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8	SUPERIOR COURT OF THI	E STATE OF CALIFORNIA	
9	COUNTY OF SAN FRANCISCO		
10	DDECH A DALADDO	T.G., N., GGG 24 (1552)	
11	PRECILA BALABBO,	Case No.: CGC-24-615538	
12	Plaintiff,	CONSENT JUDGMENT	
13 14	BARNES & NOBLE BOOKSELLERS, INC.,	Judge: Richard B. Ulmer Dept.: 302 Hearing Date: October 29, 2024	
15	Defendant.	Hearing Time: 9:30 AM Complaint Filed: June 18, 2024	
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1. INTRODUCTION

- 1.1 The Parties. This Consent Judgment is entered into by and between Precila Balabbo acting on behalf of the public interest (hereinafter "Balabbo") and Barnes & Noble Booksellers, Inc. ("Barnes & Noble" or "Defendant") with Balabbo and Defendant collectively referred to as the "Parties" and each of them as a "Party." Balabbo is an individual residing in California that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Barnes & Noble is alleged to be a person in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.
- 1.2 **Allegations and Representations.** Balabbo alleges that Defendant has exposed individuals to lead from its sales of The Ginger Fox Book Lover's mugs, UPC # 5060132078280 without providing a clear and reasonable exposure warning pursuant to Proposition 65. Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.
- 1.3 **Notice of Violation/Action.** On or about October 9, 2023, Balabbo served Hacche USA Retail Ltd. and Ginger Fox Games Ltd. (collectively "Ginger Fox"), Barnes & Noble and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notice"), alleging that Ginger Fox and Defendant violated Proposition 65 for failing to warn consumers and customers that use of The Ginger Fox Book Lover's mugs, UPC # 5060132078280 exposes users in California to lead. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice. On June 18, 2024, Balabbo filed a complaint (the "Complaint").
- 1.4 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations contained in the Action filed in this matter, that venue is proper in the County of San Francisco, and that this Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Action based on the facts alleged therein

and in the Notice.

1.5 Defendant denies the material allegations contained in Balabbo's Notice and Complaint and maintains that it has not violated Proposition 65. Nothing in this Consent Judgment shall be construed as an admission by Defendant of any fact, finding, 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, issue of law, or violation of law, such being specifically denied by Defendant. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Defendant under this Consent Judgment.

2. **DEFINITIONS**

- 2.1 **Covered Products.** The term "Covered Products" means The Ginger Fox Book Lover's mugs, UPC # 5060132078280 that are manufactured, distributed, shipped into California and offered for sale in California by Ginger Fox and, as applicable, Barnes & Noble.
- 2.2 **Effective Date.** The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.

3. **INJUNCTIVE RELIEF: WARNINGS**

- 2.1 Clear and Reasonable Warning. Commencing within (ninety) 90 days after the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 3.1 and 3.2 must be provided for all Covered Products that Barnes & Noble manufacturers, imports, distributes, sells, or offers for sale in California. There shall be no obligation for Barnes & Noble to provide an exposure warning for Products that entered the stream of commerce within 90 days after the Effective Date. The warning shall consist of either the Warning or Alternative Warning described in §§ 3.1(a) or (b), respectively:
 - (a) Warning. The "Warning" shall consist of the statement:
 - WARNING: This product can expose you to chemicals including lead, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.
- (b) Alternative Warning: Barnes & Noble may, but is not required to, use the alternative short-form warning as set forth in this § 3.1(b) ("Alternative Warning") as follows:
 - **WARNING**: Cancer and Reproductive Harm <u>www.P65Warnings.ca.gov</u>.

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3.2 A Warning or Alternative Warning provided pursuant to § 3.1 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 that if the sign or label for the Products does not use the color yellow, 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 or Alternative Warning shall be affixed to or printed on the Products' packaging or labeling, or on a placard, shelf tag, sign or electronic device or automatic process, provided that the Warning or Alternative Warning is displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. The Warning or Alternative 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 Product and shall be at least the same size as those other safety warnings. If "consumer information," as that term is defined in Title 27, California Code of Regulations, Section 25600.1(c) as it may be amended from time to time, is provided in a foreign language, Barnes & Noble shall provide the Warning or Alternative Warning in the foreign language in accordance with applicable warning regulations adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA").

In addition to affixing the Warning or Alternative Warning to the Product's packaging or labeling, the Warning or Alternative Warning shall be posted on websites where Barnes & Noble offers Products for sale to consumers in California. The requirements of this Section shall be satisfied if the Warning or Alternative Warning, or a clearly marked hyperlink using the word "WARNING," appears on the product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase. To comply with this Section, Barnes & Noble shall (a) post the Warning or Alternative Warning on its own website and, if it has the ability to do so, on the websites of its third-party internet sellers; and (b) if it does not have the ability to post the Warning or Alternative Warning on the websites of its third-party internet

sellers, provide such sellers with written notice in accordance with Title 27, California Code of Regulations, Section 25600.2. Third-party internet sellers of the Product that have been provided with written notice in accordance with Title 27, California Code of Regulations, Section 25600.2 are not released in Section 5 of this Agreement if they fail to meet the warning requirements of this Section.

3.3 Compliance with Warning Regulations. The Parties agree that Barnes & Noble shall be deemed to be in compliance with this Settlement Agreement by either (x) adhering to § 3 of this Settlement Agreement or (z) by complying with warning regulations adopted by the State of California's OEHHA applicable to the Product and the exposure at issue or (z) ceasing sales of all Covered Products in California.

