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|----|--|---|--|--|--|--|
| 2 | ENTORNO LAW, LLP Craig M. Nicholas (SBN 178444) | | | | | |
| 3 | Noam Glick (SBN 251582) Jake W. Schulte (SBN 293777) | | | | | |
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| 8 | | | | | | |
| 9 | Attorneys for Plaintiff Environmental Health Advocates, Inc. | | | | | |
| 11 | SUPERIOR COURT OF THE STATE OF CALIFORNIA | | | | | |
| 12 | IN AND FOR THE COUNTY OF ALAMEDA | | | | | |
| 13 | ENVIRONMENTAL HEALTH | Case No. 24CV094327 | | | | |
| 14 | ADVOCATES, INC., | [PROPOSED] CONSENT JUDGMENT | | | | |
| 15 | Plaintiff, | (Health & Safety Code § 25249.6 et seq. and | | | | |
| 16 | V. | Code Civ. Proc. § 664.6) | | | | |
| 17 | KAMPARTS, INC., a California corporation; and DOES 1 through 100, inclusive, | | | | | |
| 18 | Defendants. | | | | | |
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1. INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA" or "Plaintiff") and Kamparts, Inc. ("Defendant" or "Kamparts") with EHA and Kamparts each individually referred to as a "Party" and collectively referred to as the "Parties."

1.2 Plaintiff

EHA is a corporation organized in the state of California, acting in the interest of the general public. It seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.3 Defendant

Kamparts employs ten or more individuals and for purposes of this Consent Judgment only, 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

EHA alleges that Kamparts manufactures, imports, sells, and distributes for sale Gympak Rubber Hex Dumbbell that contains lead. EHA further alleges that Kamparts does so without providing a sufficient health hazard warning as required by Proposition 65 and related Regulations. Kamparts denies these allegations and asserts that its products are safe and in compliance with all applicable laws, rules and regulations.

1.5 Notice of Violation

On or around January 19, 2024, EHA served Defendant Kamparts, the California Attorney General, and all other required public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 ("Notice"). The Notice alleged that Kamparts had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to lead contained in dumbbells products, including but not limited to Gympak Rubber Hex Dumbbell manufactured or processed by Kamparts that allegedly contain lead and are imported, sold, shipped, delivered, or distributed for sale in California by Releasees (as defined in section 4.1).

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No public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

1.6 Product Description

The products covered by this Consent Judgment are dumbbells products, including but not limited to Gympak Rubber Hex Dumbbell manufactured or processed by Kamparts that allegedly contain lead and are imported, sold, shipped, delivered, or distributed to consumers in California by Releasees (as defined in section 4.1) ("Covered Products").

1.7 State of the Pleadings

On or around October 2, 2024, EHA filed a Complaint against Kamparts for the alleged violations of Proposition 65 that are the subject of the Notice ("Complaint").

1.8 No Admission

Kamparts denies the material factual and legal allegations of the Notice and Complaint and maintains that all of the products it has manufactured, imported, sold, and/or distributed for sale in California, including Covered Products, have been, and are, in compliance with all applicable laws, rules and regulations. Nothing in this Consent Judgment shall be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect Kamparts' obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this Court has jurisdiction over Kamparts as to the allegations in the Complaint, that venue is proper in the County of Alameda, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" means the date on which this Consent Judgment is approved and entered as a judgment of the Court, as discussed in Section 5.

2. INJUNCTIVE RELIEF

2.1 General Warning Requirements

Commencing 60 days after the Effective Date, Kamparts agrees any Covered Products sold in California shall contain a "clear and reasonable" Proposition 65 warning, within the meaning of Section 25249.6 of the Act. Kamparts agrees that 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 seen, 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* Covered Products the warning applies, and except as otherwise provided herein, lists chemical(s) is/are implicated, so as to minimize the risk of consumer confusion.

