1	LAW OFFICES OF JEREMY FIETZ Jeremy Fietz, State Bar No. 200396 1510 Fourth Street Santa Rosa, CA 95404	
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3	Telephone: (707) 236-0088	
4	LAW OFFICE OF DAVID R. BUSH David R. Bush, State Bar No. 154511	
5	321 South Main Street #502 Sebastopol, CA 95472	
6	Telephone: (707) 321-5028 drbush@drbushlaw.com	
7	Attorneys for Plaintiff	
8	Michael DiPirro	
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	COUNTY OF ALAMEDA	
11	UNLIMITED CIVIL JURISDICTION	
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14	MICHAEL DIPIRRO,	Case No. 22-CV-019163
15	Plaintiff,	
16	v.	[PROPOSED] CONSENT JUDGMENT
17		(Health & Safety Code § 25249.6 et seq.)
18	UNITED PACIFIC INDUSTRIES, INC.; and DOES 1-150,	
19	Defendants.	
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1. **INTRODUCTION**

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1.1 **Parties**

This Consent Judgment is entered into by and between plaintiff, Michael DiPirro ("DiPirro"), and UNITED PACIFIC INDUSTRIES, INC. ("Defendant" or "UNITED PACIFIC"), with DiPirro and Defendant individually referred to as a "Party" and collectively as the "Parties."

Plaintiff 1.2

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 Arm Rests that expose users to Diethylhexyl phthalate ("DEHP"), a toxic chemical, and Shift Boots that expose users to Diisononyl phthalate ("DINP"), a toxic chemical, without first providing the clear and reasonable exposure warnings required by Proposition 65. DEHP was listed pursuant to Proposition 65 as a chemical that is known to the State of California to cause cancer on January 1, 1988, and has been subject to the warning requirements since January 1, 1989. 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 **Product Description**

The products covered by this Consent Judgment are Arm Rests that are sold, or distributed for sale in California by Defendant, including, but not limited to the *Universal Burgundy Padded Vinyl* Arm Rest, Item #90255; and Shift Boots that are sold, or distributed for sale in California by Defendant, including, but not limited to the 30" Vinyl Shift Boot-Black; Item# 91011 (the "Products"). 1

1.6 Notices of Violation

On or about June 17, 2022, DiPirro served Defendant and certain requisite public enforcement agencies with a "60-Day Notice of Violation" ("June 2022 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 DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the June 2022 Notice.

On or about December 13, 2022, DiPirro served Defendant and certain requisite public enforcement agencies with a "60-Day Notice of Violation" ("December 2022 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. On or about January 15, 2023, DiPirro served Defendant and certain requisite public enforcement agencies with an "Amended 60-Day Notice of Violation" ("2023 Notice"), which amended the December 2022 Notice. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the December 2022 Notice and/or the 2023 Notice.

1.7 Complaint

On or about October 6, 2022, DiPirro filed the instant action against Defendant for the alleged violations of Health & Safety Code § 25249.6 that are the subject of the June 17, 2022 Notice. On or about March 17, 2023, DiPirro amended the instant action against Defendant for the alleged violations of Health & Safety Code § 25249.6 related to Shift Boots and DINP that are the subject of the December 2022 Notice and 2023 Notice (collectively with the December 2022 Notice, the "Notices").

1.8 No Admission

Defendant denies the material, factual, and legal allegations contained in the Notices 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,

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27 28 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.

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 of entry of this Consent Judgment by this Court.

