1 2 3 4 5 6 7	LEXINGTON LAW GROUP Mark N. Todzo, State Bar No. 168389 Meredyth L. Merrow, State Bar No. 328337 503 Divisadero Street San Francisco, CA 94117 Telephone: (415) 913-7800 Facsimile: (415) 759-4112 mtodzo@lexlawgroup.com mmerrow@lexlawgroup.com Counsel for Plaintiff CENTER FOR ENVIRONMENTAL HEALTH		
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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
10	COUNTY OF ALAMEDA		
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12	CENTER FOR ENVIRONMENTAL HEALTH,) Case No. RG21107796		
13	a non-profit corporation, (PROPOSED] CONSENT (PROPOSED] CONSENT		
15	Plaintiff,) JUDGMENT AS TO TRIMAX) SPORTS, INC.		
16	vs.		
17	GYMSHARK USA, INC., et al,		
18	Defendants.		
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21	1. INTRODUCTION		
22	1.1 The parties to this Consent Judgment ("Parties") are the Center for		
23	Environmental Health ("CEH") and defendant TriMax Sports, Inc. ("Settling Defendant"). CEH		
24	and Settling Defendant are referred to collectively as the "Parties."		
25	1.2 Settling Defendant is a corporation that employs ten (10) or more persons and		
26	that manufactures, distributes, and/or sells latex resistance bands that contain n-		
27	nitrosodiethylamine ("NDEA") in the State of California or has done so in the past.		
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1.3 On April 14, 2021, 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.*) ("Notice") on 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 violations of Proposition 65 with respect to the presence of NDEA in latex resistance bands that are manufactured, distributed, and/or sold by Settling Defendant.

1.4 On July 20, 2021, CEH filed the above-captioned action in the Superior Court of California for Alameda County. On September 30, 2021, CEH filed a First Amended Complaint naming Settling Defendant as a defendant in this action.

1.5 For purposes of this Consent Judgment only, the Parties stipulate that: (i) this Court has jurisdiction over the allegations of violations contained in the First Amended Complaint in the above-captioned action ("Complaint") and personal jurisdiction over Settling Defendant as to the acts alleged in the Complaint; (ii) venue is proper in the County of Alameda; and (iii) this Court has jurisdiction to enter this Consent Judgment.

1.6 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. While this Consent Judgment requires reformulation of the Covered Products, the Parties acknowledge that this is not the exclusive method of complying with Proposition 65 and its implementing regulations for the Covered Products.

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2. **DEFINITIONS**

2.1 "Covered Products" means latex resistance bands.

2.2 "Effective Date" means the date on which this Consent Judgment is entered by the Court.

3. INJUNCTIVE RELIEF

- 3.1 Reformulation of Covered Products. As of the Effective Date, Settling Defendant shall not manufacture, distribute, sell, or offer for sale any Covered Product that contains NDEA in excess of 20 parts per billion ("ppb") as determined using as determined using ISO Standard 19577 (the "Test protocol") by an independent accredited laboratory that will be sold or offered for sale to California consumers.
- 3.2 Specification to and Certification from Suppliers. Before purchasing Covered Products that will be sold or offered for sale to California consumers after the Effective Date, Settling Defendant shall issue specifications to its suppliers of Covered Products requiring that Covered Products not contain NDEA in excess of 20 ppb.

4. ENFORCEMENT

4.1 CEH may, by motion or application for an order to show cause before the Superior Court of the County of Alameda, enforce the terms and conditions contained in this Consent Judgment. Prior to bringing any motion or application to enforce the requirements of Section 3 above, CEH shall provide Settling Defendant with a Notice of Violation setting forth the basis for the alleged violation. The Parties shall then meet and confer regarding the basis for CEH's anticipated motion or application in an attempt to resolve it informally. Should such attempts at meeting and conferring fail, CEH may file its enforcement motion or application. In ruling on any motion to enforce the terms of this section, the Court may, in addition to ordering compliance with the terms of this Consent Judgment, employ such remedies as necessary to ensure compliance with Proposition 65 including, but not limited to, requiring Settling Defendant to provide warnings. Should CEH prevail on any motion or application to enforce a material violation of this Consent Judgment under this Section, CEH shall be entitled to its reasonable attorneys' fees and costs incurred as a result of such motion or application. Should Settling Defendant prevail on any motion or application under this Section, Settling Defendant may be awarded its reasonable attorneys' fees

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and costs as a result of such motion or application upon a finding by the court that CEH's prosecution of the motion or application was not in good faith.

