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	
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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	COUNTY OF ALAMEDA	
11	EMA BELL,	Case No.: 22CV014862
12	Plaintiff,	CONSENT JUDGMENT
13	v.	Judge: Dennis Hayashi
14	CENTRAL PURCHASING, LLC; HARBOR FREIGHT TOOLS USA, INC.,	Dept.: 518 Hearing Date: April 5, 2023 Hearing Time: 2:30 PM
15	TREIGHT TOOLS OBT, HVC.,	Reservation ID: 649900330191
16	Defendants.	
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INTRODUCTION

- 1.1 The Parties. This Consent Judgment is entered into by and between Ema Bell ("Bell") and Gabriel Espinoza ("Espinoza") (collectively, "Plaintiffs") each acting on behalf of the public interest, and Central Purchasing, LLC and Harbor Freight Tools USA, Inc. (collectively, "Harbor Freight" or "Defendant") with Plaintiffs and Defendant collectively referred to as the "Parties" and each of them as a "Party." Plaintiffs allege that Harbor Freight is 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. Plaintiffs allege that Defendant has exposed individuals to bisphenol A (BPA), di(2-ethylhexyl) phthalate (DEHP), and/or diisononyl phthalate (DINP) (collectively, the "Listed Chemicals") from its sales of (a) Apache Clear Cases, including but not limited to SKU# 56378, UPC# 792363563789 (BPA) (hereinafter, "Apache Cases"), (b) Greenwood Long Reach Ratcheting Bypass Loppers, including but not limited to SKU# 62681, UPC# 792363626811 (DEHP) (hereinafter, "Bypass Loppers"), (c) Thunderbolt Magnum 12 Volt Battery to Lighter Socket Extension Cords, including but not limited to SKU# 66407, UPC# 792363664073 (DEHP) (hereinafter, "Extension Cords"), (d) Pittsburgh Hand Seamers, including but not limited to SKU#, 66654 UPC# 092363666542 (DEHP) (hereinafter, "Hand Seamers"), and (e) Pittsburgh Fender Cover Work Mats, including but not limited to SKU# 96177, UPC# 792363961776 (DINP) (hereinafter, "Work Mats") without providing a clear and reasonable exposure warning pursuant to Proposition 65. DEHP is listed under Proposition 65 as a chemical known to the State of California to cause cancer and reproductive toxicity. BPA is listed under Proposition 65 as a chemical known to the State of California to cause reproductive toxicity. DINP is listed under Proposition 65 as a chemical known to the State of California to cause cancer.

Notices of Violation/Complaint.

1.3.1 On or about June 24, 2021, and June 25, 2021, Espinoza gave notice of alleged violations of Health and Safety Code § 25249.6 (collectively, the "Espinoza Notices"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of the Hand Seamers, Bypass Loppers, and Extension Cords exposes users in California to

DEHP. No public enforcer has brought an action or is diligently prosecuting the claims alleged in the Espinoza Notices.

- 1.3.2 On or about January 27, 2022, and March 2, 2022, Bell gave notice of alleged violations of Health and Safety Code § 25249.6 (collectively, the "Bell Notices"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of the Apache Cases (BPA) and Work Mats (DINP) exposes users in California to BPA and/or DINP. No public enforcer has brought an action or is diligently prosecuting the claims alleged in the Bell Notices.
- 1.3.3 The Espinoza Notices and the Bell Notices are collectively referred to herein as, the "Notices."
- 1.3.4 On July 22, 2022, Bell filed a complaint (the "Complaint") setting forth alleged violations of Proposition 65 for the Apache Cases as alleged in the January 27, 2022, Notice of Violation.
- 1.3.5 On October 25, 2022, Bell filed a first amended complaint (the "FAC") setting forth alleged violations of Proposition 65 as alleged in the Bell Notices. The FAC also adds Espinoza as a plaintiff and sets forth alleged violations of Proposition 65 as alleged in the Espinoza Notices.
 - 1.3.6 The Complaint and FAC are collectively referred to herein as, the "Action."
- 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 Action, 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 Action based on the facts alleged therein and/or in the Notices.
- 1.5 Defendant denies all material allegations contained in the Notices and the Action 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 pursuant to this Consent Judgment.

