1 2 3 4 5 6 7	Evan Smith (Bar No. SBN 242352) BRODSKY SMITH 9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212 Tel: (877) 534-2590 Fax: (310) 247-0160  Attorneys for Plaintiff	
8	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	COUNTY OF SAN FRANCISCO	
11	GABRIEL ESPINOZA,	Case No.: CGC-22-600237
12	Plaintiff,	CONSENT JUDGMENT
13	v.	Judge: Richard B. Ulmer, Jr.
14	IMPLUS FOOTCARE, LLC .	Dept.: 302 Hearing Date: August 10, 2022
15 16	Defendant.	Hearing Time: 9:30 AM Reservation #:
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#### 1. INTRODUCTION

- 1.1 **The Parties.** This Consent Judgment is entered into by and between Gabriel Espinoza acting on behalf of the public interest (hereinafter "Espinoza") and Implus Footcare, LLC ("Implus" or "Defendant") with Espinoza and Implus collectively referred to as the "Parties" and each of them as a "Party." Espinoza 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. Implus 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. Espinoza alleges that Implus has exposed individuals to chromium (hexavalent compounds) ("chromium VI" or "(CrVI)") from its sales of gloves with leather components including, but not limited to, Harbinger Flexfit Strength Gloves without providing a clear and reasonable exposure warning pursuant to Proposition 65. CrVI is listed under Proposition 65 as a chemical known to the State of California to cause cancer and adverse developmental effects in both males and females.
- Implus, and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d), alleging that Implus violated Proposition 65 for failing to warn consumers and customers that use of Harbinger Flexfit Strength Glove expose users in California to CrVI (the "Notice"). No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice. On June 16, 2022, Espinoza 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 Implus as to the allegations contained in the Notices/Action filed in this matter, that venue is proper in the County of San Francisco, 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 Action based on the facts alleged therein and/or in the Notices.

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1.5 Implus denies the material allegations contained in the Notices and Action and maintain that it has not violated Proposition 65. Nothing in this Consent Judgment shall be construed as an admission by Implus 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 Implus of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Implus. However, this Section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Implus under this Consent Judgment.

#### 2. **DEFINITIONS**

- 2.1 **Covered Products.** The term "Covered Products" means gloves with leather components including, but not limited to, Harbinger Flexfit Strength Gloves that are manufactured, distributed and/or offered for sale in California by Implus.
- 2.2 **Effective Date.** The term "Effective Date" means the date counsel for Implus receives notice that this Consent Judgment is entered as a Judgment of the Court.

### 3. **INJUNCTIVE RELIEF: WARNINGS**

- Clear and Reasonable Warning. Within sixty (60) days of the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 3.1 and 3.2 must be provided for all Covered Products that Implus manufacturers, imports, distributes, sells, or offers for sale in California. There shall be no obligation for Implus to provide a warning for Covered Products that enter the stream of commerce prior to the Effective Date, or within 60 days after the Effective Date. The warning shall consist of either the Warning or Alternative Warning described in §§ 3.1(a) or (b), respectively:
  - (a) **Warning**. The "Warning" shall consist of the statement:
  - ▲ WARNING: This product can expose you to chemicals including chromium (hexavalent compounds), 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.
- (b) **Alternative Warning**: Implus may, but is not required to, use the alternative shortform warning as set forth in this § 3.1(b) ("**Alternative Warning**") as follows:
  - ▲ WARNING: Cancer and Reproductive Harm <u>www.P65Warnings.ca.gov</u>.

"WARNING:" in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word "WARNING:" must be a black exclamation point in a yellow equilateral triangle with a black outline, except that if the sign or label for the Covered Products do not use the color yellow, the symbol may be in black and white. The symbol must be in a size no smaller than the height of the word "WARNING:". The warning shall be affixed to or printed on the Covered Products' 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 Covered Products and shall be at least the same size as those other safety warnings.

