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| 7 8 | Attorneys for Plaintiff Michael DiPirro | |
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| 10 | SUPERIOR COURT OF THE STATE OF CALIFORNIA | |
| 11 | COUNTY OF ALAMEDA | |
| 12 | UNLIMITED CIVIL JURISDICTION | |
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| 15 | MICHAEL DIPIRRO, | Case No. 22-CV-0 |
| 16 | Plaintiff, | [PROPOSED] CONSENT JUDGMENT |
| 17 | V. | |
| 18 | PRO SPORTS, INCORPORATED; and DOES 1-150, | (Health & Safety Code § 25249.6 et seq.) |
| 19 | Defendants. | |
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1. **INTRODUCTION**

1.1 Parties

This Consent Judgment is entered into by and between plaintiff, Michael DiPirro ("DiPirro"), and PRO SPORTS, INC. d/b/a Champion Sports; ("Defendant" or "PRO SPORTS"), with DiPirro and Defendant individually referred to as a "Party" and collectively as the "Parties."

1.2 Plaintiff

DiPirro is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.3 Defendant

Defendant employs ten or more persons and 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

DiPirro alleges that Defendant sells or distributes for sale in the State of California Vinyl Discuss Carriers that expose users to Diisononyl Phthalate ("DINP") without first providing a Proposition 65 warning. DINP was listed pursuant to Proposition 65 as a chemical that is known to the State of California to cause cancer on December 20, 2013, and has been subject to the warning requirements since December 20, 2014.

1.5

.5 Product Description

The products covered by this Consent Judgment are Vinyl Discuss Carriers that are sold, or distributed for sale in California by Defendant, including, but not limited to the *Vinyl Discuss Carrier, Black; Item #SD10, 10-D2.*

1.6 Notice of Violation

On or about October 14, 2022, DiPirro purports to have served Defendant and certain
requisite public enforcement agencies ("Noticed Parties") with a "60-Day Notice of Violation"
("Notice"), a document that informed the recipients of DiPirro's allegation that Defendant violated
Proposition 65 by failing to warn its customers and consumers in California that the Products expose

users to DINP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.7 Complaint

On or about January 18, 2023, DiPirro filed the instant action against Defendant for the alleged violations of Health & Safety Code § 25249.6 that are the subject of the Notice.

1.8 No Admission

Defendant denies the material, factual, and legal allegations contained in the Notice and contends that it sells Products to California residents in accordance with applicable state laws and requirements. Nothing in this Consent Judgment shall be construed as an admission by Defendant of any fact, finding, conclusion of law, 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 of law, issue of law, or violation of law; the same being specifically denied by Defendant. This section shall not, however, diminish or otherwise affect Defendant's obligations, responsibilities, and duties under this Consent Judgment.

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1.9 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations in the Complaint, that venue is proper in Alameda County, and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date this Consent Judgment is confirmed by the Court.

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2.

INJUNCTIVE RELIEF: PROPOSITION 65 WARNINGS

24 2.1 Product Warnings. Commencing within thirty (30) days of the Effective Date for all
 25 Products that contain the Listed Chemical (DINP), and are shipped to a California address for sale by
 26 the Noticed Parties, or any agent, distributor, or affiliated company working on behalf of the Noticed
 27 Parties, the Noticed Parties shall provide a clear and reasonable warning on each Product as set forth
 28 below in Section 2.3. Each warning shall be prominently placed with such conspicuousness as 2

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 before 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.

2.2 Internet Warnings. In addition to the warning specified in Section 2.1 above, for all Products that Noticed Parties offer for sale directly to consumers in California via the internet, Noticed Parties shall provide a warning for such Products by including the warning set forth below in Section 2.3 on one or more of the following: (a) on the same web page on which a Covered Product is displayed; (b) on the same web page as the order form for a Covered Product; (c) on the same web page as the price for any Covered Product; or (d) on one or more web pages displayed to a purchaser during the checkout process.

