1 2 3 4 5 6 7	LEXINGTON LAW GROUP  Mark N. Todzo, State Bar No. 168389  Meredyth Merrow, State Bar No. 328337 503 Divisadero Street San Francisco, CA 94117  Telephone: (415) 913-7800  Facsimile: (415) 759-4112  mtodzo@lexlawgroup.com  mmerrow@lexlawgroup.com  Attorneys for Plaintiff CENTER FOR ENVIRONMENTAL HEALTH	
8	SUPERIOR COURT OF THE S	TATE OF CALIFORNIA
9	COUNTY OF SAN	FRANCISCO
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11	CENTER FOR ENVIRONMENTAL HEALTH, a non-profit corporation,	Case No. CGC-22-598022
12	a non pront corporation,	
13	Plaintiff,	Assigned For All Purposes To The Honorable Ethan P. Schulman, Dept. 304
14	V.	[PROPOSED] CONSENT JUDGMENT
15	EASY SPIRIT LLC, et al.,	AS TO DEFENDANT SUNG HWA TRADING CO.
16	Defendants.	
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	CONSENT JUDGMENT – SUNG HWA TRA	DING CO.– CASE NO. CGC-22-598022

- 1.1 The parties to this Consent Judgment ("Parties") are the Center for Environmental Health ("CEH") and Defendant Sung Hwa Trading Co. ("Settling Defendant"). CEH and Settling Defendant are referred to collectively as the "Parties."
- 1.2 CEH alleges that Settling Defendant manufactures, distributes, and/or sells socks made primarily of polyester with spandex that contain Bisphenol A ("BPA") in the State of California or has done so in the past.
- On September 28, 2023, CEH served a 60-Day Notice of Violation under Proposition 65 (The Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.5, et seq.) ("Notice") to Settling Defendant, the California Attorney General, the District Attorneys of every County in the State of California, and the City Attorneys for every City in the State of California with a population greater than 750,000. The Notice alleges violations of Proposition 65 with respect to the presence of BPA in socks made primarily of polyester with spandex.
- 1.4 On February 4, 2022, CEH filed the original complaint. On March 21, 2022, CEH filed the operative First Amended Complaint ("FAC") in the action styled as *Center for Environmental Health v. Easy Spirit LLC, et al.* San Francisco Superior Court Case Number CGC22598022 (the "Action"). On December 4, 2023, Settling Defendant was added to the case via Doe Amendment.
- 1.5 For purposes of this Consent Judgment only, the Parties stipulate that: (i) this Court has jurisdiction over the allegations of violations contained in the operative Complaint applicable to Settling Defendant and jurisdiction over Settling Defendant as to this Consent Judgment; (ii) venue is proper in the County of San Francisco; and (iii) this Court has jurisdiction to enter this Consent Judgment.
- 1.6 Nothing in this Consent Judgment is or shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall

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- 3.2 **Specification to Suppliers.** No more than thirty (30) days after the Effective Date, Settling Defendant shall issue specifications to its suppliers of Covered Products that Covered Products shall not contain BPA in excess of the Reformulation Level.
- 3.3 **Sell-Through for Existing Inventory.** The reformulation requirements of Section 3.1 shall not apply to Covered Products that Settling Defendant had purchased or entered into a binding agreement to purchase prior to the Effective Date, including but not limited to finished Covered Products in transit, in distribution centers, in inventory, or in the possession of third-party distributors, retailers, and Manufacturer Defendant Releasees.
- 3.4 **Notification to Suppliers Regarding Other Bisphenols.** No more than ninety (90) days after the Effective Date, Settling Defendant shall request that their suppliers of Covered Products, to the extent possible, not replace any intentionally added BPA with Other Bisphenols in manufacturing the Covered Products. Nothing in this Section 3.4 shall be construed to require Settling Defendant, or its suppliers or customers, to test for the presence of Other Bisphenols.

