

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties. This Settlement Agreement is entered into by and between Precila Balabbo (“Balabbo”) and Loeffler Randall, Inc. (“Loeffler Randall”). Together, Balabbo and Loeffler Randall are collectively referred to as the “Parties.” Balabbo is an individual who resides in the State of California, and allegedly seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. Balabbo alleges that Loeffler Randall is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6, et seq. (“Proposition 65”).

1.2 General Allegations. Balabbo alleges that Loeffler Randall has exposed individuals to chromium (hexavalent compounds) (“CrVI”) from its sales of Loeffler Randall leather footwear and footwear with leather components, including but not limited to Loeffler Randall Suede Sandals, UPC # 884141785565 without first providing users and consumers of the product with a clear and reasonable health hazard exposure warning as required pursuant to Proposition 65. CrVI 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 Product Description. The products covered by this Settlement Agreement are Loeffler Randall leather footwear and footwear with leather components, including but not limited to Loeffler Randall Suede Sandals, UPC # 884141785565 (the “Products”), that have been imported, distributed, offered for sale and/or sold in California by Loeffler Randall that allegedly expose users to CrVI. Loeffler Randall denies the Products expose users to any meaningful amount of CrVI.

1.4 Notice of Violation. On or about April 29, 2026, Balabbo alleges she served Macy’s, Inc., Macy’s IP Holdings, LLC, Bloomingdale’s, LLC, Bloomingdales.com, LLC (collectively, “Macy’s”), Loeffler Randall, and various public enforcement agencies with a document entitled “60-Day Notice of Violation of California Safe Drinking Water and Toxic Enforcement Act” (the “Notice”). The Notice provided Loeffler Randall, Macy’s and such others, including public enforcers,

with notice that alleged that Loeffler Randall and Macy's was in violation of California Health & Safety Code § 25249.6, for failing to warn California consumers and customers that use of the Products may expose them to CrVI. To the best of the Parties' knowledge, no public enforcer has diligently prosecuted the allegations set forth in the Notice.

1.5 No Admission. Loeffler Randall denies the material factual and legal allegations contained in the Notice and maintains that, to the best of its knowledge, all products that are or have been sold and distributed in California, including the Products, have been and are in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Loeffler Randall of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Loeffler Randall of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Loeffler Randall. However, this § 1.5 shall not diminish or otherwise affect the obligations, responsibilities and duties under this Settlement Agreement. Notwithstanding the allegations in the Notice, Loeffler Randall maintains that it has not knowingly sold, or caused to be sold, the Products for sale in California in violation of Proposition 65.

1.6 Effective Date. For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Agreement is last executed by the Parties, and the signature pages have been exchanged between the Parties.

2. INJUNCTIVE RELIEF: REFORMULATION AND/OR WARNINGS

2.1 Clear and Reasonable Warning. Commencing ninety (90) days after the Effective Date (the "Compliance Date"), and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 2.1 and 2.2 must be provided for all Products that Loeffler Randall manufacturers, imports, distributes, sells, or offers for sale in California, or to distributors or retailers that Loeffler Randall knows sell into California, unless the leather components of such Products are made of Reformulated Leather, as that term is defined in the June 13, 2025 court approved Second Amended Consent Judgment entered in *Center for Environmental Health v. Bali Leathers, Inc.*, Alameda County

Superior Court, Case No. RG 19-029736¹, more specifically, as each term is defined therein at Sections 2.9 “Reformulated Leather” (page 5), 2.10 “Reformulation Protocol” (page 5 and Exhibit C thereto), 2.2 “Chrome-Tanned Leather” (page 4), 2.1 “Certified Tannery” (page 4) and 2.6 “Exotic Leather” (page 4). There shall be no obligation for Loeffler Randall to provide an exposure warning for Products that entered inventory or the stream of commerce prior to the Compliance Date. There shall be no obligation to provide a warning for Products that contain CrVI in an amount below the Safe Harbor Levels established for CrVI pursuant to Proposition 65. The warning shall consist of either the **Warning** or **Alternative Warning** described in §§ 2.1(a) or (b), respectively:

(a) **Warning.** The “Warning” shall consist of the statement:

 **WARNING:** This product can expose you to chemicals including chromium (hexavalent compounds), which are 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:** Loeffler Randall may, but is not required to, use the alternative short-form warning² as set forth in this § 2.1(b) (“**Alternative Warning**”) for Products manufactured and labeled prior to January 1, 2028, as follows:

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

2.2 A **Warning** or **Alternative Warning** provided pursuant to § 2.1 must print the word “**WARNING,**” “**CA WARNING,**” or “**CALIFORNIA WARNING**” in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word “**WARNING,**” “**CA WARNING,**” or “**CALIFORNIA 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,**” “**CA WARNING,**” or “**CALIFORNIA 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 only if such

¹ See attached at Exhibit A, a true and correct copy of the court-approved Proposition 65 second amended consent judgment in *Center for Environmental Health v. Bali Leathers, Inc., Alameda County Superior Court*, Case No. RG 19-029736.