If Implus sells Covered Products via an internet website to customers located in California, the warning requirements of this section shall be satisfied if the foregoing warning appears either:

(a) on the same web page on which a Covered Product is displayed and/or described; (b) on the same page as the price for the Covered Products; (c) on one or more web pages displayed to a purchaser prior to purchase during the checkout process, or (d) by use of the word **WARNING** with a hyperlink to a warning under section 2.1(a) or (b) pursuant to California Code of Regulations title 27 section 25602(b). Alternatively, a symbol consisting of a black exclamation point in a yellow or white equilateral triangle may appear adjacent to or immediately following the display, description, price, or checkout listing of the Covered Products, if the warning statement appears elsewhere on the same web page in a manner that clearly associates it with the product(s) to which the warning applies.

3.3 Compliance with Warning Regulations. Implus shall be deemed to be in compliance with this Consent Judgment by either adhering to §§ 3.1 and 3.2 of this Consent Judgment or by complying with warning regulations approved or adopted by the State of

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

4.2 **Attorneys' Fees.** Within thirty (30) days of the Effective Date, Implus shall pay \$32,000.00 to Brodsky Smith ("Brodsky Smith") as complete reimbursement for Espinoza's attorneys' fees and costs incurred as a result of investigating, bringing this matter to Implus' attention, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure § 1021.5.

#### 5. RELEASE OF ALL CLAIMS

- 5.1 This Consent Judgment is a full, final, and binding resolution between Espinoza acting on his own behalf, and on behalf of the public interest, and Implus, and its parents, sister companies, affiliates, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions, subdivisions, and their predecessors, successors and assigns ("Defendant Releasees"), and all entities from whom they directly or indirectly obtain ("Upstream Releasees") 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 including but not limited to Golf Galaxy, LLC, Pro Performance, LLC, American Sports Licensing, Inc., American Sports Licensing, LLC, Dick's Sporting Goods, Inc., and each of their parents, sister companies, affiliates, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions, subdivisions ("Downstream Releasees"), of all claims for violations of Proposition 65 based on exposure to CrVI from use of the Covered Products as set forth in the Notice, with respect to any Covered Products manufactured, distributed, or sold by Implus prior to the Effective Date. Defendant Releasees' compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with regard to exposure to CrVI from the Covered Products.
- 5.2 In addition to the foregoing, Espinoza, on behalf of himself, his past and current agents, representatives, attorneys, and successors and/or assignees, and <u>not</u> in his representative capacity, hereby releases Defendant Releasees, Upstream Releasees and Downstream Releasees

from all claims that he has asserted or could have asserted against said Releasees arising out of Proposition 65. Espinoza acting on behalf of himself, his past and current agents, representatives, attorneys, and successors and/or assignees, and *not* in his representative capacity further waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Implus, Defendant Releasees, Upstream 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 use of the Covered Products manufactured, distributed, or sold by Implus, Defendant Releasees, Upstream Releasees or Downstream Releasees. With respect to the foregoing waivers and releases in this paragraph, Espinoza hereby specifically waives any and all rights and benefits which he now has, or in the future may have, conferred by virtue of the provisions of § 1542 of the California Civil Code, which provides as follows:

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

5.3 Implus waives any and all claims against Espinoza, his attorneys and other representatives, for any and all actions taken or statements made by Espinoza and his 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.

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#### 7. **GOVERNING LAW**

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 Implus 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; (ii) electronic mail with proof of delivery; or (iii) overnight courier on any party by the other party at the following addresses:

#### For Defendant:

Jonathan A. Muenkel NorthStar Law Group 1106 Second Street, #831 Encinitas, CA 92024 Email: jonathan@ns-lg.com

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#### For Espinoza:

Evan Smith Brodsky Smith 9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212 Email: esmith@brodskysmith.com

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. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>

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 APPROVAL</u>

- 10.1 Espinoza 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. Implus 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 thirty (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.
- 11.2 Alternative Compliance Standards. If either (i) Espinoza or another private enforcer enters into a court-approved settlement or a court enters a final judgment in a Proposition 65 enforcement action over exposure to CrVI from leather that includes injunctive relief defining the conditions under which Proposition 65 warnings are required for exposure to CrVI in gloves with leather components, including but not limited to a reformulation standards based on CrVI content or tannery process controls; or (ii) the State of California adopts a standard defining the conditions under which Proposition 65 warnings are required for exposure to CrVI in gloves with leather components, the Parties will meet and confer in good faith on conforming modifications to this Consent Judgment. If the Parties are unable to reach agreement, either Party may move the Court to modify the Consent Judgment.