

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 4411765 Canada Inc. doing business as
12 Christopher Kon (“Settling Defendant”).

13 2.2 On November 19, 2015, CEH served a 60-Day Notice of Violation under
14 Proposition 65 (The Safe Drinking Water and Toxic Enforcement Act of 1986, California Health
15 & Safety Code §§ 25249.5, *et seq.*) (the “Notices”) on Settling Defendant and its affiliated
16 company 3096-7053 Quebec, Inc., the California Attorney General, the District Attorneys of
17 every County in the State of California, and the City Attorneys for every City in the State of
18 California with a population greater than 750,000. The Notice alleges that Settling Defendant and
19 3096-7053 Quebec, Inc. violated Proposition 65 by exposing persons to Lead contained in
20 Covered Products without first providing clear and reasonable Proposition 65 warnings.

21 2.3 On October 9, 2015, CEH filed the action *Center for Environmental Health v.*
22 *Free People of PA, LLC, et al.*, Case No. RG 15-789111, in the Superior Court of California for
23 Alameda County. On or about February 10, 2016, CEH named Settling Defendant and 3096-
24 7053 Quebec, Inc. as defendants in that action pursuant to Code of Civil Procedure § 474.

25 2.4 Settling Defendant manufactures, distributes and/or offers for sale Covered
26 Products in the State of California or has done so in the past. Settling Defendant represents that
27 its affiliated company 3096-7053 Quebec, Inc.’s primary purpose is to own intellectual property
28 rights associated with the brand “Christopher Kon” for Covered Products manufactured,

1 distributed and/or sold by Settling Defendant and that 3096-7053 Quebec, Inc. is not in any way
2 involved in the design, manufacturing, distribution and/or sale of the Covered Products.
3 Accordingly, on or about May 11, 2016, CEH voluntarily dismissed 3096-7053 Quebec, Inc.
4 from the *Free People* action without prejudice.

5 2.5 For purposes of this Consent Judgment only, the Parties stipulate that this
6 Court has jurisdiction over the allegations of violations contained in the operative Complaint
7 applicable to Settling Defendant (the “Complaint”) and personal jurisdiction over Settling
8 Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Alameda,
9 and that this Court has jurisdiction to enter this Consent Judgment.

10 2.6 Nothing in this Consent Judgment is or shall be construed as an admission by
11 the Parties of any fact, conclusion of law, issue of law or violation of law, nor shall compliance
12 with the Consent Judgment constitute or be construed as an admission by the Parties of any fact,
13 conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall
14 prejudice, waive or impair any right, remedy, argument or defense the Parties may have in any
15 other legal proceeding. This Consent Judgment is the product of negotiation and compromise and
16 is accepted by the Parties for purposes of settling, compromising and resolving issues disputed in
17 this action.

18 **3. INJUNCTIVE RELIEF**

19 3.1 **Specification Compliance Date.** To the extent it has not already done so, no
20 more than thirty (30) days after the Effective Date, Settling Defendant shall provide the Lead
21 Limits to its Vendors of Covered Products and shall instruct each Vendor to use reasonable
22 efforts to provide Covered Products that comply with the Lead Limits on a worldwide basis.

23 3.2 **Lead Limits.** Commencing on the Effective Date, Settling Defendant shall
24 not purchase, import, Manufacture, supply to an unaffiliated third party, or sell or offer for sale
25 any Covered Product that will be sold or offered for sale to California consumers that contains a
26 material or is made of a component that exceeds the following Lead Limits:

27 3.2.1 Paint or other Surface Coatings: 90 parts per million (“ppm”).

28 3.2.2 Polyvinyl chloride (“PVC”): 200 ppm.

1 4.2 **Notice of Violation.** CEH may seek to enforce the requirements of Section
2 3.2 by issuing a Notice of Violation pursuant to this Section 4.2.