### 4. ENFORCEMENT

- 4.1 CEH may, by motion or application for an order to show cause before the Superior Court of San Francisco County, enforce the terms and conditions contained in this Consent Judgment.
- A.2 Notice and Opportunity to Cure. If CEH believes that the requirements of Section 3 above are not complied with, CEH shall provide Settling Defendant with a Notice of Violation ("NOV") and a copy of any test results which purportedly support the NOV. The supporting test results must show that a Covered Product contains BPA in excess of the Reformulation Level. The Parties shall then meet and confer regarding the basis for the anticipated motion or application in an attempt to resolve it informally, including providing Settling Defendant(s) with a reasonable opportunity of at least forty-five (45) days to cure any alleged violation, or so long as such cure is being diligently pursued by the Settling Defendant and Settling Defendant provides written notice to CEH regarding its actions constituting the diligent pursuit. During the meet and confer process, upon request from Settling Defendant, CEH

will provide Settling Defendant with a sample of the Covered Product or Products that form the basis of the NOV ("Alleged Violative Product"). Should Settling Defendant confirm that the Alleged Violative Product has been removed from its inventory and sales and/or obtain a test result of that sample from an independent accredited laboratory based in the United States that is below the applicable Reformulation Level, CEH may either withdraw the NOV or request that the Parties obtain a test result from a third laboratory, using agreed-upon methods of analysis permitted under the specific protocol set forth on Exhibit A, agreed to by the Parties, a test which would be paid for jointly by the Parties. The test result from the third laboratory will then serve as determinative of the level of BPA in the Covered Product. Should such attempts at informal resolution fail, CEH may file an enforcement motion or application, provided that no enforcement motion or application will be filed during the pendency of any additional testing described herein.

### 5. PAYMENTS

- 5.1 **Total Settlement Payment.** Settling Defendant shall pay the total settlement amount of \$45,000 as a settlement payment in two installments as further set forth in this Section.
- Allocation of Payments. The total settlement amount of \$45,000 shall be paid in ten separate checks (five separate checks per installment) in the amounts specified below and delivered as set forth below. Any failure by Settling Defendant to comply with the payment terms herein shall be subject to a stipulated late fee to be paid by Settling Defendant in the amount of \$100 for each day the full payment is not received after the applicable payment due dates set forth in Sections 5.3.1 and 5.3.2. The late fees required under this Section shall be recoverable, together with reasonable attorneys' fees, in an enforcement proceeding brought pursuant to Section 4 of this Consent Judgment. The funds paid by Settling Defendant shall be allocated as set forth below between the following categories and made payable as follows:
- 5.2.1 \$5,800 as a civil penalty pursuant to Health & Safety Code § 25249.7(b). The civil penalty payment shall be apportioned in accordance with Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of California's Office of Environmental Health Hazard Assessment). Accordingly, the OEHHA portion of the civil penalty payment of \$4,350 shall be made payable to OEHAA and associated with taxpayer identification number 68-

1 0284486. This payment shall be delivered as follows: 2 For United States Postal Service Delivery: 3 Attn: Mike Gyurics Fiscal Operations Branch Chief 4 Office of Environmental Health Hazard Assessment P.O. Box 4010, MS #19B 5 Sacramento, CA 95812-4010 6 For Non-United States Postal Service Delivery: 7 Attn: Mike Gyurics 8 Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 9 1001 I Street, MS #19B 10 Sacramento, CA 95814 11 The CEH portion of the civil penalty payment of \$1,450 shall be made payable to the Center for 12 Environmental Health and associated with taxpayer identification number 94-3251981. This 13 payment shall be delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco, 14 CA 94117. 15 5.2.2 \$4,200 as an Additional Settlement Payment ("ASP") to CEH pursuant to 16 Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 3204 and 17 California Code of Regulations, Title 11, § 3204. CEH will use such funds to continue its work 18 educating and protecting people from exposures to toxic chemicals, including BPA, in textiles and 19 other products. CEH may also use a portion of such funds to monitor compliance with this Consent 20 Judgment and to purchase and test Settling Defendant's products to confirm compliance. CEH 21 shall obtain and maintain adequate records to document that ASPs are spent on these activities and 22 CEH agrees to provide such documentation to the Attorney General within thirty days of any 23 request from the Attorney General. The payment pursuant to this Section shall be made payable to 24 the Center for Environmental Health and associated with taxpayer identification number 94-25 3251981. This payment shall be delivered to Lexington Law Group, LLP, 503 Divisadero Street, 26 San Francisco, CA 94117. 27 \$35,000 as a reimbursement of a portion of CEH's reasonable 5.2.3 28 -6-

