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10	Attorneys for Defendants A.N.S. XTREME PERFORMANCE and ANSGEAR.COM	
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12	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
13	COUNTY OF SAN FRANCISCO	
14	CENTER FOR ADVANCED PUBLLIC AWARENESS,	Case No. CGC-23-607199
15	Plaintiff,	[PROPOSED] CONSENT JUDGMENT
16	V.	(Health & Safety Code § 25249.6 et seq. and
17		Code of Civil Procedure § 664.6)
18	A.N.S. XTREME PERFORMANCE, INC., ANSGEAR.COM; and DOES 1-30, inclusive,	
19	Defendants.	
20	Defendants.	
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	CONSENT JUDGMENT	

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1. <u>INTRODUCTION</u>

This Consent Judgment is entered into by and between plaintiff Keep America Safe and Beautiful ("KASB") and defendants A.N.S. Xtreme Performance, Inc. and ANSgear.com ("A.N.S."), with KASB and A.N.S. each individually referred to as a "Party" and collectively, as the "Parties," to resolve the allegations in the June 23, 2022, 60-Day Notices of Violation in compliance with the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6 et seq. ("Proposition 65").

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 that chemicals known to the State of California to cause cancer, birth defects, or other reproductive harm are disclosed or eliminated from consumer products sold in California. A.N.S. is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

1.2 Consumer Product Description

KASB alleges A.N.S. manufactures, imports, sells, or distributes for sale, in or into California, Vinyl/PVC Handles containing di(2ethylhexyl) phthalate ("DEHP"), including, but not limited to, the handle component of the *Warrior Professional Co2 Fill Station W/ 40" Steel Braided Hose; Item MS58/30WOGMS58/30WOG*, and that A.N.S. does so without providing the warning required by California Health & Safety Code § 25249.5 *et seq.* ("Proposition 65"). DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects and other reproductive harm. All such Vinyl/PVC Handles containing DEHP shall be referred to individually as a "Product" and collectively as the "Products."

1.3 Notice of Violation

On June 23, 2022, KASB served A.N.S., the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notices of Violation ("Notice"). The Notice alleges A.N.S. violated Proposition 65 by failing to warn its customers and consumers in California that the Product expose users to DEHP and the risks of harm associated with exposures to DEHP. The

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Parties are informed and believe no public enforcer has commenced and is diligently prosecuting an action to enforce the allegations set forth in either of the Notices.

1.4 Complaint

On June 22, 2023, KASB filed the captioned lawsuit ("Complaint"). The Complaint names A.N.S. as a defendant for the alleged violations of Proposition 65 that are the subject of the Notice.

1.5 No Admission

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

1.6 Jurisdiction

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

1.7 **Effective Date**

The term "Effective Date" means the date on which the Court approves this Consent Judgment and enters Judgment in accordance with its terms.

2. **INJUNCTIVE RELIEF: REFORMULATION & WARNINGS**

2.1 Commitment to Reformulate or Warn

Within sixty (60) days of the Effective Date and continuing thereafter, all Products A.N.S. manufactures, imports, sells, ships, or distributes for sale in or into California, directly or through one or more third party retailers or online via e-commerce marketplaces, shall meet the Reformulation Standard for Reformulated Products, as defined by Section 2.2, below, or be

accompanied by a clear and reasonable warning pursuant to Sections 2.3 through 2.5, below.

2.2 Reformulation Standard & Reformulated Products Defined

For purposes of this Consent Judgment, "Reformulated Products" are defined as products with Vinyl/PVC Handle components containing DEHP in a maximum concentration of less than 0.1 percent (1,000 parts per million) in any "accessible component" (i.e., any component that may be touched or handled during a reasonably foreseeable use) when analyzed by a laboratory accredited by the State of California, a federal agency, or a nationally recognized accrediting organization. For purposes of compliance with this reformulation standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission ("CPSC") methodology CPSC CH-C1001.09.4 and analyzed using U.S. Environmental Protection Agency methodology 8270D, or other methodologies utilized by federal or state government agencies to determine phthalate content in a solid substance (the "Reformulation Standard").

