1 2 3 4 5 6 7 8 9	Laralei S. Paras, State Bar No. 203319 Kimberly Gates Johnson, State Bar No. 282369 Seven Hills LLP 4 Embarcadero Center, Suite 1400 San Francisco, CA 94111 Telephone: (415) 926-7247 kimberly@sevenhillsllp.com Attorneys for Plaintiff KEEP AMERICA SAFE AND BEAUTIFUL Damon M. Pitt, Esq. K & L Gates 1Park Plaza, 12th Floor Irvine, CA 92614 Telephone: (949) 623-3604 Damon.Pitt@klgates.com Attorneys for Defendant	
10	GOJA, ĽLC	
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12	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
13	CITY AND COUNTY OF SAN FRANCISCO	
14	UNLIMITED CIVIL JURISDICTION	
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16	KEEP AMERICA SAFE AND BEAUTIFUL,	Case No. CGC-23-607009
17	Plaintiff,	CONSENT JUDGMENT
18	v.	(Health & Safety Code § 25249.6 et seq. and Code of Civil Procedure § 664.6)
19	GOJA, LLC; and DOES 1-30, inclusive,	
20	DEFENDANTS.	
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28	CONSENT JUDGMENT	

### 1. INTRODUCTION

This Consent Judgment is entered into by and between plaintiff Keep America Safe and Beautiful ("KASB") and defendant GOJA, LLC, ("GOJA"), with KASB and GOJA each individually referred to as a "Party" and, collectively, as the "Parties," to resolve the allegations in the August 24, 2022 60-Day Notice of Violation, in compliance with the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6 et seq. ("Proposition 65").

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# 1.1 The Parties

KASB is a California-based non-profit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure chemicals known to the State of California to cause cancer, birth defects or other reproductive harm are properly disclosed in or eliminated from consumer products sold in California. KASB alleges GOJA is a person in the course of doing business, for purposes of California Health & Safety Code § 25249.11(b).

### **1.2** Consumer Product Description

14 KASB alleges GOJA manufactures, processes, sells and/or distributes for sale, in or into 15 California, brass tire pressure gauges containing the heavy metal, Lead, including, but not limited to, the Alien 4x4 Tire Pressure Gauge 75 Psi, UPC# 6 02318 73838 7; ASIN B07PFF1WVN; UNSPC 16 17 25191800 without providing the compliant health hazard warning required by Proposition 65. All 18 such brass tire pressure gauges shall be referred to, collectively, hereinafter as the "**Product(s)**." Lead 19 is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer, birth defects, reproductive and developmental harms.

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### **1.3** Notice of Violation

22 On August 24, 2022, KASB served GOJA the California Attorney General, and the requisite 23 public enforcement agencies with a 60-Day Notice of Violation ("Notice"), alleging that GOJA 24 violated Proposition 65 when it failed to provide compliant warnings to its customers and consumers 25 in California that its Products can expose users to Lead. No public enforcer has commenced and is 26 diligently prosecuting an action to enforce the allegations set forth in the Notice. The Parties enter 27 into this Consent Judgment for the purpose of resolving KASB's claims asserted in the Notice and to 28 avoid prolonged and costly litigation.

more information go to www.P65Warnings.ca.gov

(b) Short Form Warning: As an alternative to the preceding, GOJA may, but is not required to, use the following applicable short-form warning ("Short-Form "), subject to the additional requirements in Sections 2.4 and 2.5 as follows:

**WARNING**: Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

The Parties agree, should GOJA determine additional chemical endpoints need to be included in the above warnings, GOJA may modify the content of such warnings to address the new chemical, provided the revised warnings comply with title 27 Cal. Code Regs. § 25600 *et seq*.

(c) Foreign Language Requirement. Where a consumer product sign, label or tag used to provide a warning includes "consumer information", as the term is defined in Title 27 California Code of Regulations § 25600.1(c) ("Consumer Information"), in languages other than English, then the accompanying warnings must also be provided in those languages.

#### 2.4 **On-Product Warning Requirements**

GOJA shall affix a warning on the Product Label, its packaging or directly on each Product that is manufactured, imported, distributed, sold or otherwise provided for sale to consumers in California. "**Product Label**" is defined as a display of written, printed or graphic material that is printed on or affixed to a Product or its immediate container or wrapper. The entire warning shall appear in at least 6-point type, and in no event shall it be smaller than the largest type size used for other consumer information on the Product.