attorneys' fees and costs. The attorneys' fees and cost reimbursement shall be made in two separate checks as follows: (a) \$29,000 payable to the Lexington Law Group, LLP and associated with taxpayer identification number 88-4399775; and (b) \$6,000 payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. Both of these payments shall be delivered to Lexington Law Group, LLP 503 Divisadero Street, San Francisco, CA 94117.

5.3 To summarize, Settling Defendant shall make payments in the total amounts set forth below:

Payee	Type	Amount	Deliver To
ОЕННА	Penalty	\$ 4,350	OEHHA per Section 5.1.1
Center For Environmental Health	Penalty	\$ 1,450	LLG
Center For Environmental Health	ASP	\$ 4,200	LLG
Lexington Law Group, LLP	Fee and Cost	\$ 29,000	LLG
Center For Environmental Health	Fee and Cost	\$ 6,000	LLG

5.3.1 The payments required under this section shall be payable in two installments. The first installment of \$22,500 shall be due within thirty (30) days following the Effective Date, with checks made out to the payees as follows:

Payee	Type	Amount	Deliver To
ОЕННА	Penalty	\$ 2,175	OEHHA per Section 5.1.1
Center For Environmental Health	Penalty	\$ 725	LLG
Center For Environmental Health	ASP	\$ 2,100	LLG
Lexington Law Group, LLP	Fee and Cost	\$ 14,500	LLG
Center For Environmental Health	Fee and Cost	\$ 3,000	LLG

5.3.2 The second installment of \$22,500 shall be due within ninety (90) days following the Effective Date, with checks made out to the payees as follows:

Payee	Type	Amount	Deliver To
ОЕННА	Penalty	\$ 2,175	OEHHA per Section 5.1.1
Center For Environmental Health	Penalty	\$ 725	LLG
Center For Environmental Health	ASP	\$ 2,100	LLG
Lexington Law Group, LLP	Fee and Cost	\$ 14,500	LLG
Center For Environmental Health	Fee and Cost	\$ 3,000	LLG

# 6. MODIFICATION

6.1 **Written Consent.** This Consent Judgment may be modified from time to time only by express written agreement of the Parties and with the approval of the Court, or by an order of this Court upon motion and in accordance with law.

# 6.2 **Modification of Injunctive Relief.**

6.2.1 If CEH enters into any consent judgment ("Settlement Document") with any other entity with respect to an alleged failure to warn of alleged exposures to BPA in socks made primarily of polyester with spandex in which it agrees to different injunctive terms (including without limitation a different Test Protocol), Settling Defendant may thereafter seek to modify this Consent Judgment as to them to adopt those injunctive terms and comply with them instead of those presently set forth in Section 3. CEH agrees not to oppose a Settling Defendant's request for modification, provided that the products at issue in the Settlement Document are substantially similar to the Covered Products.

6.2.2 In the event that the different injunctive terms referenced in Section 6.2.1 involve the provision of clear and reasonable warnings, a Settling Defendant may seek to comply with the warning requirement set forth therein, but shall provide CEH with notice thereof and make an additional payment proportional with any additional payment required by the other defendant to avail itself of the warning option in its Consent Judgment.