2.3 Clear and Reasonable Warnings

For purposes of this Consent Judgment, a "clear and reasonable warning" shall mean a warning in accordance with this Section and pursuant to 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 provided shall be prominently placed with such conspicuousness, when 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, to minimize the risk of consumer confusion. For purposes of this Agreement, the following warnings shall be deemed clear and reasonable:

(a) Warnings:

⚠WARNING: This product can expose you to chemicals, including di(2-ethylhexyl)phthalate [DEHP], which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

(b) Short-Form Warning: As an alternative to the warning set forth in the preceding subsection (a), A.N.S. may, but is not required to, use the following short-form warning ("Short-Form"), subject to the additional requirements set forth in the following Sections 2.4 and 2.5:



WARNING: Reproductive Harm-www. P65Warnings.ca.gov.

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

2.4 On-Product Warning Requirements

A.N.S. shall affix one of the foregoing warnings on the "Product Label", its immediate packaging or labeling, or directly on each Product manufactured, imported, distributed, sold or otherwise provided or intended to be provided for sale to consumers in or into California and does not meet the Reformulation Standard. "Product Label" is defined as a display of written, printed or graphic material 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.

2.5 <u>Internet Product Warning Requirements</u>

For all Products manufactured, imported, distributed, sold or offered for sale via the internet to customers located in California, or sold in or into California by A.N.S. or its customers, directly or

through third-party websites over which A.N.S. has the ability to control the application of warnings, A.N.S. 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 purchase or during the checkout process such that the consumer does not have to seek out the information being provided. The warning or a clearly marked hyperlink to the warning, using the word "WARNING" and given in conjunction with the sale of Products via the internet, shall appear on: (a) the same web page on which the Product is displayed; (b) the same web page as the order form for the Product; (c) on the same page as the price for any Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The warning shall appear in any of the above instances adjacent to or immediately following the display, description or price of the Product 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 condition of sale, A.N.S. shall notify the sellers the Products must be accompanied by a warning, prior to and as a condition of sale, in or into California, and shall supply the warning requirements, as detailed above.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), A.N.S. agrees to pay a civil penalty of \$2,000 within five (5) business days of the Effective Date. A.N.S.'s civil penalty payment will be allocated according to Health and Safety Code § 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%) retained by KASB. A.N.S. shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of \$1,500; and (b) "Seven Hills in Trust for Keep America Safe and Beautiful" in the amount of \$500. KASB's counsel shall remit and disburse to OEHHA and KASB their respective portions of A.N.S.'s civil penalty payment.

3.2 Reimbursement of Attorneys' Fees and Costs

KASB and its counsel offered to resolve the allegations in the Notice and Complaint without reaching terms on the amount of reimbursement of attorneys' fees and costs. After the Parties

1 finalized the other material settlement terms, they negotiated and reached an accord on the amount o 2 be paid to KASB's counsel under general contract principles and the private attorney general 3 4 5 6 7 8 9

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doctrine, codified at California Code of Civil Procedure § 1021.5. A.N.S. payment under this Section covers all work performed through the mutual execution and reporting of this Consent Judgment to the Office of the California Attorney General and entry of Judgment pursuant its terms, but exclusive of fees and costs on appeal, if any. Within five (5) business days of the Effective Date, A.N.S. shall issue a check in the amount of \$23,000, payable to "Seven Hills LLP" for all fees and other costs incurred investigating, bringing this matter to A.N.S.' attention, litigating, negotiating a settlement in the public interest, obtaining the Court's approval of its terms pursuant to Section 5, and reporting the settlement to the California Attorney General.

