| 1 | ENTORNO LAW, LLP | | |
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| 2 | Craig W. Nicholas (SBN 178444) | | |
| 3 | Jake W. Schulte (SBN 293777) Janani Natarajan (SBN 346770) | | |
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| 7 | Email: jake@entornolaw.com | | |
| 8 | Attorneys for Plaintiff | | |
| 9 | Environmental Health Advocates, Inc. | | |
| 10 | SUPERIOR COURT OF | THE STATE OF CALIFORNIA | |
| 11 | IN AND FOR THE COUNTY OF ALAMEDA | | |
| 12 | ENVIRONMENTAL HEALTH | Case No. 22CV009788 | |
| 13 | ADVOCATES, INC., | [PROPOSED] CONSENT JUDGMENT | |
| 14 | Plaintiff, | (Health & Safety Code § 25249.6 et seq. and | |
| 15 | v. | Code Civ. Proc. § 664.6) | |
| 16 | SEGWAY, INC., a Delaware corporation; AMAZON.COM, INC., a Delaware | | |
| 17 | corporation; and DOES 1 through 100, inclusive, | | |
| 18 | Defendants. | | |
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1. INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA" or "Plaintiff") and Segway Inc ("Defendant" or "Segway") with EHA and Segway each individually referred to as a "Party" and collectively referred to as the "Parties."

1.2 Plaintiff

EHA is a corporation organized in the state of California, acting in the interest of the general public. It seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.3 Defendant

Segway employs ten or more individuals and for purposes of this Consent Judgment only, is a "person in the course of doing business" for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 et seq. ("Proposition 65").

1.4 General Allegations

EHA alleges that Segway manufactures, imports, sells, and distributes for sale Segway Ninebot Adjustable Seat Saddle that contains DEHP. EHA further alleges that Segway does so without providing a sufficient health hazard warning as required by Proposition 65 and related Regulations. Segway denies these allegations and asserts that its products are safe and in compliance with all applicable laws, rules and regulations.

1.5 Notice of Violation

On or around January 4, 2022, EHA served Defendant Segway, Amazon.com, Inc., the California Attorney General, and all other required public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 ("Notice"). The Notice alleged that Segway had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to DEHP contained in seats products, including but not limited to Segway Ninebot Adjustable Seat Saddle manufactured or processed by Segway that allegedly contain DEHP and are imported, sold, shipped, delivered, or distributed for sale to consumers in California by Releasees (as defined in section 4.1).

No public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

1.6 Product Description

The products covered by this Consent Judgment are seats products, including but not limited to Segway Ninebot Adjustable Seat Saddle manufactured or processed by Segway that allegedly contain DEHP and are imported, sold, shipped, delivered, or distributed for sale to consumers in California by Releasees (as defined in section 4.1) ("Covered Products").

1.7 State of the Pleadings

On or around April 12, 2022, EHA filed a Complaint against Segway for the alleged violations of Proposition 65 that are the subject of the Notice ("Complaint").

1.8 No Admission

Segway denies the material factual and legal allegations of the Notice and Complaint and maintains that all of the products it has manufactured, imported, sold, and/or distributed for sale in California, including Covered Products, have been, and are, in compliance with all applicable laws, rules and regulations. Nothing in this Consent Judgment shall be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect Segway's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this Court has jurisdiction over Segway as to the allegations in the Complaint, that venue is proper in the County of Alameda, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" means the date on which this Consent Judgment is approved and entered as a judgment of the Court, as discussed in Section 5.

2. <u>INJUNCTIVE RELIEF</u>

2.1 Clear and Reasonable Warnings

Beginning on the Effective Date, and continuing thereafter, Segway shall not sell in California, or distribute for sale in California, the Covered Products, unless accompanied by warnings provided for in Section 2.1. As used in this Section 2.1, "distribute for sale in California" means to directly ship Covered Products into California or to sell Covered Products to a distributor Segway knows will sell Covered Products in California.

For Covered Products that contain DEHP, and which are distributed or directly sold by Segway in the State of California on or after the Effective Date, Segway shall provide one of the following warning statements.

Option 1:

WARNING: This product can expose you to chemicals including Di(2-ethylhexl)pthalate (DEHP), which is known to the State of California to cause cancer and developmental effects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

Option 2:

▲ WARNING: Cancer and Reproductive Harm – www.P65Warnings.ca.gov.