3 4.2.1 **Service of Notice.** CEH shall serve the Notice of Violation on Settling
4 Defendant within 45 days of the date the alleged violation(s) was or were observed,
5 provided, however, that: (i) CEH may have up to an additional 45 days to provide Settling
6 Defendant with the test data required by Section 4.2.2(d) below if it has not yet obtained it
7 from its laboratory; and (ii) CEH may serve a Notice of Violation to a supplier of a
8 Covered Product so long as: (a) the identity of the supplier cannot be discerned from the
9 labeling of the Covered Product; and (b) the Notice of Violation to the supplier is served
10 within 45 days of the date the supplier is identified by CEH.

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

26 4.2.3 **Additional Documentation.** CEH shall promptly make available for
27 inspection and/or copying upon request by and at the expense of Settling Defendant, all
28 supporting documentation related to the testing of the Covered Products and associated

1 quality control samples, including chain of custody records, all laboratory logbook entries
2 for laboratory receiving, sample preparation, and instrumental analysis, and all printouts
3 from all analytical instruments relating to the testing of Covered Product samples and any
4 and all calibration, quality assurance, and quality control tests performed or relied upon in
5 conjunction with the testing of the Covered Products, obtained by or available to CEH that
6 pertains to the Covered Product's alleged noncompliance with Section 3 and, if available,
7 any exemplars of Covered Products tested.

8 4.2.4 **Multiple Notices.** If Settling Defendant has received more than four
9 Notices of Violation in any 12-month period, at CEH's option, CEH may seek whatever
10 fines, costs, penalties, or remedies are provided by law for failure to comply with the
11 Consent Judgment. For purposes of determining the number of Notices of Violation
12 pursuant to this Section 4.2.4, the following shall be excluded:

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

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

17 4.3 **Notice of Election.** Within thirty (30) days of receiving a Notice of Violation
18 pursuant to Section 4.2, including the test data required pursuant to 4.2.2(d), Settling Defendant
19 shall provide written notice to CEH stating whether it elects to contest the allegations contained in
20 the Notice of Violation ("Notice of Election"). Failure to provide a Notice of Election shall be
21 deemed an election to contest the Notice of Violation. Any contributions to the Fashion
22 Accessory Testing Fund required under this Section 4.3 shall be made payable to The Center for
23 Environmental Health and included with Settling Defendant's Notice of Election.

24 4.3.1 **Contested Notices.** If the Notice of Violation is contested, the Notice of
25 Election shall include all then-available documentary evidence regarding the alleged
26 violation, including any test data. Within thirty (30) days the parties shall meet and confer
27 to attempt to resolve their dispute. Should such attempts at meeting and conferring fail,
28 CEH may file an enforcement motion or application pursuant to Section 4.1. If Settling

1 Defendant withdraws its Notice of Election to contest the Notice of Violation before any
2 motion concerning the violations alleged in the Notice of Violation is filed pursuant to
3 Section 4.1, Settling Defendant shall make a contribution to the Proposition 65 Fashion
4 Accessory Testing Fund in the amount of \$12,500 and shall comply with all of the non-
5 monetary provisions of Section 4.3.2. If, at any time prior to reaching an agreement or
6 obtaining a decision from the Court, CEH or Settling Defendant acquires additional test or
7 other data regarding the alleged violation, it shall promptly provide all such data or
8 information to the other Party.

9 **4.3.2 Non-Contested Notices.** If the Notice of Violation is not contested,
10 Settling Defendant shall include in its Notice of Election a detailed description of
11 corrective action that it has undertaken or proposes to undertake to address the alleged
12 violation. Any such correction shall, at a minimum, provide reasonable assurance that the
13 Covered Product will no longer be offered by Settling Defendant or its customers for sale
14 in California. If there is a dispute over the sufficiency of the proposed corrective action or
15 its implementation, CEH shall promptly notify Settling Defendant and the Parties shall
16 meet and confer before seeking the intervention of the Court to resolve the dispute. In
17 addition to the corrective action, Settling Defendant shall make a contribution to the
18 Fashion Accessory Testing Fund in the amount of \$10,000, unless one of the provisions of
19 Section 4.3.3 applies.