² An **Alternative Warning** on a Product manufactured and labeled after January 1, 2028 shall be provided in accordance with Title 27, California Code of Regulations, Section 25603(b).

electronic device or automatic process provides the **Warning** or **Alternative Warning** without the purchaser having to seek it out, 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. A **Warning** or **Alternative Warning** provided via an electronic device or automatic process does not apply to internet purchases, which are subject to the provisions of Section 25602(b). The **Warning** or **Alternative Warning** may be contained in the same section of the packaging or labeling 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 non-English language, Loeffler Randall 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”). An **Alternative Warning** on a Product manufactured and labeled after January 1, 2028 shall be provided in accordance with Title 27, California Code of Regulations, § 25603(b).

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 Loeffler Randall knowingly 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**,” “**CA WARNING**,” or “**CALIFORNIA 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, Loeffler Randall 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 known 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 known 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.

2.3 Compliance with Warning Regulations. The Parties agree that Loeffler Randall shall be deemed to be in compliance with this Settlement Agreement by either adhering to § 2 of this Settlement Agreement or by complying with warning regulations adopted by the State of California's OEHHA applicable to the Product and the exposures at issue following the Compliance Date.

2.4 Most Favored Nations. The Parties agree that compliance with any reformulation standard or protocol established by a Proposition 65 settlement agreement for CrVI exposures approved by the Attorney General of California and/or any California court shall be deemed compliance with this Settlement Agreement. For Products that comply with any such reformulation standard or protocol, Loeffler Randall shall have no obligation to provide a warning pursuant to Section 2.1.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, Loeffler Randall shall pay \$500.00 as a Civil Penalty in accordance with this Section. The Civil Penalty payment shall be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) and (d), with 75% of the Penalty remitted to OEHHA and the remaining 25% of the Penalty remitted to Balabbo. The Civil Penalty payment(s) shall be sent to the addresses identified in § 3.2, below.

3.1 Civil Penalty. Within ten (10) days of the Effective Date, Loeffler Randall shall issue two (2) separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$375.00; and to (b) "Precila Balabbo" in the amount of \$125.00. The Civil Penalty payment(s) shall be sent to the addresses identified in § 3.2, below.

3.2 Payment Procedures.

(a) Issuance of Payments. Payments shall be sent as follows:

(i) All payments owed to Balabbo, pursuant to § 3.1 shall be sent to the following payment address:

Evan J. Smith, Esquire
Brodsky Smith

Two Bala Plaza, Suite 805
Bala Cynwyd, PA 19004

(ii) All payments owed to OEHHHA (EIN: 68-0284486), pursuant to § 3.1 shall be sent directly to OEHHHA (Memo Line “Prop 65 Penalties”) at the following addresses:

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

(b) Copy of Payments to OEHHHA. Loeffler Randall agrees to provide Balabbo’s counsel with a copy of the checks payable to OEHHHA, simultaneous with its penalty payments to Balabbo, to be sent to the address provided in § 3.2(a)(i), as proof of payment to OEHHHA.

(c) Tax Documentation. Loeffler Randall agrees to provide a completed IRS 1099 filed after the year pursuant to IRS guidelines for its payments to, and Balabbo agrees to provide IRS W-9 forms for, each of the following payees under this Settlement Agreement:

(i) “Precila Balabbo” whose address and tax identification number shall be provided within five (5) days after this Settlement Agreement is fully executed by the Parties;

(ii) “Brodsky Smith” (EIN: 23-2971061) at the address provided in Section 3.2(a)(i); and

(iii) “Office of Environmental Health Hazard Assessment” 1001 I Street, Sacramento, CA 95814.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that Balabbo and her counsel offered to reach preliminary agreement on the material terms of this dispute before reaching terms on the amount of fees and costs to be reimbursed to them. The Parties thereafter reached an accord on the compensation due to Balabbo and her counsel under general contract principles and the private attorney general doctrine and principles codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this agreement. Under these legal principles, Loeffler Randall shall reimburse Balabbo's counsel for fees and costs incurred as a result of investigating and bringing this matter to the attention of Loeffler Randall, and negotiating a settlement in the public interest. Within ten (10) days of the Effective Date, Loeffler Randall shall issue a check payable to "Brodsky Smith" in the amount of \$10,000.00 to be sent to the address identified in § 3.2(a)(i), above.

5. RELEASE OF ALL CLAIMS

5.1 Release of Loeffler Randall and Downstream Customers and Entities. This Settlement Agreement is a full, final and binding resolution between Balabbo, acting on her own behalf, and Loeffler Randall, of any violation of Proposition 65 that was or could have been asserted by Balabbo or on behalf of her past and current agents, representatives, attorneys, successors, and/or assigns ("Releasers") for failure to provide warnings for alleged exposures to CrVI from use of the Products, and Releasers hereby release any such claims against Loeffler Randall and its parents, subsidiaries, affiliated entities, shareholders, marketplaces, directors, officers, agents, employees, attorneys, successors and assignees, and each entity to whom Loeffler Randall directly or indirectly distributes or sells the Products, including but not limited to, downstream distributors, wholesalers, online marketplaces, customers, retailers, including but not limited to Macy's, and their respective subsidiaries, affiliates and parents, franchisees, cooperative members and licensees (collectively, the "Releasees"), from all claims for violations of Proposition 65 through the Compliance Date, based on exposure to CrVI from use of the Products. This release shall also cover any Products that are in inventory or the stream of commerce as of the Compliance Date.