2. <u>DEFINITIONS</u>

- 2.1 **Covered Products.** The term "Covered Products" means (a) Apache Cases, (b) Bypass Loppers, (c) Extension Cords, (d) Hand Seamers, and (e) Work Mats that are distributed and/or offered for sale in California by Harbor Freight.
- 2.2 **Effective Date.** The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.

3. <u>INJUNCTIVE RELIEF: REFORMULATION AND/OR WARNINGS</u>

- Reformulation of Covered Products that Expose Users to Phthalates¹. No later than ninety (90) days after the Effective Date, and continuing thereafter, Covered Products that Harbor Freight directly imports, distributes, sells, or offers for sale in California shall either: (a) be Reformulated Products pursuant to § 3.2, below; or (b) be labeled with a clear and reasonable exposure warning pursuant to §§ 3.3 and 3.4, below. For purposes of this Consent Judgment, a "Reformulated Product" is a Covered Product that is in compliance with the standard set forth in §§ 3.2 below. The warning requirement set forth in §§ 3.3 and 3.4 shall not apply to any Reformulated Product.
- 3.2 **Reformulation Standard.** "Reformulated Products" shall mean Covered Products that contain concentrations less than or equal to 0.1% (1,000 parts per million ("ppm")) each of di(2-ethylhexyl) phthalate ("DEHP"), or diisononyl phthalate ("DINP"), as applicable, in any accessible components when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C, or other methodologies utilized by federal or state government agencies for the purpose of determining the phthalate content in a solid substance.
- 3.3 Clear and Reasonable Warning. No later than ninety (90) days after the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 3.3 and 3.4 must be provided for all Covered Products that Defendant imports, distributes, sells, or

¹ This Agreement does not provide a reformulation option for Covered Products that create an exposure to BPA.

offers for sale in California that exposes users to BPA and/or is not a Reformulated Product. The warning language must comply with 27 CCR 25603. The warning shall consist of either the Warning or Alternative Warning described in §§ 3.3(a) or (b), respectively:

- (a) **Warning**. The "Warning" shall consist of the statement:
- **WARNING:** This product can expose you to chemicals, including [di(2-ethylhexyl) phthalate (DEHP) / Diisononyl phthalate (DINP) / Bisphenol A (BPA)]², which is [are] 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**: Harbor Freight may, but is not required to, use the alternative short-form warning as set forth in this § 3.3(b) ("**Alternative Warning**") as follows:
 - **WARNING**: [Cancer] [and] [Reproductive Harm] www.P65Warnings.ca.gov.
- 3.4 The Warning or Alternative Warning must comply with the regulations set forth in 27 CCR 25603. A Warning or Alternative Warning provided pursuant to § 3.3 must print the word "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 Product does 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

² In accordance with 27 Cal. Code Regs., §§ 25601 and 25603, the long-form warning must expressly identify at least one of the Listed Chemicals to which a consumer might be exposed per toxicological endpoint, and the content of the warning shall include the endpoint (e.g., cancer, reproductive harm, or both). DEHP is listed as known to cause cancer and birth defects or other reproductive harm; DINP is listed as known to cause cancer; and BPA is listed as known to cause reproductive toxicity. Should Defendants elect to use the short-form or "Alternative" warning pursuant to § 3.3(b), only the applicable endpoint(s) must be stated. If Defendant elects to provide an exposure warning with the sale of a Covered Product, § 1.2 herein identifies the chemical to be identified for each Covered Product.

 safety warnings, if any, concerning the use of the Covered Product and shall be at least the same size as those other safety warnings.

In addition to affixing the **Warning** or **Alternative Warning** to the Covered Products' packaging or labeling, the **Warning** or **Alternative Warning** shall be posted on websites where Harbor Freight offers Covered Products for sale to consumers in California. The requirements of this Section shall be satisfied if the **Warning** or **Alternative Warning**, or a clearly marked hyperlink using the word "**WARNING**," appears on the product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase. To comply with this Section, Harbor Freight shall (a) post the **Warning** or **Alternative Warning** on its own website and, if it has the ability to do so, on the websites of its third-party internet sellers; and (b) if it does not have the ability to post the **Warning** or **Alternative Warning** on the websites of its third-party internet sellers, provide such sellers with written notice in accordance with Title 27, California Code of Regulations, Section 25600.2. Third-party internet sellers of the Product that have been provided with written notice in accordance with Title 27, California Code of Regulations, Section 25600.2 are not released in Section 5 of this Agreement if they fail to meet the warning requirements of this Section.

