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8	SUPERIOR COURT FOR THE S	TATE OF CALIFORNIA
9	FOR THE COUNTY O	OF ALAMEDA
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11	CENTER FOR ENVIRONMENTAL HEALTH,	Case No. RG 19-034870
12	Plaintiff,	[PROPOSED] CONSENT JUDGMENT AS TO H & M HENNES
13	v.	& MAURITZ LP
14	TOMMY BAHAMA GROUP, INC., et al.,	
15	Defendants.	
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#### INTRODUCTION

2 The Parties to this Consent Judgment are the Center for Environmental Health, a 1.1 3 California non-profit corporation ("CEH"), and H & M Hennes & Mauritz LP ("Settling 4 Defendant"). CEH and Settling Defendant are referred to herein together as the Parties or 5 independently as a Party. The Parties enter into this Consent Judgment to settle certain claims 6 asserted by CEH against Settling Defendant as set forth in the operative complaint in the above-7 captioned matter. This Consent Judgment addresses chromium exposures from footwear made 8 with leather materials. Leather used to make footwear that is tanned with chromium compounds 9 can under certain circumstances expose consumers to hexavalent chromium ("CrVI"), which is a 10 chemical listed under Proposition 65 as a known to the State of California to cause cancer and 11 reproductive toxicity.

12 1.2 On July 2, 2019, CEH provided a 60-day Notice of Violation under California
Health & Safety Code Section 25249.5 *et seq.* ("Proposition 65") to Settling Defendant, the
California Attorney General, the District Attorneys of every county in California and the City
Attorneys of every California city with a population greater than 750,000, alleging that Settling
Defendant violated Proposition 65 by exposing persons to CrVI from leather footwear without
first providing a clear and reasonable Proposition 65 warning.

18 1.3 Settling Defendant is a corporation and a person in the course of doing business as
19 such term is defined under Proposition 65. Settling Defendant exclusively sells H&M brand
20 private label products in California through its approximately eighty-five H&M retail stores as
21 well as its H&M online store.

1.4 On September 12, 2019, CEH filed the complaint in the above-captioned matter.
On May 19, 2022, CEH filed the operative Third Amended Complaint in the above-captioned
matter naming Settling Defendant as a defendant (the "Complaint").

1.5 For purposes of this Consent Judgment only, the Parties stipulate that this Court
has jurisdiction over the allegations of violations contained in 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, and that this Court has jurisdiction to enter and enforce this Consent
 Judgment as further set forth herein as a full and final resolution of all claims which were or
 could have been raised in the Complaint based on the facts alleged therein with respect to leather
 footwear sold by Settling Defendant.

5 1.6 Nothing in this Consent Judgment is or shall be construed as an admission by the 6 Parties of any fact, conclusion of law, issue of law or violation of law, nor shall compliance with 7 the Consent Judgment constitute or be construed as an admission by the Parties of any fact, 8 conclusion of law, issue of law or violation of law. Nothing in this Consent Judgment shall 9 prejudice, waive or impair any right, remedy, argument or defense the Parties may have in any 10 other pending or future legal proceedings. This Consent Judgment is the product of negotiation 11 and compromise and is accepted by the Parties solely for purposes of settling, compromising and 12 resolving issues disputed in this Action.

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# 2. **DEFINITIONS**

2.1 "Chrome-Free Leather" means that: (a) the skin or hide used to make the
leather was converted to leather by tanning agents free of chromium salts, including but not
limited to chromium sulfate; (b) the leather was not intentionally treated, dyed or exposed to
chemicals that contain chromium as an intended ingredient; and (c) the total content of the
chromium in the tanned leather is less than or equal to 0.1% (mass of chromium/total dry weight
of leather) when measured using ISO 17072-2.

20 2.2 "Chrome-Tanned Leather" means that the hide or skin used to make the
21 leather was converted to leather either by treatment solely with chromium salts or with chromium
22 salts together with a small amount of some other tanning agent, used merely to assist the
23 chromium tanning process, and not in sufficient amount to alter the essential chromium tanned
24 character of the leather that is tanned with chromium compounds.

25 2.3 "Covered Products" means footwear for which normal and foreseeable use will
 26 result in one or more Chrome-Tanned Leather components coming into direct contact with the skin

27 28 of the average user's foot or leg while the footwear is worn (*e.g.*, a chrome-tanned leather insole,
 tongue, liner, unlined upper or strap).

"Effective Date" means the date the Consent Judgment is entered by the Court.