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to §§ 3 and 4 above, Balabbo, on behalf of herself, her past and current agents, representatives, attorneys, successors and/or assignees, hereby covenants not to sue and waives any right to institute, participate in, directly or indirectly, any form of legal action and releases all claims that she may have, including without limitation, all actions and causes of action in law and in equity, all obligations, expenses (including without limitation all attorneys' fees, expert fees, and investigation fees, and costs), damages, losses, liabilities and demands against any of the Releasees of any nature, character, or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of the alleged or actual exposure to the chemical CrVI from use of the Products.

5.2 Loeffler Randall's Release of Balabbo. Loeffler Randall, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby 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/or her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter or with respect to exposure to CrVI from use of the Products.

5.3 California Civil Code § 1542. It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Products will develop or be discovered. Balabbo on behalf of herself only, on one hand, and Loeffler Randall, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Compliance Date, including all rights of action therefor. The Parties acknowledge that the claims released in §§ 5.1 and 5.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 1542 reads 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.

Balabbo and Loeffler Randall each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.4 Deemed Compliance with Proposition 65. The Parties agree that compliance by Loeffler Randall with this Settlement Agreement constitutes compliance with Proposition 65 with respect to exposure to CrVI from use of the Products.

5.5. Public Benefit. It is Loeffler Randall's understanding that the commitments it has agreed to herein, and actions to be taken by Loeffler Randall 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 Loeffler Randall that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Loeffler Randall's failure to provide a warning concerning exposure to CrVI prior to use of the Products it 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 Loeffler Randall is in material compliance with this Settlement Agreement.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are deemed by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected but only to the extent the deletion of the provision deemed unenforceable does not materially affect, or otherwise result in the effect of the Settlement Agreement being contrary to the intent of the Parties in entering into this Settlement Agreement. If the unenforceable provision is material to this Agreement, the Parties shall in good faith negotiate a lawful and enforceable provision that most closely reflects the Parties' original intent, and if they are unable to do so, either Party may terminate this Agreement upon written notice.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the law of the State of California and apply within the State of California.

8. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and personally delivered or sent by: (i) first-class (registered or certified mail) return receipt requested; or (ii) overnight or two-day courier on any party by the other party to the following addresses:

For Loeffler Randall:

Sherry E. Jackman
Sedina Banks
Greenberg Glusker LLP
2049 Century Park E., Ste. 2600
Los Angeles, CA 90067

For Balabbo:

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

Either party, from time to time, may specify in writing to the other party a change of address to which all notices and other communications shall be sent.

9. COUNTERPARTS: SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or .pdf signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

Balabbo agrees to comply with the reporting requirements referenced in Health & Safety Code § 25249.7(f).

11. MODIFICATION

This Settlement Agreement may be modified only by a written agreement of the Parties.

12. ENTIRE AGREEMENT

This Settlement Agreement 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.

13. NOTICE AND OPPORTUNITY TO CURE

Enforcement. A Party may enforce any of the terms and conditions of this Settlement Agreement only for Products that Loeffler Randall and/or Releasees directly manufacture, import, distribute, sell, or offer for sale in California after the Compliance Date that Balabbo or her representatives have tested and certified that the Products do not comply with Section 2 of this Settlement Agreement. Such enforcement may commence only after a Party first provides sixty (60) days written notice to the Party allegedly failing to comply with the terms and conditions of this Settlement Agreement and attempts to resolve such Party's failure to comply in an open and good faith manner.

14. REPRESENTATIONS AND WARRANTIES

Balabbo and her counsel, on behalf of themselves, counsel's law firm, and all other lawyers co-advising on this matter represent and warrant that they (i) are unaware of any additional perceived claims against the Releasees outside of those addressed in this Settlement Agreement; (ii) are unaware of, and have not been informed of, any other individual, plaintiff, class member, entity, or attorney that intends to bring a claim against the Releasees, including, but not limited to, any claim regarding any Releasees' products and/or any claim related to Prop. 65; and (iii) have no present intention to solicit others to initiate claims against the Releasees. Balabbo and her counsel further represent and warrant that they have not assigned or otherwise transferred, or attempted to assign or transfer, any perceived claims against the Releasees.

15. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement and have read, understood and agree to all of the terms and conditions contained of this Settlement Agreement.

AGREED TO:

AGREED TO:

Date: _____

Date: 9/17/2026

By: _____
Precila Balabbo

By: Charlotte McCune
Loeffler Randall, Inc.

15. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement and have read, understood and agree to all of the terms and conditions contained of this Settlement Agreement.

AGREED TO:

AGREED TO:

Date: 9 | 22 | 26

Date: _____

By: 
Precila Balabbo

By: _____
Loeffler Randall, Inc.

EXHIBIT “A”

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

CENTER FOR ENVIRONMENTAL HEALTH,

Plaintiff,

v.

BALI LEATHERS, INC., *et al.*,

Defendant.