2. **INJUNCTIVE RELIEF: PROPOSITION 65 WARNINGS**

- **2.1** Within thirty days of the Effective Date (a.k.a. the "Warning Date"), as to all Products that contain the DEHP or DINP ("Listed Chemicals") and are sold by and shipped to a California address for sale by United Pacific, United Pacific shall provide a clear and reasonable warning on each Product as set forth below in Section 2.3. 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 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. United Pacific's compliance with the warning requirements set forth in Sections 2.1 through 2.3 or the warning requirements of Proposition 65 and related regulations, as may be amended from time to time, shall be deemed compliance with this Consent Judgment, provided that if any changes are made to the warning which deviate from the requirements of this Consent Judgment or Proposition 65 and its related regulations, such changes must be agreed to by Michael DiPirro through his counsel in writing.
- 2.2 **Internet Warnings.** By the Warning Date, for all Products that United Pacific offers for sale directly to consumers in California via the internet, United Pacific shall provide a

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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 product display page; b) on the product packaging box, or c) by including a warning in the shipment to the California consumer.

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 12 font. United Pacific shall use the warning language as set forth below in 2.3(a) or 2.3(b) for Products containing DEHP or the warning language as set forth below in 2.3(c) or 2.3(d) for Products containing DINP, 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. Full Warning.



WARNING: This product can expose you to DEHP, a chemical known to the State of California to cause cancer and reproductive harm (male). For more information go to www.P65Warnings.ca.gov.

b. Short-Form Warning.

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

c. Full Warning.



WARNING: This product can expose you to DINP, a chemical known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.

d. Short-Form Warning.

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

3. MONETARY PAYMENTS

3.1 Civil Penalty Payment Pursuant to Health & Safety Code § 25249.7(b). Defendant shall make a civil penalty payment of \$3,000 (three thousand dollars), in accordance with this section, via check deposited with a courier within five (5) 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 Payments. All payments shall be deposited with a courier within five (5) business days of the Effective Date for overnight delivery to Jeremy Fietz, Attorney at Law, 1510 Fourth Street, Santa Rosa CA 95404, and shall be in the form of three checks for the following amounts made payable to:
 - (a) "Jeremy Fietz, Attorney at Law" in the amount of \$2,250 (two thousand two hundred fifty dollars) for payment of 75% of the civil penalty to OEHHA. Counsel for DiPirro agree to forward such funds to OEHHA in a timely manner. Alternatively, at Defendant's option, it can choose to deliver a certified or cashier's check made payable to "Office of Environmental Health Hazard Assessment."
 - (b) "Jeremy Fietz, Attorney at Law" in the amount of \$750 (seven hundred fifty dollars), as payment of 25% of the civil penalty to Michael DiPirro. Counsel for DiPirro agree to forward such funds in a timely manner. Alternatively, at Defendant's option, it can choose to deliver a certified or cashier's check made payable to "Michael DiPirro."
 - (c) "Jeremy Fietz, Attorney at Law" in the amount of \$83,750 (eighty-three thousand seven hundred fifty dollars) as payment for attorneys' fees and costs pursuant to Section 4 below.

For any payment that is returned for any reason, including insufficient funds, a payment must be made by United Pacific in form of a cashier's check deposited with a courier within three (3) business days after United Pacific's receipt of notification of insufficient funds for overnight delivery to DiPirro's counsel or they will owe an additional sum equal to 10% of the penalty and fees amounts set forth in Section 3.1 and 3.2(a)-3.2(c) above, due within 5 business days of the extinguishment of the foregoing three (3) business day period.

- **3.3 Issuance of 1099 Forms**. Defendant shall provide DiPirro's counsel with a separate 1099 form for each of its payments under this Agreement to:
 - (a) "Office of Environmental Health Hazard Assessment", P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486) for civil penalties paid;
 - (b) "Michael DiPirro," whose address and tax identification number shall be furnished on the Effective Date, after this Agreement has been fully executed by the Parties, for his portion of the civil penalties paid; and
 - (c) "Jeremy Fietz, Attorney at Law" whose address and tax identification number shall be furnished on the Effective Date, after this Agreement has been fully executed by the Parties, for fees and costs reimbursed pursuant to Section 4.