20 **4.3.3 Limitations in Non-Contested Matters.**

21 (a) If it elects not to contest a Notice of Violation before any motion
22 concerning the violation(s) at issue has been filed, the monetary liability of Settling
23 Defendant shall be limited to the contributions required by Section 4.3.2 and this Section
24 4.3.3, if any.

25 (b) For non-contested Notices of Violation, only one required
26 contribution may be assessed as to any particular Covered Product.

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

28 (i) One thousand seven hundred fifty dollars (\$1,750) if Settling

1 Defendant, prior to receiving and accepting for distribution or sale the
2 Covered Product identified in the Notice of Violation, obtained test results
3 demonstrating that all of the materials or components in the Covered
4 Product identified in the Notice of Violation complied with the applicable
5 Lead Limits, and further provided that such test results meet the same
6 quality criteria to support a Notice of Violation as set forth in Section 4.2.2
7 and that the testing was performed within two years prior to the date of the
8 sales transaction on which the Notice of Violation is based. Settling
9 Defendant shall provide copies of such test results and supporting
10 documentation to CEH with its Notice of Election; or

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

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

24 **5. PAYMENTS**

25 **5.1 Payments by Settling Defendant.** Within ten (10) business days of the Effective
26 Date, Settling Defendant shall pay the total sum of \$35,000 as a settlement payment. Any failure
27 by Settling Defendant to comply with the payment terms herein shall be subject to a stipulated
28 late fee to be paid by Settling Defendant in the amount of \$100 for each day the full payment is

1 not received after the applicable date set forth herein. The total settlement amount for Settling
2 Defendant shall be paid in four separate checks made payable and allocated as follows:

3 5.1.1 Settling Defendant shall pay the sum of \$4,600 as a civil penalty pursuant
4 to Health & Safety Code § 25249.7(b). The civil penalty payment shall be apportioned in
5 accordance with Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of
6 California’s Office of Environmental Health Hazard Assessment (“OEHHA”). Accordingly, the
7 OEHHA portion of the civil penalty payment in the amount of \$3,450 shall be made payable to
8 OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be
9 delivered as follows:

10 For United States Postal Service Delivery:

11 Attn: Mike Gyurics
12 Fiscal Operations Branch Chief
13 Office of Environmental Health Hazard Assessment
14 P.O. Box 4010, MS #19B
15 Sacramento, CA 95812-4010

16 For Non-United States Postal Service Delivery:

17 Attn: Mike Gyurics
18 Fiscal Operations Branch Chief
19 Office of Environmental Health Hazard Assessment
20 1001 I Street, MS #19B
21 Sacramento, CA 95814

22 The CEH portion of the civil penalty payment in the amount of \$1,150 shall be made
23 payable to the Center for Environmental Health and associated with taxpayer identification
24 number 94-3251981. This payment shall be delivered to Lexington Law Group, 503 Divisadero
25 Street, San Francisco, CA 94117.

26 5.1.2 Settling Defendant shall pay the sum of \$6,900 as a payment in lieu of civil
27 penalty to CEH pursuant to Health & Safety Code § 25249.7(b), and California Code of
28 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
of its Community Environmental Action and Justice Fund, CEH will use 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

1 at the CEH web site at www.ceh.org/justicefund. The payment pursuant to this Section shall be
2 made payable to the Center for Environmental Health and associated with taxpayer identification
3 number 94-3251981. This payment shall be delivered to Lexington Law Group, 503 Divisadero
4 Street, San Francisco, CA 94117.

5 5.1.3 Settling Defendant shall also separately pay the sum of \$23,500 to the
6 Lexington Law Group as reimbursement of a portion of CEH's reasonable attorneys' fees and
7 costs. The attorneys' fees and cost reimbursement check shall be made payable to the Lexington
8 Law Group and associated with taxpayer identification number 94-3317175. This payment shall
9 be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

10 **6. MODIFICATION**

11 6.1 **Written Consent.** This Consent Judgment may be modified from time to
12 time by express written agreement of the Parties with the approval of the Court, or by an order of
13 this Court upon motion and in accordance with law.