Lead Case No. RG 19-029736

[Consolidated with Case No. RG 19-034870]

**[PROPOSED] SECOND AMENDED
CONSENT JUDGMENT AS TO
DEFENDANTS BALI LEATHERS,
INC., MARC JACOBS
INTERNATIONAL, LLC, PETZL
AMERICA, INC., AND
SEYCHELLES IMPORTS, LLC**

1 This Second Amended Consent Judgment supersedes the Amended Consent Judgments
2 entered by the Court in these consolidated actions on June 7, 2022 as to Defendants Bali Leathers,
3 Inc., Marc Jacobs International, LLC, Petzl America, Inc., and Seychelles Imports, LLC only.
4 Pursuant to Section 3.2 of the Amended Consent Judgments entered June 7, 2022, this Second
5 Amended Consent Judgment (hereinafter, “Consent Judgment”) incorporates product
6 reformulation standards consistent with those set forth in the tannery protocol consent judgment
7 entered by the Court in these consolidated actions on February 21, 2024 (hereinafter, the
8 “Protocols”). The earlier-entered Amended Consent Judgments shall remain in effect as to
9 Defendants Eddie Bauer LLC, Genesco, Inc., Jack Rogers, LLC, Paige LLC, and Ultra
10 Marketing, Inc., all of which have elected to provide warnings in lieu of product reformulation.
11 Affiliated Defendants G-III Apparel Group, Ltd. and AM Retail Group, Inc. have elected to adopt
12 the Protocols, but will be governed by a separate Second Amended Consent Judgment reflecting
13 this commitment.

14 **1. INTRODUCTION**

15 1.1 The Parties to this Consent Judgment are the Center for Environmental Health, a
16 California non-profit corporation (“CEH”), and each of the Defendants listed on Exhibit A
17 (“Settling Defendants”). CEH and each Settling Defendant are referred to herein together as the
18 Parties or singly as a Party. The Parties enter into this Consent Judgment to settle certain claims
19 asserted by CEH against Settling Defendants as set forth in the operative complaint in the above-
20 captioned matter. This Consent Judgment covers gloves and footwear made with leather
21 materials that are tanned with chromium compounds. CEH asserts that leather used to make such
22 products will under foreseeable circumstances expose consumers to hexavalent chromium
23 (“CrVI”), which is a chemical listed under Proposition 65 as known to the State of California to
24 cause cancer and reproductive toxicity.

25 1.2 Commencing on July 2, 2019, CEH issued a series of 60-day Notices of Violation
26 under California Health & Safety Code Section 25249.5 *et seq.* (“Proposition 65”) to each of the
27 Settling Defendants, the California Attorney General, the District Attorneys of every county in
28 California, and the City Attorneys of every California city with a population greater than 750,000,

1 alleging that Settling Defendants violated Proposition 65 by exposing persons to CrVI from
2 gloves and footwear made with leather materials without first providing a clear and reasonable
3 Proposition 65 warning.

4 1.3 On August 2, 2019, CEH filed the original Complaint in the above captioned *CEH*
5 *v. Bali* matter. On May 19, 2022, CEH filed the operative First Amended Complaint in the *CEH*
6 *v. Bali* matter (the “*Bali* Complaint”). On September 12, 2019, CEH filed the original Complaint
7 in the above captioned *CEH v. Tommy Bahama* matter, which was subsequently amended. On
8 May 19, 2022, CEH filed the operative Third Amended Complaint in the *CEH v. Tommy Bahama*
9 matter (the “*Tommy Bahama* Complaint”). The *Bali* Complaint and the *Tommy Bahama*
10 Complaint are together referred to herein as the “Complaints.” The *CEH v. Bali* and *CEH v.*
11 *Tommy Bahama* consolidated matters are referred to herein as the “Actions.”

12 1.4 Each Settling Defendant is a business entity that is also a person in the course of
13 doing business as such term is defined under Proposition 65.

14 1.5 For purposes of this Consent Judgment only, the Parties stipulate that this Court
15 has jurisdiction over the allegations of violations contained in the Complaints and personal
16 jurisdiction over each Settling Defendant as to the acts alleged in the Complaints, that venue is
17 proper in the County of Alameda, and that this Court has jurisdiction to enter and enforce this
18 Consent Judgment as a full and final resolution of all claims which were or could have been
19 raised in the Complaints based on the facts alleged therein with respect to Covered Products sold
20 by Settling Defendants.

21 1.6 Nothing in this Consent Judgment is or shall be construed as an admission by the
22 Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall compliance with
23 the Consent Judgment constitute or be construed as an admission by the Parties of any fact,
24 conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall
25 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any
26 other pending or future legal proceedings. This Consent Judgment is the product of negotiation
27 and compromise and is accepted by the Parties solely for purposes of settling, compromising, and
28 resolving issues disputed in this Action.

1 **2. DEFINITIONS**

2 2.1 A “Certified Tannery” is a leather tannery that (a) is certified to produce Chrome-
3 Tanned Leather pursuant to the Reformulation Protocol and provides a certification substantially
4 in the form set forth on Exhibit B, or (b) provides a certification demonstrating that the tannery
5 has achieved certification with overall Gold rating under the Leather Working Group (LWG)
6 Audit Protocol P7.2.2 (or any subsequent higher version that is in force at the time of
7 certification), or has attained a Gold medal rating in the section “Restricted Substances,
8 Compliance & Chromium VI Management” (or any subsequent section or sections regarding
9 CrVI management) (“LWG Certification”).