3.5 Additional Warnings Required or Permitted by Law or Regulation. In addition to the warning requirements set forth in §§ 3.3 and 3.4 above, Defendant may comply with this Consent Judgment by using any other warning and transmission method(s) set forth in 27 Cal. Code Regs. §§ 25601, 25602, 25603, et seq. and amended subsequently thereafter that are applicable to the Covered Products and the exposures at issue after the Effective Date.

In the event that Proposition 65 warnings for DEHP, DINP, or BPA should no longer be required by law, Defendant shall have no further obligations pursuant to this Consent Judgment with respect to the Covered Products, as applicable.

3.6 Compliance with Warning Regulations. Defendant shall be deemed to be in compliance with this Consent Judgment by either adhering to §§ 3.2 through 3.4 of this Consent Judgment or by complying with warning requirements adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") applicable to the Covered Products and

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the exposures at issue after the Effective Date.

3.7 **Sell-Through.** The injunctive requirements of Section 3 shall not apply to Covered Products Defendants have distributed to California as of sixty (60) days after the Effective Date, which such Covered Products are subject to the releases provided in Section 5.

4. MONETARY TERMS

- 4.1 Civil Penalty. Harbor Freight shall pay \$5,000.00 as a Civil Penalty pursuant to Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health & Safety Code § 25249.12(c)(1) and (d), with 75% of these funds (\$3,750.00) remitted to OEHHA and equal shares of the remaining 25% of the Civil Penalty (\$1,250.00) remitted to each plaintiff, as provided by California Health & Safety Code § 25249.12(d).
- Within ten (10) business days of the Effective Date, Harbor Freight shall 4.1.1 issue two (2) separate checks for the Civil Penalty payment: (a) one check made payable to "OEHHA" in the amount of \$3,750.00; and (b) one check made payable to "Brodsky & Smith in Trust for Plaintiffs Bell & Espinoza" in the amount of \$1,250.00. Payment owed to Plaintiffs pursuant to this Section shall be delivered to the following payment address:

Evan J. Smith, Esquire Brodsky & Smith Two Bala Plaza, Suite 805 Bala Cynwyd, PA 19004

Brodsky & Smith shall provide a W-9 Form for Brodsky & Smith prior to the due date of any payments made hereunder and understands that no payments can be issued unless and until Harbor Freight receives such W-9 Form. Upon receipt of the above Civil Penalty payments, Brodsky & Smith shall be solely responsible for forwarding the respective payments to each Plaintiff.

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 at the address set forth above as proof of payment to OEHHA.

4.2 **Attorneys' Fees.** Within ten (10) business days of the Effective Date, Harbor Freight shall pay fifty thousand dollars (\$50,000.00) to Brodsky & Smith ("Brodsky & Smith") as complete reimbursement for Plaintiffs' attorneys' fees and costs incurred as a result of investigating, bringing this matter to Harbor Freight attention, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure § 1021.5. Accordingly, in addition to the Civil Penalty payments described above in § 4.1, Harbor Freight shall issue a check made payable to "Brodsky & Smith" in the amount of fifty thousand dollars (\$50,000.00) within ten (10) business days of the Effective Date, to:

Evan J. Smith, Esquire Brodsky & Smith Two Bala Plaza, Suite 805 Bala Cynwyd, PA 19004

5. RELEASE OF ALL CLAIMS

5.1 This Consent Judgment is a full, final, and binding resolution between Bell and Espinoza, each acting on their own behalf, and on behalf of the public interest, and Harbor Freight, 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, franchisees, and cooperative members ("Downstream Releasees"), of all claims for violations of Proposition 65 based on exposure to the Listed Chemicals from use of the Covered

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Products as set forth in the Notices, with respect to any Covered Products distributed, or sold by Harbor Freight prior to the Effective Date. It is the Parties' intention that this Consent Judgment shall have preclusive effect such that no other actions by private enforcers, 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 based on exposure to the Listed Chemicals that was alleged in the Notices and Action, or that could have been brought pursuant to the Notices against Harbor Freight and/or the Downstream Releasees of the Covered Products ("Proposition 65 Claims").