For purposes of this Settlement Agreement, a clear and reasonable warning for the Covered Products shall consist of a product-specific warning via one or more of the following methods: (1) A posted sign, shelf tag, or shelf sign for the consumer product at each point of display of the product; (2) Any electronic device or process that automatically provides the warning to the purchaser (not applicable to internet purchases, which are subject to the provisions of § 25602(b)); (3) A warning directly affixed to the product's label or tag; or (4) A short-form warning on the label that complies with the content requirements set forth in §§ 25603(b) and 25603(a). Specifically, pursuant to § 25603(a) – (d), one of the following statements must be utilized:

1) WARNING:" [or] "CA WARNING:" [or] "CALIFORNIA WARNING:" This product can expose you to 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.

OR

SHORT FORM 2) WARNING: [or] "CA WARNING:" [or] "CALIFORNIA WARNING: Risk of cancer and reproductive harm from exposure to lead. See www.P65Warnings.ca.gov.

OR

OR

SHORT FORM ON A PRODUCT MANUFACTURED/ LABELED PRIOR TO 1/1/28, REGARDLESS OF

DATE OF SALE

4) **WARNING**: Cancer and Reproductive Harm–www.P65Warnings.ca.gov.

The triangle above shall be yellow on the warning statement. Where the sign, label, or shelf tag for the product is not printed using the color yellow, the symbol may be printed in black and white. The symbol shall be placed to the left of the warning text, in a size no smaller than the height of the word, "WARNING." A short-form warning must be provided on a product in a type size that complies with Cal. Code Regs Tit. 27, § 25601(c). In no case shall a warning statement displayed on the Covered Products' packaging appear in a type size smaller than 6-point type. Where a sign, labeling, or label as defined in Section 256001.1 is used to provide a warning that includes consumer information about a product in a language other than English, the warning must also be provided in that language in addition to English.

As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent Covered Products are sold online, a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 must be provided via one of the following methods: (1) A warning on the product display page; (2) A clearly marked hyperlink using the word "WARNING" or the words "CA WARNING" or "CALIFORNIA WARNING" on the product display page that links to the warning; or (3) An otherwise prominently displayed warning provided to the purchaser prior to completing the purchase. If a warning is provided using the short-form label content pursuant to Section 25602(a)(4), the warning provided on the website may use the same content. For purposes of this section, a warning is not prominently displayed if the purchaser must search for it in the general content of the website. For internet purchases made prior to 1/1/28, a retail seller is not responsible under Section 25600.2(e)(4) for conspicuously posting or displaying the new warning online until 60 calendar days after the retailer receives a warning or a written notice under Section 25600.2(b) and (c) which updates a short-form warning compliant with Section

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25603(c) with content compliant with Section 25603(b). These requirements extend to any websites under the exclusive control of Kamparts where Covered Products are sold into California. In addition, Kamparts shall instruct any third-party website to which it directly sells its Covered Products to include the same online warning, as set forth above, as a condition of selling the Covered Products in California.

There shall be no obligation for Kamparts to provide a warning for Covered Products that entered the stream of commerce prior to 60 days after the Effective Date, and the Section 4 release applies to all such Covered Products.

(i) Changes in Warning Regulations or Statutes

In the event that the Office of Environmental Health Hazard Assessment modifies one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Covered Products and the chemical at issue, Kamparts can move for a modification pursuant to the modification provision in Section 12 of this Agreement.

2.2 Sell-Through Period

Notwithstanding anything else in this Consent Judgment, Covered Products that are manufactured, packaged, or put into commerce on or before the Effective Date shall be subject to the release of liability pursuant to this Consent Judgment, without regard to when such Covered Products were, or are in the future, distributed or sold to customers. As a result, the obligations of Kamparts, or any Releasees (if applicable), stated in this Section 2 do not apply to Covered Products manufactured, packaged, or put into commerce prior to the Effective Date.