14 6.2 **Meet and Confer.** Any Party seeking to modify this Consent Judgment shall
15 attempt in good faith to meet and confer with all affected Parties prior to filing a motion to
16 modify the Consent Judgment.

17 **7. CLAIMS COVERED AND RELEASED**

18 7.1 This Consent Judgment is a full, final and binding resolution between CEH on
19 behalf of itself and the public interest and Settling Defendant, and its parents, subsidiaries,
20 affiliated entities that are under common ownership, directors, officers, employees, and attorneys
21 ("Defendant Releasees"), and each entity to whom they directly or indirectly distribute or sell
22 Covered Products, including but not limited to distributors, wholesalers, customers, retailers,
23 franchisees, cooperative members, licensors, and licensees ("Downstream Defendant Releasees")
24 of any violation of Proposition 65 that was or could have been asserted in the Complaint against
25 Settling Defendant, Defendant Releasees, and Downstream Defendant Releasees, based on failure
26 to warn about alleged exposure to Lead contained in Covered Products that were sold by Settling
27 Defendant prior to the Effective Date.

28 7.2 Compliance with the terms of this Consent Judgment by Settling Defendant

1 constitutes compliance with Proposition 65 with respect to Lead in Covered Products sold by
2 Settling Defendant.

3 7.3 This Consent Judgment resolves all monetary claims CEH has asserted against
4 Settling Defendant and any of its retail customers under Fashion Accessory Testing Fund Notices
5 of Violation issued or to be issued by CEH that are related to the Section 3.3 Products.

6 **8. NOTICE**

7 8.1 When CEH is entitled to receive any notice under this Consent Judgment, the
8 notice shall be sent by first class and electronic mail to:

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

14 8.2 When Settling Defendant is entitled to receive any notice under this Consent
15 Judgment, the notice shall be sent by first class and electronic mail to:

16 Christopher Kontogianis
17 Christopher Kon
18 400 Stinson
19 Montreal, QC H4N 2E9
20 Canada
21 chris@christopherkon.com

22 Patricia J. Chen
23 PC Law Group
24 2 Park Plaza, Suite 480
25 Irvine, CA 92614
26 pchen@pclawgrp.com

27 8.3 Any Party may modify the person and address to whom the notice is to be sent
28 by sending each other Party notice by first class and electronic mail.

29 **9. COURT APPROVAL**

30 9.1 This Consent Judgment shall become effective upon entry by the Court. CEH
31 shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendant
32 shall support entry of this Consent Judgment.

33 9.2 If this Consent Judgment is not entered by the Court, it shall be of no force or

1 effect and shall never be introduced into evidence or otherwise used in any proceeding for any
2 purpose other than to allow the Court to determine if there was a material breach of Section 9.1.

3 **10. ATTORNEYS' FEES**

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

13 10.2 Except as otherwise provided in this Consent Judgment, each Party shall bear
14 its own attorneys' fees and costs.

15 10.3 Nothing in this Section 10 shall preclude a Party from seeking an award of
16 sanctions pursuant to law.

17 **11. TERMINATION**

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

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

27 **12. OTHER TERMS**

28 12.1 The terms of this Consent Judgment shall be governed by the laws of the State

1 of California.

2 12.2 This Consent Judgment shall apply to and be binding upon CEH and Settling
3 Defendant, and the successors or assigns of any of them.

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

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

19 12.5 This Court shall retain jurisdiction of this matter to implement or modify the
20 Consent Judgment.

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

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

28 12.8 The Parties, including their counsel, have participated in the preparation of

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

9

10 **IT IS SO ORDERED:**

11

12

13

Dated: _____

Judge of the Superior Court

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16 **IT IS SO STIPULATED:**

17

18 **CENTER FOR ENVIRONMENTAL HEALTH**

19

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Signature

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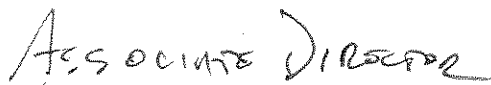


Printed Name

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4411765 CANADA, INC. DBA CHRISTOPHER KON



Signature

Chris Kontogianis

Printed Name

Designer, VP

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