5. PAYMENTS

- 5.1 Payments by Settling Defendant. In accordance with the schedule set forth in Section 5.2.4 below, Settling Defendant shall pay the total sum of \$23,500 and no cents as a settlement payment as further set forth in this Section. Any payment by Settling Defendant shall be deemed to be timely and not subject to a late charge and/or other penalty if (1) postmarked (if sent by the United States Postal Service) or (2) delivered to an overnight carrier (e.g. Fed Ex), on or before the deadline set forth in this paragraph.
- S.2 Allocation of Payments. The total settlement amount for Settling Defendant shall be paid in six (6) separate checks in the amounts specified below and delivered as set forth below. Any failure by Settling Defendant to comply with the payment terms herein shall be subject to a joint and several stipulated late fee to be paid by Settling Defendant in the amount of \$100 for each day the full payment is not received after the applicable payment due date set forth in Section 5.1. The late fees required under this Section shall be recoverable, together with reasonable attorneys' fees, in an enforcement proceeding brought pursuant to Section 4 of this Consent Judgment. The funds paid by Settling Defendant shall be allocated as set forth below between the following categories and made payable as follows:
- 5.2.1 \$3,200 as a civil penalty pursuant to Health & Safety Code § 25249.7(b). The civil penalty payment shall be apportioned 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 ("OEHHA")). Accordingly, the OEHHA portion of the civil penalty payment for \$2,400 shall be made payable to OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be delivered as follows:

For United States Postal Service Delivery:

Attn: Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment

P.O. Box 4010, MS #19B 1 Sacramento, CA 95812-4010 2 For Non-United States Postal Service Delivery: 3 Attn: Mike Gyurics 4 Fiscal Operations Branch Chief 5 Office of Environmental Health Hazard Assessment 1001 I Street, MS #19B 6 Sacramento, CA 95814 7 The CEH portion of the civil penalty payment for \$800 shall be made payable to the Center for 8 Environmental Health and associated with taxpayer identification number 94-3251981. 9 payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 10 94117. 11 \$2,300 as an Additional Settlement Payment ("ASP") to CEH 12 pursuant to Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 13 3204. CEH will use these funds to support CEH programs and activities that seek to educate the 14 public about toxic chemicals, including carcinogenic nitrosamines such as NDEA and NDMA, 15 work with industries interested in moving toward safer alternatives, advocate with government, 16 businesses, and communities for business practices that are safe for human health and the 17 environment, and thereby reduce the public health impacts and risks of exposure to NDEA, NDMA, 18 and other toxic chemicals in consumer products sold in California. CEH shall obtain and maintain 19 adequate records to document that ASPs are spent on these activities and CEH agrees to provide 20 such documentation to the Attorney General within thirty (30) days of any request from the 21 Attorney General. The payment pursuant to this Section shall be made payable to the Center for 22 Environmental Health and associated with taxpayer identification number 94-3251981. This 23 payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 24 94117. 25 26 \$18,000 as a reimbursement of a portion of CEH's reasonable 27 attorneys' fees and costs. The attorneys' fees and cost reimbursement shall be made in two separate 28

checks as follows: (a) \$15,000 payable to the Lexington Law Group and associated with taxpayer identification number 94-3317175; and (b) \$3,000 payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. Both of these payments shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

5.2.4 To summarize, Settling Defendant shall deliver checks made out to the payees and in the amounts set forth below:

Payee	Туре	Amount	Deliver To
ОЕННА	Penalty	\$2,400	OEHHA per Section 5.2.1
Center For Environmental Health	Penalty	\$800	LLG
Center For Environmental Health	ASP	\$2,300	LLG
Lexington Law Group	Fee and Cost	\$15,0001	LLG
Center For Environmental Health	Fee and Cost	\$3,000	LLG

The payments required under this section shall be payable in two installments. The first installment of \$15,000 shall be due within 10 days following the Effective Date and shall include all of the payments to CEH, the payment to OEHHA and a payment of \$6,500 to Lexington Law Group. The second installment of \$8,500 shall be due on or before October 13, 2022 and will be made payable to 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.
 - **Meet and Confer.** Any Party seeking to modify this Consent Judgment shall

¹ This payment may be divided into two payments of \$6,500 and \$8,500 as set forth in the sentence below the chart.