10 2.2 “Chrome-Tanned Leather” means leather, other than Exotic Leather, tanned with
11 chromium compounds.

12 2.3 “Covered Products” means:

13 2.3.1 Footwear for which normal and foreseeable use will result in one or more
14 Chrome-Tanned Leather components coming into direct contact with the skin of the average
15 user’s foot or leg while the footwear is worn (*e.g.*, a Chrome-Tanned Leather insole, tongue, liner,
16 unlined upper, or strap); or

17 2.3.2 Gloves for which normal and foreseeable use will result in one or more
18 Chrome-Tanned Leather components coming into direct contact with the skin of the average
19 user’s hand while the gloves are worn (*e.g.*, an unlined glove, or one that is lined with Chrome-
20 Tanned Leather).

21 2.4 “CrVI” means chromium (hexavalent compounds), a chemical listed under
22 Proposition 65 as a known carcinogen and reproductive toxicant.

23 2.5 “Effective Date” means the date on which this Consent Judgment is entered by the
24 Court.

25 2.6 “Exotic Leather” means leather that is made from hides of exotic animals such as
26 alligators, crocodiles, sharks, lizards, snakes, and ostriches.

27 2.7 “Final Compliance Date” means the earlier of the date twenty-four (24) months
28 after the Effective Date or December 31, 2025.

2.8 “Initial Compliance Date” means six (6) months prior to the Final Compliance Date.

2.9 “Reformulated Leather” means Chrome-Tanned Leather that was produced pursuant to the Reformulation Protocol by a Certified Tannery.

2.10 “Reformulation Protocol” means the leather tanning protocol set forth on Exhibit C.

2.11 “Skin Contact Component” means a Chrome-Tanned Leather component that comes into direct contact with the skin of the average user’s hand or foot while the Covered Product is being worn.

2.12 “Supplier” means an entity from which a Settling Defendant purchases or acquires Covered Products or Chrome-Tanned Leather components used to manufacture Covered Products.

3. FACTUAL BACKGROUND

3.1 Chromium exists in different valence states. One of those states is CrVI and another is trivalent chromium, which is also known as CrIII. Neither elemental chromium nor CrIII is a listed chemical under Proposition 65.

3.2 Chromium tanning is a process of preserving hides that uses CrIII compounds. CrVI is not intentionally added to leather in the tanning process.

3.3 The valence state of chromium is unstable in nature. For example, CrIII will under certain environmental conditions oxidize into CrVI. Likewise, CrVI will under certain environmental conditions reduce into CrIII.

3.4 The process by which CrIII turns into CrVI is called oxidation. Certain chemicals called antioxidants prevent or inhibit the oxidation process of chromium. Antioxidants can thus prevent the formation of CrVI in or on the surface of the leather.

3.5 Environmental conditions that affect the oxidation and reduction of chromium between CrIII and CrVI include temperature, humidity, and pH.

3.6 The Reformulation Protocol requires tanneries to take steps to minimize the potential introduction of CrVI to leather during the tanning process for Chrome-Tanned Leather

1 and to use antioxidants that are baked into the hides during the tanning process. If a tannery
2 follows the Reformulation Protocol, the antioxidants will prevent or inhibit the oxidation process
3 such that there will not likely be detectable CrVI on the surface of the leather.

4 **4. INJUNCTIVE RELIEF**

5 **4.1 Notice to Suppliers.**

6 4.1.1 To the extent any Settling Defendant has not already done so, no more than
7 sixty (60) days after the date of entry of this Consent Judgment, each Settling Defendant shall
8 provide notice to each of its current Suppliers that all Chrome-Tanned Leather used to
9 manufacture Skin Contact Components of Covered Products manufactured, distributed, or sold by
10 the Settling Defendant must be Reformulated Leather. The notice shall request that (a) any
11 Supplier of Chrome-Tanned Leather that is a tannery used to manufacture Skin Contact
12 Components provide to the Settling Defendant either (i) a certification in the form of Exhibit B,
13 or (ii) an LWG Certification; (b) any Supplier of Chrome-Tanned Leather or finished product that
14 is not a tannery obtain from its supplier(s) of Chrome-Tanned Leather used to manufacture Skin
15 Contact Components of Covered Products either (i) a certification in the form of Exhibit B, or (ii)
16 an LWG Certification; and (c) all Suppliers retain certifications for Chrome-Tanned Leather for a
17 period of at least five (5) years and, to the extent not already provided, produce them upon written
18 request of the Settling Defendant.

19 4.1.2 Prior to or coincident with ordering any Skin Contact Components or
20 Covered Products from a new Supplier or a Supplier who has not received a notice from the
21 Settling Defendant under Section 4.1.1 within five (5) years of the date of such order, a Settling
22 Defendant shall provide a notice to such Supplier, consistent with Section 4.1.1.

23 4.1.3 Any written notice sent pursuant to this Section shall include the written
24 Tannery Certification and Reformulation Protocol set forth in Exhibits B and C. The written
25 notice attached hereto as Exhibit D is deemed to comply with the requirements of this Section.
26
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1 **4.2 Reformulation.**

2 **4.2.1 Phased Compliance Timeline.**

3 4.2.1.1 After the Initial Compliance Date, each Settling Defendant shall
4 ensure that all of the Chrome-Tanned Leather used to manufacture Skin Contact Components of
5 at least seventy-five percent (75%) of Covered Products purchased or manufactured by Settling
6 Defendant that a Settling Defendant knows or has reason to believe may be sold or offered for
7 sale by Settling Defendant or any entity downstream of Settling Defendant in California is
8 Reformulated Leather.