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# 3. INJUNCTIVE RELIEF

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3.1 **Reformulation**: After the Effective Date, Settling Defendant shall not sell any
Covered Product that is made with leather that is not Chrome-Free Leather that will be sold or
offered for sale by Settling Defendant or any entity downstream of Settling Defendant in
California. This prohibition shall not apply to synthetic, fake, faux or other leather materials that
are not derived from animals.

3.2 Notice to Tanneries and Suppliers: Settling Defendant represents and
 warrants that it stopped allocating Covered Products made with Chrome-Tanned Leather to its
 United States stores in July of 2021 and since it has no intention of reintroducing Covered
 Products made with Chrome-Tanned Leather into the United States market it need not provide
 any notice to its tanneries or suppliers of Covered Products instructing them that all Covered
 Products shall be made with Chrome-Free Leather or non-leather materials.

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#### 4. ENFORCEMENT

17 4.1 Enforcement Procedures. CEH may, by motion or application for an order 18 to show cause before the Superior Court of the County of Alameda, enforce the terms and 19 conditions contained in this Consent Judgment. Prior to bringing any motion or application to 20 enforce the requirements of Section 3 above, CEH shall provide Settling Defendant with a Notice 21 of Violation setting forth the basis for the alleged violation. The Parties shall then meet and 22 confer during the thirty (30) day period following the date the Notice of Violation was sent in an 23 effort to try to reach agreement on an appropriate cure, penalty or related attorneys' fees related to 24 the alleged violation. After such thirty (30) day period, CEH may, by new action, motion, or 25 order to show cause before the Superior Court of Alameda, seek to enforce the terms and 26 conditions contained in this Consent Judgment. In any enforcement proceeding, the Court shall 27 not be limited by this Consent Judgment in fashioning remedies for failure to comply with

28 Document Prepared on Recycled Paper Proposition 65, and may order compliance with Proposition 65 by reformulation, warnings or any
 other method it finds compliant with the law.

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### PAYMENTS

4 5.1 Payments by Settling Defendant. On or before seven (7) days after the entry of
5 this Consent Judgment, Settling Defendant shall pay the total sum of \$45,500 as a settlement
6 payment as further set forth in this Section.

7 5.2 Allocation of Payments. The total settlement amount shall be paid in five (5) 8 separate checks in the amounts specified below and delivered as set forth below. Any failure by 9 Settling Defendant to comply with the payment terms herein shall be subject to a stipulated late 10 fee to be paid by Settling Defendant in the amount of \$100 for each day the full payment is not 11 received after the applicable payment due date set forth in Section 4.1. The late fees required 12 under this Section shall be recoverable, together with reasonable attorneys' fees, in an 13 enforcement proceeding brought pursuant to Section 3 of this Consent Judgment. The funds paid 14 by Settling Defendant shall be allocated as set forth below between the following categories and 15 made payable as follows: 16 5.2.1 Settling Defendant shall pay \$5,932 as a civil penalty pursuant to Health & 17 Safety Code §25249.7(b). The civil penalty payment shall be apportioned in accordance with 18 Health & Safety Code §25249.12 (25% to CEH and 75% to the State of California's Office of 19 Environmental Health Hazard Assessment ("OEHHA")). Accordingly, Settling Defendant shall 20 pay the OEHHA portion of the civil penalty payment for \$4,449 by check made payable to 21 OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be 22 delivered as follows: 23 For United States Postal Service Delivery: Attn: Mike Gyurics 24 Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 25 P.O. Box 4010, MS #19B Sacramento, CA 95812-4010 26 27 For Non-United States Postal Service Delivery: Attn: Mike Gyurics 28