Warnings provided pursuant to Section 2.3 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, if the sign or label for the Products does not use the color yellow, then 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 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 Products and shall be at least the same size as those other safety warnings.

#### 1.4 Complaint

On June 9, 2023, KASB commenced the instant action ("Complaint"), naming GOJA, LLC as a defendant for the alleged violations of Proposition 65 that are the subject of the Notice.

1.5 No Admission

GOJA denies the material, factual, and legal allegations contained in the Notice and Complaint, and maintains that all products it sold or distributed for sale, in or into California, including the Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as, nor shall compliance with this Consent Judgment constitute or be construed as, an admission by GOJA of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect GOJA's obligations, responsibilities, and duties under this Consent Judgment.

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#### 1.6 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate this Court has jurisdiction over GOJA as to the allegations contained in the Complaint; venue is proper in the County of San Francisco; and the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure § 664.6.

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#### **Execution Date** 1.7

The term "Execution Date" shall mean the date on which all parties have signed this Consent 19 Judgment.

> 1.8 **Effective Date**

The term "Effective Date" shall mean the date on which the Court approves this Consent 22 Judgment and enters judgment pursuant to its terms.

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## **INJUNCTIVE RELIEF: REFORMULATION & WARNINGS**

2.1 **Commitment to Reformulate or Warn** 

25 Commencing on the Effective Date and continuing thereafter, all Products GOJA 26 manufactures, imports, sells, ships, or distributes for sale, in or into California, directly or through one or more third party retailers or e-commerce marketplaces shall be either: (a) Reformulated 27

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Products, in compliance with and as defined by the Reformulation Standard set forth in Section 2.2; or (b) Products bearing a clear and reasonable warning, pursuant to Sections 2.3 through 2.5.

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#### 2.2 Reformulation Standard & Reformulated Products Defined

4 For purposes of this Agreement, "Reformulated Products" are defined as those 5 Products: (a) containing no more than 0.009% or 90 parts per million ("ppm") Lead on any exterior surface when analyzed pursuant to U.S. Environmental Protection Agency ("EPA") testing 6 7 methodologies 3050B and 6020A or equivalent methodologies utilized by federal or state agencies 8 for the purpose of determining Lead content in a solid substance; and (b) yielding a test result of no 9 more than 1.0 microgram of Lead on any exterior surface when sampled pursuant to the NIOSH 10 9100 testing protocol and analyzed pursuant to EPA 3050B and 6020A. ("Reformulation 11 Standard".)

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#### 2.3 Clear and Reasonable Warnings

Commencing on or before the Effective Date, and continuing thereafter, GOJA shall provide clear and reasonable health hazard warnings for all Products GOJA manufactures, imports, distributes, sells or offers for sale, in or into California, that do not meet the Reformulation Standard for Reformulated Products. For purposes of this Agreement, a warning shall be deemed clear and reasonable, if it meets the criteria set forth in California Health & Safety Code § 25249.5 *et seq.* and title 27 California Code of Regulations ("Cal. Code Regs.") § 25600 *et seq.* as may be amended from time to time.

Each warning shall be prominently placed with such conspicuousness, as compared with other words, statements, designs, or devices, as to render it likely to be read and understood by an ordinary individual under customary conditions prior to purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Product the warning applies, so as to minimize the risk of consumer confusion.

(a) For purposes of this Agreement, the following warning shall be deemed clear and reasonable:

**WARNING**: This product can expose you to chemicals, including Lead, which is known to the State of California to cause cancer and birth defects and other reproductive harm.

#### 2.4 Internet Product Warning Requirements

For all Products manufactured, imported, distributed, sold or offered for sale after the 3 Effective Date via the internet to customers located in California, or sold in or into California, by GOJA directly or through third-party websites over which GOJA has the ability to control the 4 5 application of warnings, GOJA shall provide warnings for each Product, both on the Product label, in accordance with Section 2.4, and by prominently displaying the warning to customers prior to 6 7 purchase or during the checkout process such that the consumer does not have to seek out the 8 information being provided. The warning or a clearly marked hyperlink to the warning, using the 9 word "WARNING" and given in conjunction with the sale of Products via the internet, shall appear 10 on: (a) the same web page on which the Product is displayed; (b) the same web page as the order 11 form for the Product; (c) on the same page as the price for any Product; or (d) on one or more web 12 pages displayed to a purchaser during the checkout process. The warning shall appear in any of the 13 above instances adjacent to or immediately following the display, description or price of the Product 14 for which it is given in the same type size or larger than other consumer information provided for the Product. For third-party websites, as a term of sale, GOJA shall notify its commercial customers that 15 16 the Products must be accompanied by a warning, prior to and as a term of sale, in or into California, 17 and shall supply the warning requirements, pursuant to this Section 2.5.