3.3 **Payments**

All payments due under this Consent Judgment shall be delivered to KASB's counsel at the following address:

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

4. CLAIMS COVERED AND RELEASED

4.1 **KASB's Public Release of Proposition 65 Claims**

This Consent Judgment is a full, final, and binding resolution of all claims KASB alleged or could have alleged arising out of the allegations in the Notices and Complaint. KASB, acting on its own behalf, in the public interest, and on behalf of its past and current agents, representatives, attorneys, successors and assignees ("Releasors") releases A.N.S., its past and present parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom A.N.S. directly or indirectly distributes or sells the Products including its downstream distributors, wholesalers, marketplace hosts, customers, retailers, franchisees, cooperative members, and licensees ("Releasees"), if any, based on A.N.S. alleged failure to provide a clear and reasonable warning, arising under Proposition 65, about alleged or actual exposures to DEHP in Products manufactured, processed, distributed, sold and/or offered for sale in California

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before the Effective Date, as set forth in the Notices and Complaint. The Parties further agree that compliance with Section 2 of this Consent Judgment shall be deemed compliance with Proposition 65 with respect to alleged or actual exposures to DEHP in the Products. The Parties understand and agree this Section 4.1 release shall not extend to Releasees who have been instructed by A.N.S., pursuant to Section 2.5 or to provide a warning on Products that are not Reformulated Products and fail to do so.

4.2 KASB's Private Release of Proposition 65 Claims

In further consideration of the promises and agreements set forth herein, KASB as an individual and *not* on behalf of the public, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights KASB may have to institute or participate, directly or indirectly, in any form of legal action, and it releases all claims it may have, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 with respect to DEHP in Products manufactured, distributed, sold and/or offered for sale by A.N.S. and/or Releasees prior to the Effective Date.

4.3 A.N.S.' Release of KASB

A.N.S., on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any claim against KASB and its attorneys and other representatives, for any action taken or statement 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.

The Parties further agree these Section 4 releases shall not extend upstream to any entity who manufactured, imported, distributed, sold or otherwise supplied the Products or any component part of the Products to A.N.S. Nothing in these Section 4 releases shall affect KASB's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve the Products sold

and/or offered for sale by A.N.S.

5. <u>COURT APPROVAL</u>

Pursuant to California Health and Safety Code § 25249.7(f)(4), KASB shall file a motion for judicial approval of this Consent Judgment. The Parties agree to mutually employ their best efforts, and those of their counsel, to support the entry of this agreement as a judgment pursuant to the terms of this Consent Judgment, and to seek judicial approval of the 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 third-party objection, and appearing at the hearing before the Court if so requested.

6. SEVERABILITY

If, subsequent to the Court's approval and entry of this Consent Judgment as a judgment, any provision of this Consent Judgment is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. **GOVERNING LAW**

The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within California. In the event Proposition 65 is repealed, preempted, or otherwise rendered inapplicable by reason of law generally, or as to the Products, then A.N.S. may seek to modify this Consent Judgment pursuant to Section 12. Nothing in this Consent Judgment shall be interpreted to relieve A.N.S. from its obligation to comply with any pertinent state or federal law or regulation.

8. NOTICE

Unless specified herein, all correspondence and notice required by this Consent Judgment 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:

25 || For A.N.S.: For KASB:

Kimberly Gates Johnson, Esq.
Peter Tchilingirian, CEO

ANSgear.com
41 Moreland Road

Kimberly Gates Johnson, Esq.
SEVEN HILLS LLP
4 Embarcadero Center, Suite 1400
San Francisco, CA 94111

Simi Valley CA 93065

With a copy to:

3 | Michael J. Gleason HAHN LOESER & PARKS

600 West Broadway, Suite 1500

4 | San Diego, CA 92101

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.

9. <u>COUNTERPARTS AND PDF SIGNATURES</u>

This Consent Judgment may be executed in counterparts and by electronic or 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.

10. <u>COMPLIANCE WITH REPORTING REQUIREMENTS</u>

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

11. ENTIRE AGREEMENT

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein. There are no warranties, representations, or other agreements between the Parties except those 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 either Party. No other agreement not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind either of the Parties or those Releasees and Releasors identified herein.

MODIFICATION

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

13. <u>AUTHORIZATION</u>

The undersigned are authorized to execute this Consent Judgment on behalf of their respective Party and have read, understand, and agreed to all the terms and conditions of this Consent Judgment.

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AGREED TO

Date: 11/21/2024

KEEP AMERICA SAFE AND BEAUTIFUL

AGREED TO

Date:

By:
Peter Tchilingirian
ANSGEAR SQM

AGREED TO:

By:_

Peter Tobilingirian

A.N.S. Xtreme Performance, Inc.