**Fiscal Operations Branch Chief** 1 Office of Environmental Health Hazard Assessment 1001 I Street. MS #19B 2 Sacramento, CA 95814 3 5.2.2 Settling Defendant shall pay the CEH portion of the civil penalty payment 4 for \$1,483 by check made payable to the Center for Environmental Health and associated with 5 taxpayer identification number 94-3251981. This payment shall be delivered to Lexington Law 6 Group, 503 Divisadero Street, San Francisco, CA 94117. 7 5.2.3 Settling Defendant shall pay \$4,448 as an Additional Settlement Payment 8 ("ASP") to CEH pursuant to Health & Safety Code § 25249.7(b), and California Code of 9 Regulations, Title 11, § 3204. CEH will use these funds to support CEH programs and activities 10 that seek to educate the public about toxic chemicals, including hormone disruptors such as CrVI, 11 work with industries interested in moving toward safer alternatives, advocate with government, 12 businesses, and communities for business practices that are safe for human health and the 13 environment, and thereby reduce the public health impacts and risks of exposure to CrVI and 14 other toxic chemicals in consumer products sold in California. CEH shall obtain and maintain 15 adequate records to document that ASPs are spent on these activities and CEH agrees to provide 16 such documentation to the Attorney General within thirty (30) days of any request from the 17 Attorney General. The payments pursuant to this Section shall be made payable to the Center for 18 Environmental Health and associated with taxpayer identification number 94-3251981. These 19 payments shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 20 94117. 21 5.2.4 Defendant shall pay \$35,120 as a reimbursement of a portion of CEH's 22 reasonable attorneys' fees and costs. The attorneys' fees and cost reimbursement shall be made 23 in two separate checks as follows: (a) \$29,680 payable to the Lexington Law Group and 24 associated with taxpayer identification number 94-3317175; and (b) \$5,440 payable to the Center 25 For Environmental Health and associated with taxpayer identification number 94-3251981. Both 26 of these payments shall be delivered to Lexington Law Group, 503 Divisadero Street, San 27 Francisco, CA 94117.

28 Document Prepared on Recycled Paper 5.2.5 To summarize, Settling Defendant shall deliver checks made out to the payees and in the amounts set forth below:

4	Payee	Туре	Amount	Deliver To
5	ОЕННА	Penalty	\$ 4,449	OEHHA per § 4.2.1
6	Center For Environmental Health	Penalty	\$ 1,483	LLG
7	Center For Environmental Health	ASP	\$ 4,448	LLG
8	Lexington Law Group	Fee and Cost	\$29,680	LLG
9	Center For Environmental Health	Fee and Cost	\$ 5,440	LLG

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# MODIFICATION OF CONSENT JUDGMENT

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

# 7. CLAIMS COVERED AND RELEASE

19 7.1 Provided that Settling Defendant has complied with Section 5 hereof, this Consent 20 Judgment is a full, final and binding resolution between CEH on behalf of itself and the public 21 interest and Settling Defendant and its parents, subsidiaries, affiliated entities that are under 22 common ownership, directors, officers, employees, agents, shareholders, successors, assigns, and 23 attorneys ("Defendant Releasees"), and all entities to which Settling Defendant directly or 24 indirectly distributes or sells Covered Products, including but not limited to distributors, 25 wholesalers, customers, retailers, franchisees, licensors and licensees ("Downstream Defendant 26 Releasees"), of any violation of Proposition 65 based on failure to warn about alleged exposure to 27 CrVI contained in Covered Products sold by Settling Defendant prior to the Effective Date.

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1	7.2 Provided that Settling Defendant has complied with Section 5 hereof, CEH, for			
2	itself, its agents, successors and assigns, releases, waives, and forever discharges any and all			
3	claims against Settling Defendant, Defendant Releasees, and Downstream Defendant Releasees			
4	arising from any violation of Proposition 65 or any other statutory or common law claims that			
5	have been or could have been asserted by CEH individually or in the public interest regarding the			
6	failure to warn about exposure to CrVI arising in connection with Covered Products sold by			
7	Settling Defendant prior to the Effective Date.			
8	7.3 Provided that Settling Defendant has complied with Section 5 hereof, compliance			
9	with the terms of this Consent Judgment by Settling Defendant shall constitute compliance with			
10	Proposition 65 by Settling Defendant, its Defendant Releasees and its Downstream Defendant			
11	Releasees with respect to any alleged failure to warn about CrVI in Covered Products sold by			
12	Settling Defendant after the Effective Date.			
13	8. PROVISION OF NOTICE			
14	8.1 When CEH is entitled to receive any notice under this Consent Judgment, the			
15	notice shall be sent by first class and electronic mail to:			
16	Eric S. Somers			
17	Lexington Law Group 503 Divisadero Street			
18	San Francisco, CA 94117 esomers@lexlawgroup.com			
19	8.2 When Settling Defendant is entitled to receive any notice under this Consent			
20	Judgment, the notice shall be sent by first class and electronic mail to:			
21	Staci Trager			
22	Nixon Peabody LLP 300 South Grand Avenue, Suite 4100			
23	Los Angeles, CA 90071-3151 strager@nixonpeabody.com			
24	8.3 Any Party may modify the person and address to whom the notice is to be sent by			
25	sending the other Party notice by first class and electronic mail.			
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# **COURT APPROVAL**

2 9.1 This Consent Judgment shall become effective as a contract upon the date signed 3 by CEH and Settling Defendant, whichever is later, provided however, that CEH shall also 4 prepare and file a Motion for Approval of this Consent Judgment and Settling Defendant shall 5 support approval of such Motion.