This warning statement shall be prominently displayed on the Covered Products, on the packing of the Covered Products, or on a placard, shelf tag, or sign provided that the statement 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 prior to sale. If the warning statement is displayed on the Covered Products' packaging, it must be in a type size no smaller than the largest type size used for other consumer information on the product. In no case shall a warning statement displayed on the Covered Products' packaging appear in a type size smaller than 6-point type. If the Covered Products' packaging contains consumer information in a foreign language, a warning statement in that language is required. The same warning shall be posted on any websites under the exclusive control of Segway where Covered Products are sold into California. Segway shall instruct any third-party website to which it directly sells its Covered Products to include the same warning as a condition of selling the Covered Products in California.

2.2 Sell-Through Period

Notwithstanding anything else in this Consent Judgment, Covered Products that are manufactured, packaged, or put into commerce on or after the date this Agreement is executed shall be subject to the release of liability pursuant to this Consent Judgment, without regard to when such Covered Products were, or are in the future, distributed or sold to customers. As a result, the obligations of Segway, or any Releasees (if applicable), stated in this Section 2 do not apply to Covered Products manufactured, packaged, or put into commerce between the date this Agreement is executed and the Effective Date.

3. MONETARY SETTLEMENT TERMS

3.1 Settlement Amount

Segway shall pay ninety thousand dollars (\$90,000.00) in settlement and total satisfaction of all the claims referred to in the Notice(s), the Complaint, and this Consent Judgment. This includes civil penalties in the amount of nine thousand dollars (\$9,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorneys' fees and costs in the amount of eighty-one thousand dollars (\$81,000.00) pursuant to Code of Civil Procedure section 1021.5.

3.2 Civil Penalty

The portion of the settlement attributable to civil penalties shall be allocated according to Health and Safety Code section 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) of the penalty paid to EHA individually. The nine thousand dollars (\$9,000.00) in civil penalties shall be paid as follows:

- One payment of \$6,750.00 to OEHHA, due 14 (fourteen) days after the Effective date.
- One payment of \$2,250.00 to EHA, due 14 (fourteen) days after the Effective date.

All payments owed to EHA shall be delivered to the following address:

Isaac Fayman Environmental Health Advocates 225 Broadway, Suite 2100 San Diego, CA 92101

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The attorney fee payments shall be made payable to Entorno Law, LLP. The address for this entity is:

Noam Glick Entorno Law, LLP 225 Broadway, Suite 1900 San Diego, CA 92101

4. <u>CLAIMS COVERED AND RELEASE</u>

4.1 EHA's Public Release of Proposition 65 Claims

Plaintiff, acting on its own behalf and in the public interest, releases Segway, and its parents, subsidiaries, affiliated entities under common ownership or control, its directors, officers, principals, agents, employees, attorneys, insurers, accountants, predecessors, successors, and assigns, including Nineunion (Beijing) Technology Co. Ltd and Ninebot (Changzhou) Technology Co. Ltd. ("Defendant Entities"), each entity to whom Defendant directly or indirectly distributes, ships, or sells the Covered Products, including but not limited to downstream distributors, wholesalers, customers, retailers (including but not limited to Amazon.com, Inc.), and marketplaces franchisees, franchisors, cooperative members, suppliers, licensees, and licensors, and all of the foregoing entities' owners, directors, officers, agents, principals, employees, attorneys, insurers, accountants, representatives, predecessors, successors, and assigns (collectively referred to as the "Releasees") from all claims for violations of Proposition 65 up through the Effective Date based on exposure to DEHP from Covered Products as set forth in the Notice(s). Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DEHP from Covered Products as set forth in the Notice(s). This Consent Judgment is a full, final, and binding resolution of all claims under Proposition 65 that were or could have been asserted against Segway and/or Releasees for failure to comply with Proposition 65 for alleged exposure to DEHP from Covered Products. This release does not extend to any third-party retailers selling the product on a website who, after receiving instruction from Segway to include a warning as set forth above in section 2.2, do not include such a warning. [Rest of page intentionally left blank]

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4.2 EHA's Individual Release of Claims

EHA, in its individual capacity, also provides a release to Segway and/or Releasees, which shall be a full and final accord and satisfaction of, as well as a bar to, all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities, and demands of every nature, character, and kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to DEHP in Covered Products manufactured, imported, sold, or distributed by Segway before the Effective Date.