4. MONETARY TERMS

- 4.1 **Civil Penalty.** Barnes & Noble shall pay \$1,000.00 as a Civil Penalty pursuant to Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health & Safety Code § 25192, with 75% of these funds remitted to OEHHA and the remaining 25% of the Civil Penalty remitted to Balabbo, as provided by California Health & Safety Code § 25249.12(d).
- 4.1.1 Within ten (10) days of the Effective Date, Barnes & Noble shall issue two separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$750.00; and to (b) "Brodsky Smith in Trust for Balabbo" in the amount of \$250.00. Payment owed to Balabbo pursuant to this Section shall be delivered to the following payment address:

Evan J. Smith, Esquire Brodsky Smith Two Bala Plaza, Suite 805 Bala Cynwyd, PA 19004

Payment owed to OEHHA (EIN: 68-0284486) pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at one of the following address(es):

For United States Postal Service Delivery:

Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment

P.O. Box 4010 Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

A copy of the check payable to OEHHA shall be mailed to Brodsky Smith at the address set forth above as proof of payment to OEHHA.

4.2 **Attorneys' Fees.** Within ten (10) days of the Effective Date, Barnes & Noble shall pay \$16,500.00 to Brodsky Smith as complete reimbursement for Balabbo's attorneys' fees and costs incurred as a result of investigating, bringing this matter to the attention of Barnes & Noble, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure § 1021.5.

5. RELEASE OF ALL CLAIMS

5.1 This Consent Judgment is a full, final, and binding resolution between Balabbo acting on her own behalf, and on behalf of the public interest, and Barnes & Noble, and its parents, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions, subdivisions, subsidiaries, and affiliated entities under common ownership, partners, sister companies, and affiliates, and their predecessors, successors and assigns ("Defendant Releasees"), of all claims for violations of Proposition 65 based on exposure to lead from use of the Covered Products manufactured, distributed, or sold by Barnes & Noble prior to and within 90 days after the Effective Date, as set forth in the Notice. It is the Parties' intention that this Consent Judgment shall have preclusive effect such that no other actions by private enforcers, whether purporting to act in his, her, or its interests or the public interest shall be permitted to pursue and take any action with respect to any violation of Proposition 65 based on exposure to lead from use of the Covered Products that was alleged in the Complaint, or that could have been brought pursuant to the Notice against Barnes & Noble and the Defendant Releasees ("Proposition 65 Claims"). Barnes & Noble's compliance with the terms of this Consent Judgment constitutes

compliance with Proposition 65 by Barnes & Noble with regard to exposure to lead from use of the Covered Products.

5.2 In addition to the foregoing, Balabbo, on behalf of herself, her past and current agents, representatives, attorneys, and successors and assignees, and <u>not</u> in her representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Barnes & Noble and Defendant Releasees from any and all manner of actions, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, now or in the future, with respect to any alleged violations of Proposition 65 related to or arising from Covered Products manufactured, distributed, or sold by Barnes & Noble or Defendant Releasees. With respect to the foregoing waivers and releases in this paragraph, Balabbo hereby specifically waives any and all rights and benefits which she now has, or in the future may have, conferred by virtue of the provisions of § 1542 of the California Civil Code, which provides 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.

5.3 Barnes & Noble waives any and all claims against Balabbo, her attorneys and other representatives, for any and all actions taken, or statements made (or those that could have been taken or made) by Balabbo and her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and with respect to Covered Products.

6. <u>INTEGRATION</u>

6.1 This Consent Judgment contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

10.2	This Consent Judgment shall not be effective until it is approved and entered by the			
Court and sha	ll be null and void if, for any reason, it is not approved by the Court. In such case, the			
Parties agree to meet and confer on how to proceed and if such agreement is not reached within 30				
days, the case shall proceed on its normal course.				

10.3 If the Court approves this Consent Judgment and is reversed or vacated by an appellate court, the Parties shall meet and confer as to whether to modify the terms of this Consent Judgment. If the Parties do not jointly agree on a course of action to take, the case shall proceed on its normal course on the trial court's calendar.

11. MODIFICATION

11.1 This Consent Judgment may be modified only by further stipulation of the Parties and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

12. <u>ATTORNEY'S FEES</u>

- 12.1 A Party who unsuccessfully brings or contests an action arising out of this Consent Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs.
- 12.2 Nothing in this Section shall preclude a Party from seeking an award of sanctions pursuant to law.

13. <u>RETENTION OF JURISDICTION</u>

13.1 This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment.

1	1 14. <u>AUTHORIZATION</u>			
2	14.1 The undersigned are authorized to execute this Consent Judgment on behalf of their			
3	respective Parties and have read, understood, and agree to all of the terms and conditions of this			
4	4 document and certify that he or she is fully authorized by the Party	document and certify that he or she is fully authorized by the Party he or she represents to execute		
5	the Consent Judgment on behalf of the Party represented and legally bind that Party. Except as			
6	6 explicitly provided herein each Party is to bear its own fees and cos	explicitly provided herein each Party is to bear its own fees and costs.		
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8	AGREED TO:	AGREED TO:		
9	9 Date: Date:	5 24		
10	0	ledo) o		
11	PRECILA BALABBO BARNES &	NOBLE BOOKSELLERS,		
12	2 INC.			
13	IT IS SO ORDERED, ADJUDGED AND DECREED:			
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15	Dated:			
16	Judge of Super	Judge of Superior Court		
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14. <u>AUTHORIZATION</u>

14.1 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 document and certify that he or she is fully authorized by the Party he or she represents to execute the Consent Judgment on behalf of the Party represented and legally bind that Party. Except as explicitly provided herein each Party is to bear its own fees and costs.

AGREED 10:	AGREED TO:
Date: 9 10 24 By:	Date:
PRECILA BALABBO	BARNES & NOBLE BOOKSELLERS,
	INC.
IT IS SO ORDERED, ADJUDGED AND D	ECREED:
Dated:	Judge of Superior Court