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5	Attorneys for Plaintiff	
6	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
7	COUNTY OF ALAMEDA	
8	EMA BELL,	Case No.: RG17865272
9	Plaintiff,	CONSENT JUDGMENT
10	v.	Judge: Dennis Hayashi
11	SAKAR INTERNATIONAL, INC.,	Dept.: 303
12 13	Defendant.	Hearing Date: October 18, 2017
14		Hearing Time: 2:30 PM
15		Reservation #: R-1873808
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#### 1. INTRODUCTION

- 1.1 The Parties. This Consent Judgment is entered into by and between Ema Bell acting on behalf of the public interest (hereinafter "Bell") and Sakar International, Inc. ("Sakar" or "Defendant") with Bell and Defendant collectively referred to as the "Parties" and each of them as a "Party." Bell is an individual residing in California that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Sakar is alleged to be a person in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.
- 1.2 Allegations and Representations. Bell alleges that Defendant has exposed individuals to Di(2-ethylhexyl) phthalate (DEHP) from headphones without providing clear and reasonable warnings under Proposition 65. DEHP is listed under Proposition 65 as a chemical known to the State of California to cause cancer and reproductive toxicity.
- Notices of Violation/Complaint. On or about March 7, 2017, Bell served Sakar, and various public enforcement agencies with a document entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notice"), alleging that Defendant was in violation of Proposition 65 for failing to warn consumers and customers that head phones exposed users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice. On June 23, 2017, Bell filed a complaint (the "Complaint") in the matter.
- 1.4 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations contained in the Complaint filed in this matter, that venue is proper in the County of Alameda, and that this Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein and/or in the Notice.
- 1.5 Defendant denies the material allegations contained in Bell's Notice and Complaint and maintains that it has not violated Proposition 65. Nothing in this Consent

Judgment shall be construed as an admission by Defendant of any fact, finding, issue of law, or violation of law; nor shall compliance with this Consent Judgment constitute or be construed as an admission by Defendant of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Defendant. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Defendant under this Consent Judgment.

## 2. **DEFINITIONS**

- 2.1 **Covered Products.** The term "Covered Products" means headphones that are manufactured, distributed and/or offered for sale in California by Sakar and that contain DEHP.
- 2.2 **Effective Date.** The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.

## 3. INJUNCTIVE RELIEF: WARNINGS

- 3.1 As of the date this Consent Judgment is signed by both Parties, Sakar shall not manufacture or order from any supplier any Covered Products intended for retail sale in California that contains DEHP on any component to which consumers are exposed in excess of 0.1% (1,000 ppm) (hereinafter "Reformulated Products") unless the Covered Product is accompanied by a warning that complies with Article 6 of Title 27 of the California Code of Regulations. Sakar shall have a period of one year from the date this Consent Judgment is signed by both Parties to sell through its inventory of Covered Products that were ordered prior to the date this Consent Judgment is signed. Until August 30, 2018, the warning shall consist of either:
  - (a) The statement: "WARNING: This product contains a chemical known to the State of California to cause cancer, birth defects and other reproductive harm;" or
  - (b) (1) A symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline to the left of the word "warning" in bold all capital letters, followed by the statement "This product can expose you to chemicals including Di(2-ethylhexyl)phthalate (DEHP), which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information, go to www.P65Warnings.ca.gov;" or (2) a warning on the headphones consisting of a symbol

that is a black exclamation point in a yellow equilateral triangle with a bold black outline to the left of the word "warning" in bold all capital letters, followed by the statement "Cancer and Reproductive Harm - www.P65Warnings.ca.gov."

On and after August 30, 2018, the warning set forth in Section 3.1(b) shall be used.

3.2 The warning provided pursuant to Section 3.1 shall be affixed to or printed on the Covered Product's packaging or labeling, or on a placard, shelf tag, sign or electronic device or automatic process, providing that the warning is displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. A warning may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the product and shall be at least the same size as those other safety warnings.

#### 4. MONETARY TERMS

- 4.1 Civil Penalty. Sakar shall pay a Civil Penalty of \$3,000.00 pursuant to Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health & Safety Code § 25192, with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment and the remaining 25% of the penalty remitted to Bell, as provided by California Health & Safety Code § 25249.12(d).
- 4.1.1 Within fourteen (14) business days of the Effective Date, Sakar shall issue two separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$2,250.00; and (b) "Brodsky & Smith, LLC in Trust for Bell" in the amount of \$750.00. Payment owed to Bell pursuant to this Section shall be delivered to the following payment address:

Evan J. Smith, Esquire Brodsky & Smith, LLC Two Bala Plaza, Suite 510 Bala Cynwyd, PA 19004

<sup>&</sup>lt;sup>1</sup> The triangular symbol need only be in yellow where the sign, label, shelf tag or other transmission format is being printed in color for purposes of other language, symbols or designs.