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#### MONETARY SETTLEMENT TERMS

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### 3.1 Civil Penalty

20 Pursuant to Health and Safety Code § 25249.7(b), GOJA agrees to pay a civil penalty of 21 \$2,000.00 within fifteen (15) business days of the Effective Date or on or before January 3, 2024, 22 whichever is later. GOJA's civil penalty payment will be allocated according to Health and Safety 23 Code §§ 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the 24 California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining 25 twenty-five percent (25%) retained by KASB. GOJA shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of \$1,500.00; and (b) "Keep America Safe and Beautiful" 26 27 in the amount of \$500.00. KASB's counsel shall deliver to OEHHA and KASB their respective 28 portion of the penalty payments.

#### 3.2 **Reimbursement of Attorneys' Fees and Costs**

2 KASB and its counsel offered to resolve the allegations in the Notice without reaching terms 3 on the amount of reimbursement of attorneys' fees and costs. Shortly after the Parties finalized the other material settlement terms, they negotiated and reached an accord on the amount of 4 5 reimbursement to be paid to KASB's counsel, under general contract principles and the private attorney general doctrine, codified at California Code of Civil Procedure § 1021.5, for all work 6 7 performed through the mutual execution and reporting of this Agreement to the Office of the 8 California Attorney General. Within fifteen (15) business days of the Effective Date or on or before 9 January 3, 2024, whichever is later, GOJA agrees to issue a check in the amount of \$24,000.00 payable to "Seven Hills LLP" for all fees and costs incurred in investigating, bringing this matter to 10 11 GOJA's attention, negotiating a settlement in the public interest, and reporting its terms to Office of 12 the California Attorney General pursuant to Section 5.

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#### 3.3 **Payments Due**

14 All payments payable and due under this Consent Judgment shall be delivered to KASB's counsel at the address listed in Section 3.4 within fifteen (15) business days of the Effective Date, or 15 16 on or before January 3, 2024, whichever is later.

> 3.4 **Delivery Address**

18 All payments payable and due under this Agreement shall be delivered to KASB's counsel at following address: 19 20 Seven Hills LLP Attn: Kimberly Gates Johnson 21 4 Embarcadero Center. Suite 1400 San Francisco, CA 94111

Upon full execution of this Consent Judgment by the Parties, counsel for KASB shall deliver 23 to counsel for GOJA Federal Form W9s for each payee under this Agreement, allowing GOJA to comply with its year-end tax reporting requirements.

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#### **CLAIMS COVERED AND RELEASED**

#### 4.1 **KASB's Release of GOJA**

3 This Consent Judgment is a full, final and binding resolution between KASB, on behalf of itself and in the public interest, and GOJA, of any violation of Proposition 65 that was or could have 5 been asserted by KASB on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, against GOJA, its past and present directors, officers, shareholders, 6 employees, agents, subsidiaries, divisions, affiliates, assignees, attorneys, and each entity to whom 8 GOJA directly or indirectly distributes or sells Products, including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees 10 (collectively, "Releasees"), based on their failure to warn, arising under Proposition 65, about alleged exposures to Lead contained in Products that were manufactured, distributed, sold and/or offered for 12 sale by GOJA in California before the Effective Date, as alleged in the Notice and Complaint. The Parties further agree that compliance with Section 2 of this Consent Judgment shall be deemed 14 compliance with Proposition 65 with respect to alleged exposures to Lead in the Products.

15 In further consideration of the promises and agreements herein contained, KASB, on behalf 16 of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby 17 waives all of KASB's rights to institute or participate in, directly or indirectly, any form of legal 18 action and releases all claims that KASB may have, including, without limitation, all actions, and 19 causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, 20 penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and 21 attorneys' fees arising under Proposition 65 with respect to Lead in the Products manufactured, 22 distributed, sold and/or offered for sale by GOJA, before the Effective Date (collectively, "Claims"), 23 against GOJA and Releasees.

24 The Parties further understand and agree this Section 4.1 release shall not extend upstream to 25 any entities who manufactured the Products or any component parts thereof, nor to any distributors or 26 suppliers who sold the Products or any component parts thereof to GOJA. Nor shall this Section 4.1 27 release apply to any downstream, third-party websites that fail to communicate Product warnings, as 28 set forth in Section 2, after the Effective Date. Nothing in this Section affects KASB's right to

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GOJA's Products.