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 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 the amount set forth in Section 3.2(c) 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. <u>CLAIMS COVERED AND RELEASED</u>

5.1 DiPirro's Public Release of Proposition 65 Claims

DiPirro, acting on his own behalf and in the public interest, releases Defendant, any persons or entities identified on any of the Notices as an alleged violator, retailer, manufacturer, or distributor (collectively, "Noticed Parties"), and each of the respective officers, directors,

shareholders, employees, attorneys, representatives, shareholders, subsidiaries, affiliates, parents, divisions, successors, assigns, insurers, dealers, distributors, retailers, and customers of Defendant or any Noticed Party (collectively, "Affiliates"), and any other person or entity to whom Defendant or any Noticed Party directly or indirectly distributes or sells the Products (collectively with Defendant, the Noticed Parties, and Affiliates, the "Releasees"), from all claims for violations of Proposition 65 up through the Effective Date based on exposures to any Listed Chemicals from the use of any Products, as set forth in the Notices and the Complaint. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to Listed Chemicals from the use of the Products sold by Defendant after the Effective Date, as set forth in the Notices.

5.2 DiPirro's Individual Release of Claims

In further consideration of the promises and agreements herein contained, DiPirro, *not* in his representative capacity, but on behalf of himself and his past and current agents, representatives, attorneys, successors, and assigns, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases any and all actions, causes of action, obligations, costs, expenses, fees, attorneys' fees, fines, penalties, damages, losses, claims, suits, liabilities, and demands that he has or may have against Defendant and/or any other Releasee, of any nature, character, or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to any Listed Chemicals from the use of any of the Products sold or distributed for sale by Defendant in the State of California before the Warning Date.

DiPirro, in his individual capacity and not in his representative capacity, waives and relinquishes all rights and benefits of California Civil Code section 1542 with respect to any and claims relating to the Products and/or the Notices, and does so understanding and acknowledging the significance and consequence of specifically waiving section 1542. California Civil Code § 1542 states 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.

Thus, notwithstanding the provisions of section 1542, DiPirro expressly acknowledges this Consent Judgment is intended to include in its effect, without limitation, all claims relating to the Products and/or the Notices that DiPirro does not know or suspect to exist in his favor at the time of signing this Consent Judgment, and that this Consent Judgment contemplates the extinguishment of any such claims.

5.3 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.

6. <u>COURT APPROVAL</u>

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. **SEVERABILITY**

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.

8. 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 by reason of law generally, or as to the Products, then Defendant may provide written notice to DiPirro of any asserted change in the law, and have no further obligations pursuant to this Consent Judgment, with respect to, and to the extent that, the Products are so affected.

Nothing in this Consent Judgment shall be interpreted to relieve Defendant from any obligation to comply with any pertinent state or federal toxics control laws.

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

Unless specified herein, all correspondence and notices required to be provided pursuant to

9. **NOTICES**

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For Defendant UNITED PACIFIC:

on any party by the other party at the following addresses:

United Pacific Industries Inc. Attn: Po-Shou Lin, CEO 3788 E. Conant St. Long Beach, CA 90808

With courtesy copy by email to: plin@upauto.com

For Plaintiff DiPirro:

Jeremy Fietz, Attorney-at-Law 1510 Fourth Street Santa Rosa CA 95404 With courtesy copy by email to: Jeremy@superawesomelawyer.com

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.

10. ENTIRE AGREEMENT; COUNTERPARTS; FACSIMILE SIGNATURES

This Consent Judgment contains the entire and only agreement between the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. There are no representations or terms of agreement made by any Party with respect to the subject matter hereof or the other Party except for those contained in this Consent Judgment. This Consent Judgment may be executed in counterparts, and by facsimile 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.

11. POST EXECUTION ACTIVITIES

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

12. MODIFICATION

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

13. **AUTHORIZATION**

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

AGREED TO: AGREED TO:

Date: 02/07/2023 Date: 02/08/2023

By: By: UNITED PACIFIC INDUSTRIES INC.

Print Name: Paul Lin

Title: CFO