9 4.2.1.2 After the Final Compliance Date, and subject to Section 4.3,
10 each Settling Defendant shall ensure that all of the Chrome-Tanned Leather used to manufacture
11 Skin Contact Components of Covered Products purchased or manufactured by Settling Defendant
12 that a Settling Defendant knows or has reason to believe may be sold or offered for sale by
13 Settling Defendant or any entity downstream of Settling Defendant in California is Reformulated
14 Leather.

15 4.2.1.3 A Settling Defendant's compliance with this Section 4.2.1 shall
16 be determined by the number of styles of Covered Products that contain only Skin Contact
17 Components supplied by a Certified Tannery divided by the total number of styles of Covered
18 Products. A Settling Defendant shall be entitled to rely on Supplier certifications to demonstrate
19 compliance with this Section 4.2.1.

20 4.2.2 If a Settling Defendant is unable to comply with the requirements of
21 Section 4.2.1 for the Initial Compliance Date, then within thirty (30) days of such date, as
22 applicable, it shall serve on CEH a report detailing the extent of its compliance with such
23 requirement, and the circumstances that prevented compliance with such requirement.

24 **4.3 Warnings.** After the Final Compliance Date, a Settling Defendant may utilize
25 Skin Contact Components that were not supplied by a Certified Tannery, but only as set forth in
26 this Section. If a Settling Defendant makes a determination that it is not "feasible" to obtain Skin
27 Contact Components from a Certified Tannery, it may proceed under this Section for such
28 Covered Product.

4.3.1 The term “feasible” includes, but is not limited to, consideration of the following factors:

4.3.1.1 the availability of Chrome-Tanned Leather from Certified Tanneries;

4.3.1.2 the cost of Chrome-Tanned Leather and resulting increase in manufacturers’ prices resulting from the use of leather from Certified Tanneries, which factor includes the geographic proximity of the factory producing the Covered Product and any Certified Tannery that can produce the leather used in the Covered Product; and

4.3.1.3 the availability, cost, and performance and aesthetic characteristics of non-Chrome-Tanned Leather that could substitute for Chrome-Tanned Leather in Skin Contact Components of Covered Products;

4.3.2 No Settling Defendant may sell a Covered Product that such Settling Defendant knows or has reason to believe may be sold or offered for sale in California by Settling Defendant or any entity downstream of Settling Defendant for which it has made a determination that is not “feasible” to obtain Skin Contact Components from a Certified Tannery unless such Covered Product is labeled with a Clear and Reasonable Warning.

4.3.2.1 A Clear and Reasonable Warning under this Consent Judgment shall state:



WARNING: This product can expose you to chemicals including chromium (hexavalent compounds), 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.

The word “**WARNING**” shall be displayed in all capital letters and bold print and shall be preceded by the yellow warning triangle symbol depicted above, provided however, the symbol may be printed in black and white if the Covered Product label is produced without using the color yellow. This warning statement shall be prominently displayed on the outer packaging or tag of the Covered Product and shall be displayed with such conspicuousness, as compared with other words, statements, or designs, as to render it likely to be seen, read, and understood by an

1 ordinary individual prior to sale. Where a sign or label used to provide a warning includes
2 consumer information about a product in a language other than English, the warning shall also be
3 provided in that language in addition to English.

4 4.3.2.2 For online and catalog sales, any Settling Defendant that
5 provides warnings pursuant to this Section shall (i) ensure that Clear and Reasonable Warnings
6 under Section 4.3.2 are provided for Covered Products that the Settling Defendant sells online to
7 consumers in California, and (ii) provide the warning language required in Section 4.3.2.1 to any
8 customers whom it knows or has reason to believe are offering the Settling Defendants' Covered
9 Products for which a warning is required for sale online to consumers in California. Settling
10 Defendants shall also revise any product catalogs printed after the Final Compliance Date to
11 include the warning language required in Section 4.3.2.1 for each Covered Product identified in
12 the catalog that requires a Clear and Reasonable Warning pursuant to this Section. For internet,
13 catalog, or any other sale where the consumer is not physically present, the warning statement
14 shall be displayed in such a manner that it is likely to be read and understood by an ordinary
15 individual prior to the authorization of or actual payment.

16 4.3.3 Any Settling Defendant that provides a warning pursuant to the feasibility
17 option of this Section shall provide a detailed written report to CEH within forty-five (45) days of
18 the end of each calendar year regarding the use of the feasibility warnings, the units covered, and
19 the specific factual basis for the feasibility finding. This reporting obligation shall terminate five
20 (5) years after the Effective Date.

21 4.3.4 No Settling Defendant may make use of the feasibility warnings set forth in
22 this Section on more than the Allowed Warning Percentage of the styles of Covered Products
23 shipped to California or to customers which the Settling Defendant knows or has reason to
24 believe will offer for sale to customers in California in any particular year. The "Allowed
25 Warning Percentage" shall be thirty-three percent (33%) in the first and second years after the
26 Final Compliance Date, seventeen percent (17%) in the third year after the Final Compliance
27 Date, and five percent (5%) thereafter.