6 9.2 If this Consent Judgment is not entered by the Court, it shall be of no further force 7 or effect and shall not be introduced into evidence or otherwise used in any proceeding for any 8 purpose.

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#### 10. **GOVERNING LAW AND CONSTRUCTION**

10 10.1 The terms of this Consent Judgment shall be governed by the laws of the State of 11 California.

#### 12 11. **ATTORNEY'S FEES**

13 11.1 Should CEH prevail on any motion, application for an order to show cause, or 14 other proceeding to enforce a violation of this Consent Judgment, CEH shall be entitled to its 15 reasonable attorneys' fees and costs incurred as a result of such motion or application. Should 16 Settling Defendant prevail on any motion, application for an order to show cause, or other 17 proceeding, Settling Defendant may be awarded its reasonable attorneys' fees and costs as a result 18 of such motion or application upon a finding by the Court that CEH's prosecution of the motion 19 or application lacked substantial justification. For purposes of this Consent Judgment, the term 20 "substantial justification" shall carry the same meaning as used in the Civil Discovery Act of 21 1986, Code of Civil Procedure §§ 2016, et seq.

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Nothing in this Section 11 shall preclude a Party from seeking an award of 11.2 23 sanctions pursuant to law.

24 12. **ENTIRE AGREEMENT** 

25 This Consent Judgment contains the sole and entire agreement and understanding 12.1 26 of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, 27 negotiations, commitments, or understandings related thereto, if any, are hereby merged herein

1	and therein. There are no warranties, representations, or other agreements between the Parties				
2	except as expressly set forth herein. No representations, oral or otherwise, express or implied,				
3	other than those specifically referred to in this Consent Judgment have been made by any Party				
4	hereto. No other agreements not specifically contained or referenced herein, oral or otherwise,				
5	shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically				
6	contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the				
7	Parties hereto only to the extent that they are expressly incorporated herein. No waiver of any of				
8	the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the				
9	other provisions hereof whether or not similar, nor shall such waiver constitute a continuing				
10	waiver.				
11	13. RETENTION OF JURISDICTION				
12	13.1 This Court shall retain jurisdiction of this matter to implement or modify the				
13	Consent Judgment.				
14	14. SUCCESSORS AND ASSIGNS.				
15	14.1 This Consent Judgment shall apply to and be binding upon CEH and Settling				
16	Defendant, and their respective divisions, subdivisions, and subsidiaries, and the successors or				
17	assigns of any of them.				
18	15. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT				
19	15.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized				
20	by the Party he or she represents to stipulate to this Consent Judgment and to enter into and				
21	execute the Consent Judgment on behalf of the Party represented and to legally bind that Party.				
22	16. NO EFFECT ON OTHER SETTLEMENTS				
23	16.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim				
24	against an entity that is not Settling Defendant on terms that are different than those contained in				
25	this Consent Judgment.				
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1	17.	7. EXECUTION IN COUNTERPARTS		
2		17.1 The stipulations to this Consent Judgment may be executed in counterparts and		
3	by mea	neans of facsimile or portable document format (pdf), which taken together shall be deemed to		
4	constit	stitute one document.		
5				
6	IT IS	SO STIPULATEI	):	
7	Dated	: August 23	, 2022	CENTER FOR ENVIRONMENTAL HEALTH
8				
9				Kyf
10				Signature
11				Regina Jackson
12				Printed Name
13				Interim Executive Director
14				Title
15		A		
16	Dated	August 17	, 2022	H & M HENNES & MAURITZ LP
17	A.G			Adam Valko
18	Signat	ture		Signature
19	. 1 1	1 1211		A 1 X7 11
20		sandra Filipov d Name		Adam Valko Printed Name
21	F. 4	1.0		Authorized Signatory
22	$\frac{\text{Autho}}{\text{Title}}$	orized Signatory		Title
23				
24		~ ~ ~ ~ ~ ~ ~		
25	IT IS	SO ORDERED:		
26	_			
27	Dated	:	, 2022	Judge of the Superior Court of California
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