# 7. CLAIMS COVERED AND RELEASED

7.1 Provided that a Settling Defendant complies in full with its payment

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obligations under Section 5, this Consent Judgment is a full, final and binding resolution between CEH on behalf of itself and the public interest and that Settling Defendant and its parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, agents, shareholders, successors, assigns, and attorneys ("Defendant Releasees"), and all entities to which Settling Defendant distributes or sells Covered Products, such as distributors, wholesalers, customers, retailers as well as franchisees, suppliers, retailers, online sellers, licensors and licensees, including, but not limited to the Gap, Inc. ("Downstream Defendant Releasees"), and Manufacturer Defendant Releasees of any violation of Proposition 65 based on failure to warn about alleged exposure to BPA contained in Covered Products that were manufactured, supplied, held and/or sold by Settling Defendant prior to the Effective Date. For purposes hereof, Defendant Releasees, Downstream Defendant Releasees, and Manufacturer Defendant Releasees shall be collectively referred to as "Releasees."

7.2 Provided that a Settling Defendant complies in full with its payment obligations under Section 5, CEH, for itself, its agents, successors and assigns, as well as releases, waives, covenants not to sue, and forever discharges any and all parents, subsidiaries, affiliates and related entities, respective partners, officers, directors, principals, members, shareholders, subsidiaries, parents, successors, assigns, heirs, beneficiaries, representatives, agent, insurers, accountants, and attorneys, any and all duties, obligations, amounts, liabilities, actions, demands, damages, causes of action, costs, expenses, attorneys' fees, compensation, and claims of any kind claims against that Settling Defendant and all Releasees arising from violation of Proposition 65 or nature whatsoever, known or unknown, suspected or unsuspected, that they have, may have, and/or could have asserted by CEH individually regarding the failure, including all claims based upon, relating to warn about exposure to BPA contained in, arising out of, or in connection with any circumstances, facts and/or issues which were or could have been made by the Parties and/or relating to or arising from the Covered Products (i) sold by Settling Defendant prior to the Compliance Date or (ii) which Settling Defendant purchased or entered into binding commitments to purchase prior to and/or the Effective Date.

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# **COURT APPROVAL**

- 9.1 This Consent Judgment shall become effective upon entry by the Court. CEH shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendant shall support entry of this Consent Judgment.
- 9.2 If this Consent Judgment is not entered by the Court, it shall be of no force or effect and shall never be introduced into evidence or otherwise used in any proceeding for any purpose other than to allow the Court to determine if there was a material breach of Section 9.1.

#### 10. **GOVERNING LAW AND CONSTRUCTION**

10.1 The terms of this Consent Judgment shall be governed by the laws of the State of California.

#### **ATTORNEYS' FEES** 11.

- 11.1 Except as provided in Section 11.2, should CEH prevail on any motion, application for an order to show cause, or other proceeding pursuant to this Consent Judgment, CEH may be entitled to its reasonable attorneys' fees and costs incurred as a result of such motion or application.
- 11.2 Should CEH prevail on any motion or application for enforcement of the injunctive provisions pursuant to Section 4.1, and Settling Defendant had provided to CEH, before it filed such motion or application, a test report either (i) from a sample taken prior to the issuance of the Notice of Violation, or (ii) from the sample of the Covered Product or Products that form the basis of the NOV that was provided to Settling Defendant by CEH, then CEH may be awarded its reasonable attorneys' fees and costs only upon a finding by the Court that Settling Defendant's opposition to the motion or application lacked substantial justification. For purposes of this Consent Judgment, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure §§ 2016, et seq.
- 11.3 Should Settling Defendant prevail on any motion application for an order to show cause or other proceeding, Settling Defendant may be awarded its reasonable attorneys' fees and costs against CEH as a result of such motion or application upon a finding by the Court that CEH's prosecution of the motion or application lacked substantial justification.