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#### 4.2 GOJA's Release of KASB

GOJA, on behalf of itself, its past and current agents, representatives, attorneys, successors,
and assignees, hereby waives any and all claims against KASB and its attorneys and other
representatives, for any and all actions taken or statements made (or those that could have been taken
or made) by KASB and its attorneys and other representatives, whether in the course of investigating
claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the
Products.

commence or prosecute an action under Proposition 65 against a Releasee that does not involve

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#### Mutual Waiver of California Civil Code Section 1542

11The Parties each acknowledge familiarity with Section 1542 of the Civil Code, which12provides 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.

The Parties, each on their own behalf, and each on behalf of their past and current agents, 17 representatives, attorneys, successors, and/or assignees, expressly waive and relinquish any and all 18 19 rights and benefits which it/they may have under, or which may be conferred upon it/them by the 20 provisions of Civil Code Section 1542, as well as under any other state or federal statute or common 21 law principle of similar effect, to the fullest extent they may lawfully waive such rights or benefits 22 pertaining to the released matters, as specifically defined by Sections 4.2 and 4.3, above. Nothing in 23 this section shall affect KASB's right to commence or prosecute an action under Proposition 65 24 against a Releasee that does not involve the Products.

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### COURT APPROVAL

Pursuant to California Health and Safety Code § 25249.7(f)(4), KASB shall file a noticed
motion for judicial approval of this Consent Judgment. The Parties agree to mutually employ their
best efforts, and those of their counsel, to support entry of a judgment pursuant to the terms of this

Consent Judgment, and to obtain judicial approval of their settlement in the form of this Consent
 Judgment in a timely manner. For purposes of this section, "best efforts" shall include, at a
 minimum, supporting the motion for approval, responding to any third-party objection, and
 appearing at the hearing before the Court if so requested.

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### <u>SEVERABILITY</u>

If, subsequent to the execution of this Agreement, any provision of this Agreement is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

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### 7. <u>GOVERNING LAW</u>

The terms of this Agreement shall be governed by the laws of the State of California and apply within California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then GOJA may provide KASB with written notice of any asserted change in the law, and shall have no further injunctive obligations pursuant to this Agreement, with respect to, and to the extent that, the Products are so affected. Nothing in this Agreement shall be interpreted to relieve GOJA from its obligation to comply with any pertinent state or federal law or regulation.

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### 8. <u>NOTICE</u>

Unless specified herein, all correspondence and notice required by this Agreement shall be in
writing and sent by: (i) first-class registered or certified mail, return receipt requested; or (ii) a
recognized overnight courier to any Party by the other at the following addresses:

21 For GOJA:

- Walter Gonzalez, Jr., CEO & President
  GOJA, LLC
  8400 NW 36<sup>th</sup> St., Suite 500
  Miami, FL 33166
- 25 With a Copy To:
- 26 Damon M. Pitt, Esq.
  27 K & L Gates
  11 Park Plaza, 12<sup>th</sup> Floor
  28 Irvine, CA 92614

For KASB:

Kimberly Gates Johnson, Partner Seven Hills LLP 4 Embarcadero Center, Suite 1400 San Francisco, CA 94111

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

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### **COUNTERPARTS, FACSIMILE AND PDF SIGNATURES**

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

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#### 10. **COMPLIANCE WITH REPORTING REQUIREMENTS**

KASB and its counsel agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

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#### 11. **ENTIRE AGREEMENT**

11 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, 12 13 negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and 14 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 15 16 specifically referred to in this Consent Judgment have been made by any Party hereto. No other 17 agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to 18 exist or to bind any of the Parties hereto.

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#### 12. **MODIFICATION**

20 This Consent Judgment may be modified only by: (i) a written agreement of the Parties and the entry of a modified Consent Judgment by the Court thereon; or (ii) upon a successful motion of 22 any party and the entry of a modified Consent Judgment by the Court thereon.

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#### 13. **AUTHORIZATION**

24 The undersigned are authorized to execute this Consent Judgment on behalf of their 25 respective Parties and have read, understood, and agreed to all of the terms and conditions of this Consent Judgment. 26

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### **AGREED TO:**

CONSENT JUDGMENT

1	Date: 09/25/2023	9/22/2023
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3	By: My Nguyen, CFO	By: Walter Gonzales, CEO
4	KEEP AMERICA SAFE AND BEAUTIFUL	GOJA, LLC
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