2.3 Text of the Warning. The text of the warning shall be printed in black ink on a light background, in a font that is easy to read and legible, but in no case less than a size 6-point font. The Noticed Parties shall use the warning language as set forth below, which shall include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline as shown below (the symbol may be black or white if the color yellow is otherwise not used on the Product's packaging).

a)



WARNING: This product can expose you to Diisononyl Phthalate (DINP), a chemical known to the State of California to cause cancer. For more information go to <u>www.P65Warnings.ca.gov</u>.

or

b) **M WARNING**: Cancer- <u>www.P65Warnings.ca.gov</u>.

2.4 Compliance. Notwithstanding the foregoing, the Parties agree that Pro Sports shall be deemed to be in compliance with this Settlement Agreement by either providing the warning of § 2.3 of this Settlement Agreement or by complying with warning requirements adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") after the Effective Date or otherwise. If Office of Environmental Health Hazard Assessment regulations require or permit specific safe harbor warning text and/or methods of transmission different than those set forth above, Defendant shall be entitled to use, at its discretion, such other specific safe harbor warning text and/or methods of transmission without being deemed in breach of this Settlement Agreement. In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring, permitting or establishing warning text and/or methods of transmission applicable to the chemical at issue and product type at issue here, different than those set forth above, Pro Sports shall be entitled to use, at its discretion, such other warning text, method of transmission, without being deemed in breach of this Agreement. If regulations, legislation, or controlling judicial rulings are enacted or issued providing that a Proposition 65 warning for the product is no longer required, a lack of warning will not thereafter be a breach of this Agreement.

MONETARY PAYMENTS

3.1 Civil Penalty Payment Pursuant to Health & Safety Code § 25249.7(b). The Noticed Parties shall make a civil penalty payment of \$4,000 (four thousand dollars), in accordance with this section, within 15 business days of the Effective Date. The penalty payment will be allocated in accordance with California Health & Safety Code § 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to DiPirro in accordance with Section 3.2 below. The penalty payment shall be remitted in accordance with the procedure set out in Section 3.2.

3.2 Payment. The complete settlement payment in the amount of \$75,500 (seventy-five thousand five hundred) shall be delivered within fifteen business days of the Effective Date, to the bank account of Jeremy Fietz, Attorney at Law (via wire transfer, or ACH payment; number

provided upon request) or by physical check to the office of Jeremy Fietz, Attorney at Law, 4241 4 CONSENT JUDGMENT Montgomery Drive, #123, Santa Rosa CA 95405, and for the latter option shall be in the form of a check made payable to: "Jeremy Fietz, Attorney at Law".

3.3 Issuance of 1099 Form. The Noticed Party shall provide DiPirro's counsel, Jeremy Fietz, Attorney-at-Law, with one 1099 form for the entire settlement amount. Such 1099 shall be made on the Form 1099 MISC with the amount reported in box 10 ("Gross proceeds paid to an attorney"). The Noticed Party acknowledges that 1099 shall NOT be issued under form 1099 NEC.

A W9 shall be provided by Jeremy Fietz, Attorney-at-Law after this Agreement has been fully executed by the Parties to this agreement.

4.

REIMBURSEMENT OF FEES AND COSTS

The parties acknowledge that DiPirro and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee issue to be resolved after the material terms of the agreement had been settled. Defendant then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The parties then attempted to (and did) reach an accord on the compensation due to OEHHA, DiPirro and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this agreement. Defendant shall pay \$71,500. (seventy-one thousand five hundred) for fees and costs incurred as a result of investigating, bringing this matter to Defendant's attention, and negotiating a settlement in the public interest. Defendant shall deliver payments as described in Section 3, above.

5.

CLAIMS COVERED AND RELEASED

5.1 Binding Resolution. This consent judgment is a full, final, and binding resolution
between DiPirro acting in the public interest, and Defendant, its owners, investors employees,
directors, officers, managers, attorneys, parents, shareholders, divisions, subdivisions, subsidiaries,
partners, licensors, sister companies, and affiliates, and their 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, and their successors and assigns ("Downstream Defendant Releasees").