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attempt in good faith to meet and confer with all affected Parties prior to filing a motion to modify the Consent Judgment. The Parties acknowledge and agree that a change in the no significant risk level for NDEA may provide a reason for modification of Sections 3.1 and 3.2 of this 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 Settling Defendant's parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, agents, shareholders, successors, assigns, and attorneys ("Defendant Releasees"), and all entities to which Settling Defendant directly or indirectly distribute or sell Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, licensors and licensees ("Downstream Defendant Releasees"), of any violation of Proposition 65 based on failure to warn about alleged exposure to NDEA contained in Covered Products that were sold, distributed or offered for sale by Settling Defendant prior to the Effective Date.
- 7.2 CEH, for itself, its agents, successors and assigns, releases, waives, and forever discharges any and all claims against Settling Defendant, Defendant Releasees, and Downstream Defendant Releasees arising from any violation of Proposition 65 or any other statutory or common law claims that have been or could have been asserted by CEH regarding a violation of Proposition 65 and/or the failure to warn about exposure to NDEA arising in connection with Covered Products manufactured by or for Settling Defendant prior to the Effective Date.
- 7.3 Compliance with the terms of this Consent Judgment by Settling Defendant shall constitute compliance with Proposition 65 by Settling Defendant, its Defendant Releasees and its Downstream Defendant Releasees with respect to any alleged failure to warn about NDEA in Covered Products manufactured, distributed or sold by Settling Defendant after the Effective Date.

8. **NOTICE**

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

		Mark Todzo
		Lexington Law Group
		503 Divisadero Street San Francisco, CA 94117
		mtodzo@lexlawgroup.com
	8.2	When Settling Defendant is entitled to receive any notice under this Consent
Judgn	nent, the not	ice shall be sent by first class and electronic mail to:
		Stella Wang
		TriMax Sports Inc. 510 East Kent Ave. South
		Vancouver, BC
		Canada V5X4V6 stella@zenathletics.com
		stena@zenaunetres.com
		Lauren Shoor
		Norton Rose Fulbright US LLP 555 South Flower St., Forty First Floor
		Los Angeles, CA 90071
		lauren.shoor@nortonrosefulbright.com
	8.3	Any Party may modify the person and address to whom the notice is to be sent
by sen	nding the oth	ner Party notice by first class and electronic mail.
9.	COURT A	APPROVAL
	9.1	This Consent Judgment shall become effective upon entry by the Court. CEH
hall p	prepare and	file a Motion for Approval of this Consent Judgment and Settling Defendant
shall s	support entry	y 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 ne	ever be introduced into evidence or otherwise used in any proceeding for any
purpo	se other thar	n to allow the Court to determine if there was a material breach of Section 9.1.
10.	GOVERN	NING LAW AND CONSTRUCTION
	10.1	The terms of this Consent Judgment shall be governed by the laws of the State
of Cal	ifornia.	
11.	ATTORN	IEYS' FEES
	11.1	Should CEH prevail on any motion, application for an order to show cause, or
other 1	proceeding t	to enforce a violation of this Consent Judgment, CEH shall be entitled to its

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

- 11.2 Except as otherwise provided in this Consent Judgment, each Party shall bear its own attorneys' fees and costs.
- 11.3 Nothing in this Section 11 shall preclude a Party from seeking an award of sanctions pursuant to law.

12. ENTIRE AGREEMENT

12.1 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. Any agreements specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto only to the extent that they are expressly incorporated herein. 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.

1	13. RETENTION OF JURISDICTION			
2	13.1 This Court shall retain jurisdiction of this matter to implement or modify t	he		
3	Consent Judgment.			
4	14. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT			
5	14.1 Each signatory to this Consent Judgment certifies that he or she is fu	lly		
6	authorized by the Party he or she represents to stipulate to this Consent Judgment and to enter in	ıto		
7	and execute the Consent Judgment on behalf of the Party represented and legally to bind that Par	ty.		
8	15. NO EFFECT ON OTHER SETTLEMENTS			
9	Nothing in this Consent Judgment shall preclude CEH from resolving any cla	im		
10	against an entity that is not the Settling Defendant (or a Defendant Releasee) on terms that are			
11	different than those contained in this Consent Judgment.			
12	16. EXECUTION IN COUNTERPARTS			
13	16.1 The stipulations to this Consent Judgment may be executed in counterparts a	nd		
14	by means of facsimile or portable document format (pdf), which taken together shall be deemed to			
15	constitute one document.			
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17	IT IS SO ORDERED, ADJUDGED, AND DECREED:			
18	DECREED.			
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20	Dated: , 2022			
21	Judge of the Superior Court of the State of California	nia		
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2	IT IS SO STIPULATED:
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5	Dated: May 9, 2022 CENTER FOR ENVIRONMENTAL HEALTH
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8	Martin Comment
9	Michael Green
10	Chief Executive Officer
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