
24 and execute the Consent Judgment on behalf of the Party represented and legally to bind that
25 Party.

26 12.8 The Parties, including their counsel, have participated in the preparation of
27 this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties.
28 This Consent Judgment was subject to revision and modification by the Parties and has been

1 accepted and approved as to its final form by all Parties and their counsel. Accordingly, any
2 uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any
3 Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this
4 Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to
5 be resolved against the drafting Party should not be employed in the interpretation of this Consent
6 Judgment and, in this regard, the Parties hereby waive California Civil Code § 1654.

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IT IS SO ORDERED:

Dated: _____ Judge of the Superior Court

IT IS SO STIPULATED:


CENTER FOR ENVIRONMENTAL HEALTH



Signature



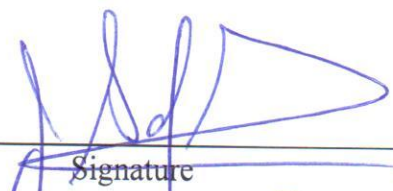
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E.S. ORIGINALS INC.



Signature

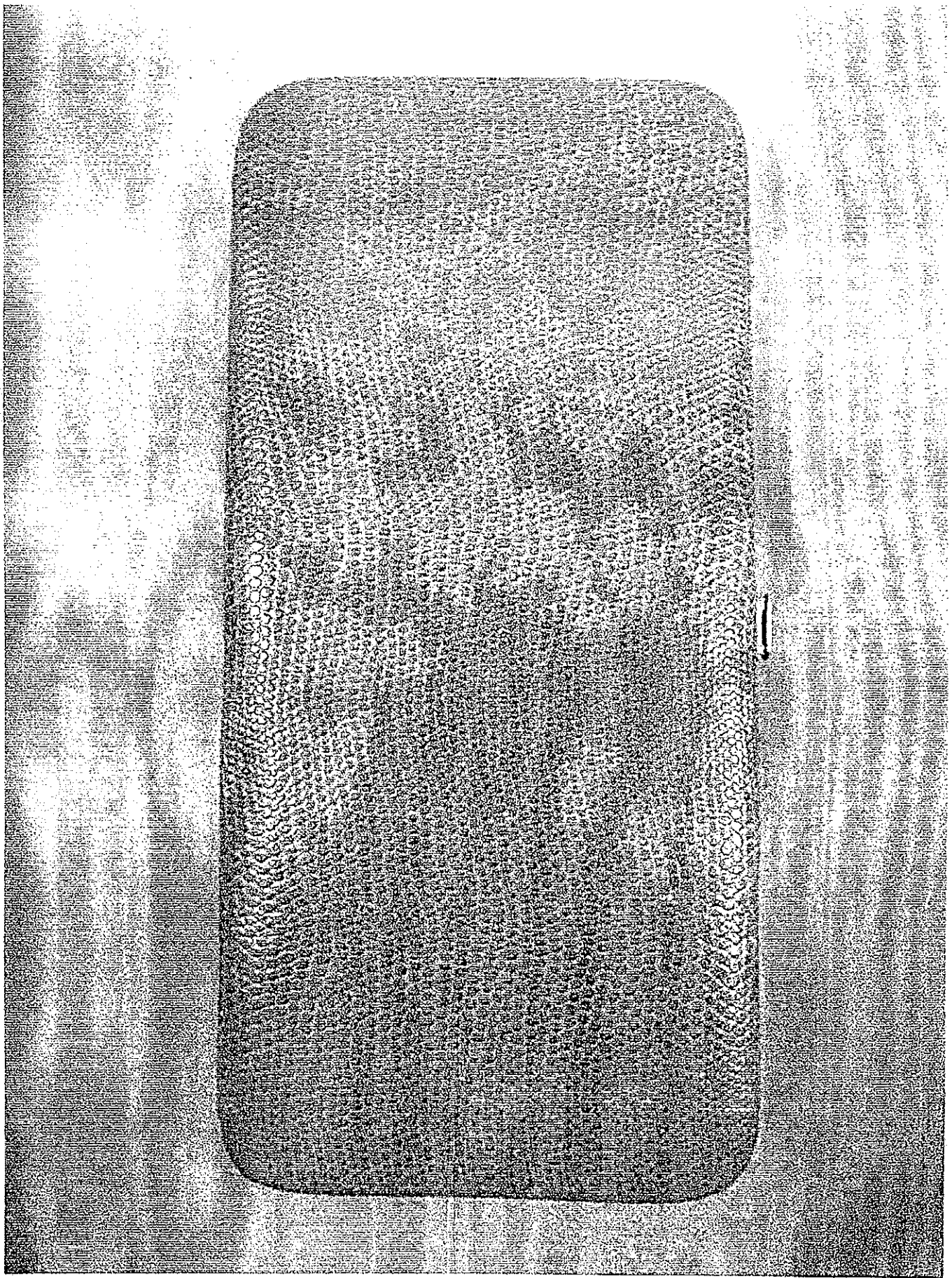
Joseph Safdave

Printed Name

CEO

Title

Exhibit A



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ORANGE

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



925-828-1440
www.TheNFL.com

Analytical Report

August 03, 2011

Lexington Law Group
503 Divisadero 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.

CEH ID#AB789L, [REDACTED] Wallet (Orange Surface Material On Main Part Of W
NFL ID AF02363

Analyte	Result	Units	Method Ref.
Lead	67500	ppm	NIOSH 7082

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