1 **4.4 Document Retention Requirements.** All certifications, Supplier notifications,
2 feasibility documents, and other documents referenced in this Section 4 shall be retained by each
3 Settling Defendant for four (4) years from the date of creation and made available to CEH upon
4 written request not more than once per calendar year, commencing on the Final Compliance Date
5 until the seventh (7th) anniversary of the Effective Date.

6 **5. ENFORCEMENT**

7 **5.1 Enforcement Procedures.** Any Party or any of the public entities identified in
8 Health & Safety Code section 25249.7(c) (collectively, “Enforcers”) may by motion or
9 application for an order to show cause before this Court seek to enforce the terms of this Consent
10 Judgment. Prior to filing any such motion or application, the Enforcer(s) shall provide the
11 allegedly violating Party with a written notice setting forth the detailed factual and legal basis for
12 the alleged violation along with any evidentiary support for the alleged violation (“Notice of
13 Violation”). The Enforcer(s) and the allegedly violating Party shall then meet and confer during
14 the thirty (30) day period following the date the Notice of Violation was sent in an effort to try to
15 reach agreement on an appropriate cure, penalty, or related attorneys’ fees related to the alleged
16 violation. After such thirty (30) day period, the Enforcer(s) may, by motion or application for an
17 order to show cause before the Superior Court of Alameda, seek to enforce the terms and
18 conditions contained in this Consent Judgment. Nothing in this Section 5.1 shall impact the
19 Court’s authority in an enforcement proceeding to impose appropriate remedies, including the
20 provision of a clear and reasonable warning.

21 **5.2 Notice of Violation Regarding Failure to Comply with Section 4.2.**

22 **5.2.1** If an Enforcer serves a Notice of Violation that alleges a violation of the
23 reformulation requirements set forth in Section 4.2, it shall identify the Covered Product and the
24 Skin Contact Components that the Enforcer contends were not produced by a Certified Tannery
25 pursuant to the Reformulation Protocol, along with the evidentiary support for such claim.

26 **5.2.2** A Settling Defendant shall serve its response to a Notice of Violation
27 served under Section 5.2.1 within thirty (30) days of receipt of the Notice, unless extended by
28 agreement. The response shall include any certification and documentation sufficient to

1 demonstrate that the Skin Contact Components of the Covered Product that were the subject of
2 the Notice of Violation were produced by a Certified Tannery.

3 5.2.2.1 If the Settling Defendant's response demonstrates that: (a) the
4 Skin Contact Components identified in the Notice were produced by a tannery that was a
5 Certified Tannery at the time of production; or (b) the Notice of Violation identifies the same
6 Covered Product or Covered Products differing only in size that have been the subject of another
7 Notice of Violation within the preceding twelve (12) months, the Enforcer shall take no further
8 action. If the Enforcer contends that the Settling Defendant's response does not satisfy the
9 provisions of this Section, the Enforcer shall within thirty (30) days of receipt of Defendant's
10 response notify the Settling Defendant of the basis for its contention, the Notice shall be deemed
11 contested, and the Parties shall proceed under Section 5.2.4.

12 5.2.2.2 If the Settling Defendant does not serve a response within thirty
13 (30) days of receipt of the Notice, it shall be deemed to contest the Notice and the Parties shall
14 proceed under Section 5.2.4.

15 5.2.3 If the Settling Defendant elects not to contest a Notice of Violation served
16 under Section 5.2.1, the Settling Defendant shall do the following:

17 5.2.3.1 For the first Notice of Violation served on a particular Settling
18 Defendant, within fourteen (14) days after serving its response to the Notice of Violation, the
19 Settling Defendant shall take corrective action consisting of: (a) providing the Enforcer with
20 documentation sufficient to determine the certification status of Covered Products sold for the
21 two (2) years prior to the date of the Notice of Violation; and (b) pay the Enforcer \$5,000 as
22 reimbursement of fees, costs, and expenses involved in investigating and producing the Notice of
23 Violation and reviewing and monitoring compliance by such Settling Defendant in the future.

24 5.2.3.2 For Notices of Violation served on a particular Settling
25 Defendant after the first uncontested Notice of Violation, within ninety (90) days after serving its
26 response to the Notice of Violation, the Settling Defendant shall either:

27 a withdraw the Covered Product from sale in California and
28 direct customers to withdraw the Covered Product from sale in California; or

1 b provide a clear and reasonable warning pursuant to Section
2 4.3.2 for Covered Products sold by the Settling Defendant in California and instruct any
3 customers to provide such warning.

4 No later than fourteen (14) days after serving its response to the Notice of Violation, the Settling
5 Defendant shall pay the Enforcer \$10,000 as reimbursement of fees, costs, and expenses involved
6 in investigating and producing the Notice of Violation and reviewing and monitoring compliance
7 by such Settling Defendant in the future.