4.3 Segway's Release of EHA

Segway on its own behalf, and on behalf of Releasees as well as its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against them, in this matter or with respect to the Covered Products.

4.4 No Other Known Claims or Violations

EHA and EHA's counsel affirm that they are not presently aware of any actual or alleged violations of Proposition 65 by Segway or for which Segway bears legal responsibility other than those that are fully resolved by this Consent Judgment.

5. COURT APPROVAL

This Consent Judgment is not effective until it is approved by the Court and shall be null and void if it is not approved by the Court within one year after it has been fully executed by the Parties, or by such additional time as the Parties may agree to in writing.

6. <u>SEVERABILITY</u>

Subsequent to the Court's approval and entry of this Consent Judgment, if any provision is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected. [Rest of page intentionally left blank]

7. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the state of California as applied within the state of California. In the event that Proposition 65 is repealed, or is otherwise rendered inapplicable for reasons, including but not limited to changes in the law, then Segway may provide written notice to EHA of any asserted change, and shall have no further injunctive obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so affected.

In the event the California Office of Health Hazard Assessment adopts a regulation or safe use determination, or issues an interpretive guideline that exempts Covered Products from meeting the requirements of Proposition 65; or if DEHP cases are permanently enjoined by a court of competent jurisdiction; or if Proposition 65 is determined to be preempted by federal law or a burden on First Amendment rights with respect to DEHP in Covered Products or Covered Products substantially similar to Covered Products, then Segway shall be relieved of its obligation to comply with Section 2 herein.

8. <u>ENFORCEMENT</u>

In any action to enforce the terms of this Consent Judgment, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

9. NOTICE

If to Segway:

Unless otherwise specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered, or certified mail, return receipt requested; or (iii) a recognized overnight courier; and (iv) with a copy by email; to the following addresses:

If to EHA:

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| 24 | Garth Ward | Noam Glick |
| 25 | Lewis Brisbois Bisgaard & Smith LLP 550 West C Street, Suite 1700 | Entorno Law, LLP 225 Broadway, Suite 2100 |
| 26 | San Diego, CA 92101 garth.ward@lewisbrisbois.com | San Diego, CA 92101 noam@entornolaw.com |

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

10. COUNTERPARTS; DIGITAL SIGNATURES

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

11. POST EXECUTION ACTIVITIES

EHA agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which motion EHA shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually employ their reasonable best efforts, including those of their counsel, to support the entry of this agreement as judgment, and to obtain judicial approval of their settlement in a timely manner. For purposes of this Section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to any objection that any third-party may make, and appearing at the hearing before the Court if so requested.

12. MODIFICATION

This Consent Judgment may be modified by: (i) a written agreement of the Parties and entry of a modified consent judgment thereon by the Court; or (ii) a successful motion or application of any Party, and the entry of a modified consent judgment thereon by the Court.

13. <u>AUTHORIZATION</u>

The undersigned are authorized to execute this Consent Judgment and acknowledge that they have read, understand, and agree to all of the terms and conditions contained herein.

14. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet and confer in person, or by telephone, and/or in writing and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand.

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| 1 | 15. <u>ENTIRE AGREEMENT</u> |
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| 2 | This Consent Judgment contains the sole and entire agreement and understanding of the Parties |
| 3 | with respect to the entire subject matter herein, and any and all prior discussions, negotiations, |
| 4 | commitments, and understandings related hereto. No representations, oral or otherwise, express or |
| 5 | implied, other than those contained herein have been made by any Party. No other agreements, oral or |
| 6 | otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party. |
| 7 | AGREED TO: |
| 8 9 10 | Date: 10/5/2023 By: |
| 12 | ADVOCATES, INC. Wei (Wayde) Zhao, SVP |
| 13 | VV01 (C. 0 - 2 cu., c - 1 |
| 14 | IT IS SO ORDERED. |
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| 16 | Date: |
| 17 | JUDGE OF THE SUPERIOR COURT |
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