Payment owed to OEHHA (EIN: 68-0284486) pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at one of the following address(es):

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 1001 I Street Sacramento, CA 95814

A copy of the check payable to OEHHA shall be mailed to Brodsky & Smith, LLC at the address set forth above as proof of payment to OEHHA.

- 4.2 **Attorney Fees.** Sakar shall pay \$28,000.00 to Brodsky & Smith, LLC ("Brodsky Smith") as complete reimbursement for Plaintiff Bell's attorneys' fees and costs incurred as a result of investigating, bringing this matter to Sakar's attention, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure section 1021.5.
- 4.3 Sakar shall pay the Civil Penalty and attorney fees identified in Sections 4.1 and 4.2 within fourteen (14) days of the Effective Date.

### 5. RELEASE OF ALL CLAIMS

5.1 This consent judgment is a full, final, and binding resolution between Bell acting on her own behalf, and on behalf of the public interest, and Sakar, and its parents, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their predecessors, successors and assigns ("Defendant Releasees"), and all entities from whom they obtain and to whom they directly or indirectly distribute or sell Covered Products, including but not limited to manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees retailers,

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franchisees, and cooperative members, including but not limited to Burlington Coat Factory Warehouse Corp. ("Downstream Releasees"), of all claims for violations of Proposition 65 based on exposure to DEHP from Covered Products as set forth in the Notice, with respect to any Covered Products manufactured, distributed, or sold by Sakar prior to the Effective Date. This consent judgment shall have preclusive effect such that no other person or entity, whether purporting to act in his, her, or its interests or the public interest shall be permitted to pursue and/or take any action with respect to any violation of Proposition 65 that was alleged in the Complaint, or that could have been brought pursuant to the Notice against Sakar or its Downstream Releasees of the Product including but not limited to ("Proposition 65 Claims"). Compliance with the terms of this consent judgment constitutes compliance with Proposition 65 with regard to the Covered Products.

5.2 In addition to the foregoing, Bell, on behalf of herself, her past and current agents, representatives, attorneys, and successors and/or assignees, and not in her representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Sakar, Defendant Releasees, and Downstream Releasees from any and all manner of actions, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, now or in the future, with respect to any alleged violations of Proposition 65 related to or arising from Covered Products manufactured, distributed, or sold by Sakar, Defendant Releasees or Downstream Releasees. With respect to the foregoing waivers and releases in this paragraph, Bell hereby specifically waives any and all rights and benefits which she now has, or in the future may have, conferred by virtue of the provisions of Section 1542 of the California Civil Code, which provides as follows:

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A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

28 For Bell:

And

5.3 Sakar waives any and all claims against Bell, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Bell and her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to Covered Products.

### 6. <u>INTEGRATION</u>

6.1 This Consent Judgment contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

#### 7. GOVERNING LAW

7.1 The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to Covered Products, then Defendant shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, Covered Products are so affected.

#### 8. NOTICES

8.1 Unless specified herein, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

For Defendant:

Matthew I. Kaplan TUCKER ELLIS LLP 515 South Flower Street Forty-Second Floor Los Angeles, CA 90071

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

Any party, from time to time, may specify in writing to the other party a change of address to which all notices and other communications shall be sent.

## 9. COUNTERPARTS; FACSIMILE SIGNATURES

9.1 This Consent Judgment may be executed in counterparts and by facsimile, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

# 10. <u>COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)/COURT</u> APPROVAL

- 10.1 Bell agrees to comply with the requirements set forth in California Health & Safety Code §25249.7(f) and to promptly bring a Motion for Approval of this Consent Judgment. Defendant agrees it shall support approval of such Motion.
- 10.2 This Consent Judgment shall not be effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved by the Court. In such case, the Parties agree to meet and confer on how to proceed and if such agreement is not reached within 30 days, the case shall proceed on its normal course.
- 10.3 If the Court approves this Consent Judgment and is reversed or vacated by an appellate court, the Parties shall meet and confer as to whether to modify the terms of this Consent Judgment. If the Parties do not jointly agree on a course of action to take, the case shall proceed on its normal course on the trial court's calendar.

## 11. MODIFICATION

11.1 This Consent Judgment may be modified only by further stipulation of the Parties and the approval of the Court or upon the granting of a motion brought to the Court by either Party.