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DiPirro's Public Release of Proposition 65 Claims

DiPirro, acting on his own behalf and in the public interest, releases Defendant, Defendant Releasees, and Downstream Defendant Releasees, from all claims for violations of Proposition 65 up through the Effective Date based on exposures to DINP from the use of the Products, as set forth in the Notice and the Complaint, regardless of the date any Releasee distributes the Products. for Products manufactured and/or sold before and through the Effective Date. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DINP from the use of the Products sold by Defendant after the Effective Date, as set forth in the Notice.

5.3 **DiPirro's Individual Release of Claims**

DiPirro, in his individual capacity only and *not* in his representative capacity, also provides a release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, fines, penalties, losses, claims, liabilities and demands of DiPirro of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to DINP from the use of the Products sold or distributed for sale by Defendant, Defendant Releasees, and Downstream Defendant Releasees, in the State of California before the Effective Date. With respect to the foregoing waivers and releases in this paragraph, DiPirro 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 Section 1542 of the California Civil Code, which provides as follows:

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A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR 25 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER 26 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.

5.4 Defendant's Release of DiPirro

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

5.5. Public Benefit

It is the Parties' understanding that the commitments Defendant has agreed to herein, and actions to be taken by Defendant under this Settlement Agreement, would confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of the Parties that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Defendant's or Releasees' failure to provide a warning concerning exposure to lead prior to use of the Products Defendant has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Products addressed in this Settlement Agreement, provided that Defendant is in material compliance with this Settlement Agreement

6.

COURT APPROVAL

This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered by the Court within one year after it has been fully executed by all Parties.

7. <u>SEVERABILITY</u>

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

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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 for reasons, including but not limited to changes in the law, then Pro Sports may provide written notice to DiPirro 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.

9. <u>NOTICES</u>

Unless specified herein, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be both by email and in writing and sent by: (i) personal delivery; (ii) first-class, registered or certified mail, return receipt requested; or (iii) a recognized overnight courier on any party by the other party at the following addresses:

13 For Defendant PRO SPORTS: 14 Ryan S. Landis, Partner 15 GORDON REES SCULLY MANSUKHANI rlandis@grsm.com 16 ph: 949-255-6950 17 and 18 Scott E. Charney, Esq. Charney IP Law LLC 19 233 Mount Airy Road - Suite 100 Basking Ridge, New Jersey 07920 20 Scott@charneyiplaw.com 21 For Plaintiff DiPirro: 22 Jeremy Fietz, Attorney-at-Law 1510 Fourth Street 23 Santa Rosa CA 95404 Jeremy@superawesomelawyer.com 24 25 Any party may, from time to time, specify in writing to the other party a change of address to which 26 all notices and other communications shall be sent. 27 10. **COUNTERPARTS; FACSIMILE SIGNATURES** 28 This Consent Judgment may be executed in counterparts, and by facsimile or portable 8 1 document format (PDF) signature, each of which shall be deemed an original, and all of which, when 2 taken together, shall constitute one and the same document.

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POST EXECUTION ACTIVITIES

4 DiPirro agrees to comply with the reporting form requirements referenced in Health & Safety 5 Code § 25249.7(f). The Parties further acknowledge that, pursuant to Health & Safety Code 6 § 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement. In furtherance 7 of obtaining such approval, DiPirro and Defendant agree to mutually employ their best efforts, and 8 that of their counsel, to support the entry of this agreement as a Consent Judgment, and to obtain 9 judicial approval of the settlement in a timely manner.

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12. **MODIFICATION**

11 This Consent Judgment may be modified only by: (i) a written agreement of the Parties and 12 upon entry of a modified consent judgment by the Court thereon; or (ii) upon a successful motion or 13 application of any Party and the entry of a modified consent judgment by the Court.

14 13. AUTHORIZATION

15 The undersigned are authorized to execute this Consent Judgment on behalf of their respective 16 Parties and have read, understood and agree to all of the terms and conditions of this Consent 17 Judgment.

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Date: Aug. 24, 2023

AGREED TO:

By Michael DiPirro

AGREED TO:

Date: Aug. 28, 2023

Meller, Print name

PRO SPORTS, INCORPORATED