5.2 In addition to the foregoing, Bell and Espinoza, on behalf of themselves, their past and current agents, representatives, attorneys, and successors and/or assignees, and not in their representative capacity, hereby waive all rights to institute or participate in, directly or indirectly, any form of legal action and releases Harbor Freight, 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 exposure to the Listed Chemicals from use of the Covered Products distributed, or sold by Harbor Freight, Defendant Releasees or Downstream Releasees. With respect to the foregoing waivers and releases in this paragraph, Bell and Espinoza hereby waive any and all rights and benefits which they now have, 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 Harbor Freight waives any and all claims against Plaintiffs, their attorneys and other representatives, for any and all actions taken, or statements made (or those that could have been taken or made) by Plaintiffs and their 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 exposures to the Listed Chemicals from use of Covered Products.

6. INTEGRATION

6.1 This Consent Judgment contains the sole and entire agreement of the Parties 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. If 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: For Plaintiffs:

Anne Marie Ellis
Buchalter PC
Brodsky & Smith
Brodsky & Smith
Two Bala Plaza, Ste. 805
Irvine, CA 92612
Bala Cynwyd, PA 19004

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. Execution of the Consent Judgment by e-mail, facsimile, or other electronic

means, shall constitute legal and binding execution and delivery. Any photocopy of the executed Consent Judgment shall have the same force and effect as the original.

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

- 10.1 Plaintiffs agree 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 and shall not be introduced into evidence or otherwise used in any proceeding for any purpose. If, for any reason, this Consent Judgment is not entered by the Court, the Parties agree to cooperate in good faith to make such modifications or amendments necessary to ensure that the Consent Judgment is entered by the Court. If the parties cannot agree on appropriate modifications and amendments within a reasonable time, the Action 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 agree to cooperate in good faith to make such modifications or amendments necessary to ensure that the Consent Judgment is entered by the Court. If the Parties are unable to agree on appropriate modifications and amendments within a reasonable time, 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 If either Plaintiff enters into any consent judgment with any other entity with respect to an alleged failure to warn of alleged exposures to DEHP, DINP, or BPA, as applicable, in which it agrees to different injunctive terms than those contained in Section 3 above, Defendant may seek to modify this Consent Judgment to adopt those injunctive terms and comply with them instead of

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1	those presently set forth in Section 3. If Defendant seeks to adopt different injunctive terms, it shall	
2	provide notice to Plaintiff consistent with Section 8 of this Consent Judgment.	
3	12. <u>RETENTION OF JURISDICTION</u>	
4	12.1 This Court shall retain jurisdiction of this matter to implement or modify the	
5	Consent Judgment.	
6	13. <u>AUTHORIZATION</u>	
7	13.1 The undersigned are authorized to execute this Consent Judgment on behalf of their	
8	respective Parties and have read, understood, and agree to all of the terms and conditions of this	
9	document and certify that he or she is fully authorized by the Party he or she represents to execute	
10	the Consent Judgment on behalf of the Party represented and legally bind that Party. Except as	
11	explicitly provided herein each Party is to bear its own fees and costs.	
12	14. <u>SEVERABILITY</u>	
13	14.1 If subsequent to Court approval of this Consent Judgment, any part or provision is	
14	declared by a Court to be invalid, void, or unenforceable, the remaining portions or provisions shall	
15	continue in full force and effect.	
16	AGREED TO: AGREED TO:	
17	Date: Date:	
18	De That All	
19	By: Ema Bell By: Meryl-K Chae EVP & General Counsel	
20	HARBOR FREIGHT TOOLS USA, INC.	
21	AGREED TO: AGREED TO:	
22	Date: 1/19/23 Date: January 3, 2023	
	Date: January 3, 2023	
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23	By: By: Meryl-K. Chae	
- 11	By: By: Mull All Man	
24	By: Meryl-K. Chae EVP & General Counsel	
24 25	By: Gabriel Espinoza By: Meryl-K. Chae EVP & General Counsel CENTRAL PURCHASING, LLC	
24 25 26	By: Gabriel Espinoza By: Meryl-K. Chae EVP & General Counsel CENTRAL PURCHASING, LLC	