- 11.4 Except as otherwise provided in this Consent Judgment, each Party shall bear its own attorneys' fees and costs.
- 11.5 Nothing in this Section 10 shall preclude a Party from seeking an award of sanctions pursuant to law.

### 12. TERMINATION OF INJUNCTIVE RELIEF

Defendant may terminate the injunctive relief in Section 3 of this Consent Judgment as to Settling Defendant by filing a Notice of Termination of Injunctive Relief with the Court and serving it on CEH. Thirty days after the filing of the notice, the provisions of Sections 3 and Section 7.4 shall no longer apply to such Settling Defendant.

# 13. ENTIRE AGREEMENT

understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments or understandings related thereto, if any, are hereby merged herein and 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 specifically referred to in this Consent Judgment have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto only to the extent that they are expressly incorporated herein. No supplementation, modification, waiver or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

1	14.	SUCCESSORS AND ASSIGNS		
2		13.1 This Consent Judgment shall apply to and be binding upon CEH and Settling		
3	Defen	ant, and their respective divisions, subdivisions and subsidiaries, and the successors or		
4	assign	of any of them.		
5	15.	RETENTION OF JURISDICTION		
6		1.1 This Court shall retain jurisdiction of this matter to implement or modify the		
7	Consent Judgment.			
8	16. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT			
9		Each signatory to this Consent Judgment certifies that he or she is fully		
10	author	zed by the Party he or she represents to stipulate to this Consent Judgment and to enter into	О	
11	and ex	ecute the Consent Judgment on behalf of the Party represented and legally to bind that		
12	Party.			
13	17.	NO EFFECT ON OTHER SETTLEMENTS		
14		Nothing in this Consent Judgment shall preclude CEH from resolving any		
15	claim	gainst an entity other than Settling Defendant on terms that are different than those		
16	contai	ed in this Consent Judgment.		
17		IT IS SO ORDERED:		
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19	Date	:, 2024 Hon. Ethan P. Schulman		
20		11011. Ethan 1. Schuman		
21		IT IS SO STIPULATED.		
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1 2 3 4 5 6 7	Dated: July 15, 2024 CENTER FOR ENVIRONMENTAL HEALTH  Kizzy Charles-Guzman Chief Executive Officer
8 9 10	Dated:, 2024 SUNG HWA TRADING CO.
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12	Signature
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2	Dated:, 2024 CENTER FOR ENVIRONMENTAL HEALTH
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6	Kizzy Charles-Guzman Chief Executive Officer
7	Chief Executive Officer
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9	7/15/2024
10	Dated: 7/15/2024 SUNG HWA TRADING CO.
11	Docusigned by: Michael Namha Zim
12	Michael Nampu Eim Signature
13	Michael Namju Kim
14	Printed Name
15	CEO
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l	CONSENT JUDUMENT – SUNG TWA TRADING CO.– CASE NO. CGC-22-398022

# 1 **EXHIBIT A** 2 "Test Protocol" as defined in Section 2.5 of the Consent Judgment means the following test 3 method: 4 1. Homogenized sample of minimum 1 gram, cut in a manner to include materials from each region and color of the sock. 5 6 2. Quantitative solvent extraction by acetonitrile. If acetonitrile not available, may substitute with methanol. 7 8 3. Extraction by EPA methods 3540 (Soxhlet), 3546 (microwave), or hot plate for 3 hours at 40 degrees Celsius. 9 10 4. Analysis by LC/MS-MS, with isotope dilution; HPLC-DADMS, subject to performance criteria below. GC/MS-MS may be used if other methods not 11 available and no derivatization of BPA is required. 12 5. Reporting limit of 0.5 mg/kg or lower. 13 14 6. Performance criteria – demonstration of accuracy, precision, and quality control, per EPA Method 3500C sections 9, 11, and 13. Include on-going routine quality 15 control testing of method blanks, laboratory control samples/duplicates, and matrix 16 spike samples/duplicates. 17 18 19 20 21 22 23 24 25 26 27 28 -15-