3. MONETARY SETTLEMENT TERMS

3.1 Settlement Amount

Except as otherwise provided herein, Kamparts shall pay fifty thousand dollars (\$50,000.00) in settlement and total satisfaction of all the claims referred to in the Notice(s), the Complaint, and this Consent Judgment (the "Settlement Amount"). This Settlement Amount includes civil penalties in the amount of five thousand dollars (\$5,000.00) pursuant to Health and Safety Code section 25249.7(b) and, except as otherwise provided herein, attorneys' fees and costs in the amount of forty-five thousand dollars (\$45,000.00) pursuant to Code of Civil Procedure section 1021.5.

3.2 **Civil Penalty** 1 The portion of the Settlement Amount attributable to civil penalties shall be allocated according 2 3 to Health and Safety Code section 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 4 the remaining twenty-five percent (25%) of the penalty paid to EHA individually. The five thousand 5 dollars (\$5,000.00) in civil penalties shall be paid as follows: 6 7 One payment of \$3,750.00 to OEHHA, due 14 (fourteen) days after the Effective Date. One payment of \$1,250.00 to EHA, due 14 (fourteen) days after the Effective Date. 8 The portion of the Settlement Amount owed to EHA shall be delivered to the following 9 address: 10 11 Isaac Fayman Environmental Health Advocates 12 225 Broadway, Suite 2100 San Diego, CA 92101 13 The portion of the Settlement Amount owed to OEHHA (EIN: 68-0284486) shall be delivered 14 directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses: 15 For United States Postal Service Delivery: 16 Mike Gyurics 17 Fiscal Operations Branch Chief 18 Office of Environmental Health Hazard Assessment P.O. Box 4010 19 Sacramento, CA 95812-4010 20 For Federal Express 2-Day Delivery: 21 Mike Gyurics Fiscal Operations Branch Chief 22 Office of Environmental Health Hazard Assessment 1001 I Street 23 Sacramento, CA 95814 Kamparts agrees to provide EHA's counsel with a copy of the check payable to OEHHA, 24 simultaneous with its penalty payment to EHA. 25 Plaintiff and its counsel will provide completed IRS 1099, W-9, or other tax forms as reasonably 26 required. Relevant information is set out below: 27 28 ///

- "Environmental Health Advocates, Inc." (EIN: 84-2322975) at the address provided above.
- "Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.

All payments of the Settlement Amount referenced in this section shall be paid within fourteen (14) days of the Effective Date.

3.3 Attorney's Fees and Costs

The portion of the Settlement Amount attributable to attorneys' fees and costs shall be paid to EHA's counsel, who are entitled to attorneys' fees and costs reasonably incurred by it in this action, including but not limited to investigating potential violations, bringing this matter to Kamparts' attention, as well as litigating and negotiating a settlement in the public interest.

Kamparts shall provide its payment of the attorneys' fees and costs portion of the Settlement Amount to EHA's counsel by physical check or by electronic means, including wire transfers, at Kamparts' discretion, as set forth in the following table. If the 1st Payment, 2nd Payment, 3rd Payment, and 4th Payment are timely paid by Kamparts, EHA agrees to waive the 5th Payment, in which event Kamparts' portion of the Settlement Amount attributable to Attorneys' Fees and costs will total Thirty-Five Thousand Dollars (\$35,000.00).

| Payment Number | Amount | Due Date | |
|---|----------|---------------------------------------|--|
| 1st Payment | \$5,000 | Due 14 days after the Effective Date | |
| 2nd Payment | \$10,000 | Due 30 days after the Effective Date | |
| 3rd Payment | \$10,000 | Due 60 days after the Effective Date | |
| 4th Payment | \$10,000 | Due 90 days after the Effective Date | |
| 5th Payment (waived if first four payments are timely made) | \$10,000 | Due 120 days after the Effective Date | |

Kamparts shall make all payments of the portion of the Settlement Amount attributable to Attorneys' Fees and costs to Entorno Law, LLP. The address for this entity is:

Noam Glick Entorno Law, LLP 225 Broadway, Suite 1900 San Diego, CA 92101

4. <u>CLAIMS COVERED AND RELEASE</u>

4.1 EHA's Public Release of Proposition 65 Claims

Plaintiff, acting on its own behalf and in the public interest, releases Kamparts, and its parents, subsidiaries, affiliated entities under common ownership or control, its directors, officers, principals, agents, employees, attorneys, insurers, accountants, predecessors, successors, and assigns ("Defendant Entities"), each entity to whom Defendant directly or indirectly receives, distributes, ships, or sells the Covered Products, including but not limited to upstream manufacturers, suppliers and distributors and downstream distributors, wholesalers, customers, retailers, and marketplaces franchisees, franchisors, cooperative members, suppliers, licensees, and licensors, and all of the foregoing entities' owners, directors, officers, agents, principals, employees, attorneys, insurers, accountants, representatives, predecessors, successors, and assigns (collectively referred to as the "Releasees") from all claims for violations of Proposition 65 up through the Effective Date based on exposure to lead from Covered Products as set forth in the Notice(s). Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to lead from Covered Products as set forth in the Notice(s). This Consent Judgment is a full, final, and binding resolution of all claims under Proposition 65 that were or could have been asserted against Kamparts and/or Releasees for failure to comply with Proposition 65 for alleged exposure to lead from Covered Products. This release does not extend to any third-party retailers selling the product on a website who, after receiving instruction from Kamparts to include a warning as set forth above in section 2.2, do not include such a warning.

4.2 EHA's Individual Release of Claims

EHA, in its individual capacity, also provides a release to Kamparts and Releasees, which shall be a full and final accord and satisfaction of, as well as a bar to, all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities, and demands of every nature, character, and kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to lead in Covered Products received by, manufactured, imported, sold, or distributed by Kamparts before the Effective Date.

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4.3 Kamparts's Release of EHA

From and after the Effective Date, Kamparts on its own behalf, and on behalf of Releasees as well as its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against them, in this matter or with respect to the Covered Products.

4.4 No Other Known Claims or Violations

EHA and EHA's counsel affirm that they are not presently aware of any actual or alleged violations of Proposition 65 by Kamparts or for which Kamparts bears legal responsibility other than those that are fully resolved by this Consent Judgment.

5. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved by the Court and shall be null and void if it is not approved by the Court within one year after it has been fully executed by the Parties, or by such additional time as the Parties may agree to in writing.

6. <u>SEVERABILITY</u>

Subsequent to the Court's approval and entry of this Consent Judgment, if any provision is held 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 as applied 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; or in the event the State of California and/or the California Office of Health Hazard Assessment adopts a regulation or safe use determination that would allow lead at some level in the Covered Products without requirement for a Proposition 65 warning, or issues an interpretive guideline that exempts Covered Products from meeting the requirements of Proposition 65; or if lead cases are permanently enjoined by a court of competent jurisdiction; or if Proposition 65 is determined to be preempted by federal law or a burden on First Amendment rights with respect to lead in Covered Products or Covered Products substantially

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EHA agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which motion EHA shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually

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employ their reasonable best efforts, including those of their counsel, to support the entry of this agreement as judgment, and to obtain judicial approval of their 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 objection that any third-party may make, and appearing at the hearing before the Court if so requested.

12. <u>MODIFICATION</u>

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

13. <u>AUTHORIZATION</u>

The undersigned are authorized to execute this Consent Judgment and acknowledge that they have read, understand, and agree to all of the terms and conditions contained herein.

14. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet and confer in person, or by telephone, and/or in writing and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand.

15. ENTIRE AGREEMENT

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter herein, and any and all prior discussions, negotiations, commitments, and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party. No other agreements, oral or otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party.

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| 1 2 3 4 | By: | Date: _ By: KA | 6/12/25 MPARTS, INC. |
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| 6 | IT IS SO ORDERED. | | |
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| 8 | Date: | | |
| 9 | | ` | JUDGE OF THE SUPERIOR COURT |
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