8 5.3 If any dispute arises relating to the sufficiency of any information provided by an
9 Enforcer or a Settling Defendant pursuant to this Section 5.2, or if the Settling Defendant elects to
10 contest a Notice of Violation, the Parties shall meet and confer as required by Section 5.1 before
11 filing any motion, application, or request for an order with the court. A Settling Defendant may
12 at any time during the meet and confer process and prior to the Enforcer filing any motion,
13 application, or request for an order with the court, notify the Enforcer that the Settling Defendant
14 no longer contests the Notice and that the Settling Defendant elects to proceed pursuant to Section
15 5.2.3.

16 **6. PAYMENTS**

17 6.1 Each Settling Defendant previously paid monetary amounts under the Amended
18 Consent Judgment, which were allocated as between a civil penalty pursuant to Health & Safety
19 Code § 25249.7(b), an additional settlement payment pursuant to Health & Safety Code §
20 25249.7(b) and California Code of Regulations, Title 11, § 3204, and a reimbursement of a
21 portion of CEH's reasonable attorneys' fees and costs. No further settlement payments are
22 required in connection with the present amendment.

23 **7. MODIFICATION OF CONSENT JUDGMENT AND TERMINATION OF** 24 **INJUNCTIVE RELIEF**

25 7.1 **Modification.** This Consent Judgment may be modified from time to time by
26 express written agreement of the Parties to which any such modification would apply, with the
27 approval of the Court, or by an order of this Court upon motion and in accordance with law.
28

1 **7.2 Force Majeure.** The inability of a Settling Defendant to comply with any
2 deadline set forth in this Consent Judgment due to an act of terrorism, fire, earthquake, civil
3 disorders, war, or act of God that is beyond the reasonable control of such Settling Defendant
4 shall be grounds to move for modification of the deadlines set forth in this Consent Judgment.

5 **7.3 Most Favored Nations Provision.** If, after the Effective Date, a court enters
6 judgment in the Actions or another Proposition 65 enforcement action brought by CEH over
7 exposure to CrVI in Covered Products that imposes different injunctive relief from that set forth
8 in this Consent Judgment, a Settling Defendant may seek to modify Section 4 of this Consent
9 Judgment to conform with the injunctive relief provided in such later judgment.

10 **7.4 Termination of Injunctive Relief.**

11 7.4.1 If, after the Effective Date, a court enters judgment in the Actions or
12 another Proposition 65 enforcement action brought by CEH over exposure to CrVI in leather
13 gloves or footwear that denies a request for injunctive relief on the grounds that (a) CEH has not
14 shown an exposure to CrVI from Chrome-Tanned Leather, or (b) the defendant has demonstrated
15 that any exposure to CrVI from Chrome-Tanned Leather is exempt from the Proposition 65
16 warning requirement under Health & Safety Code §25249.10(c), a Settling Defendant may seek
17 to terminate the injunctive relief in Section 4 of this Consent Judgment as to that Settling
18 Defendant.

19 7.4.2 Commencing on the fifth (5th) anniversary of the Effective Date and upon
20 the provision of thirty (30) days advanced written notice to CEH and the Court, a Settling
21 Defendant may terminate the injunctive relief in Section 4 of this Consent Judgment as to that
22 Settling Defendant. Upon any such termination, the provisions of Section 8.3 shall no longer
23 apply to such Settling Defendant.

24 7.4.3 **Notice; Meet and Confer.** Any Party seeking to modify this Consent
25 Judgment or terminate it pursuant to Section 7.4.1 shall attempt in good faith to meet and confer
26 with all affected Parties prior to filing a motion to modify the Consent Judgment.

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1 **8. CLAIMS COVERED AND RELEASE**

2 8.1 The Parties enter into this Consent Judgment as a full and final settlement of all
3 claims arising under Proposition 65 relating to alleged exposure to CrVI from footwear and/or
4 gloves made with Chrome-Tanned Leather components as further specified on Exhibit A for each
5 Settling Defendant (“Released Products”), and as to all claims pursuant to Health and Safety
6 Code §25249.7(d) that were raised or could have been raised in the CEH 60-Day Notices or
7 Complaints, arising from the failure to warn under Proposition 65 regarding the presence of CrVI
8 in such Released Products. This Consent Judgment is a full, final, and binding resolution
9 between CEH on behalf of itself and the public interest and such Settling Defendant and its
10 parents, subsidiaries, affiliated entities that are under common ownership, directors, officers,
11 employees, agents, shareholders, successors, assigns, and attorneys (“Defendant Releasees”), and
12 all entities to which such Settling Defendant directly or indirectly distributes or sells Released
13 Products, including but not limited to its distributors, wholesalers, customers, retailers,
14 franchisees, licensors, and licensees (“Downstream Defendant Releasees”), of any violation of
15 Proposition 65 based on failure to warn about alleged exposure to CrVI contained in Released
16 Products that were manufactured, distributed, sold, or offered for sale by a Settling Defendant
17 prior to the Final Compliance Date, except as to any failure to provide interim warnings required
18 under Section 3.1 of the Amended Consent Judgments for Covered Products distributed, shipped,
19 or sold by a Settling Defendant between June 7, 2022 and the Effective Date.

20 8.2 CEH, for itself and its agents, successors, and assigns, releases, waives, and
21 forever discharges any and all claims against such Settling Defendant, its Defendant Releasees,
22 and its Downstream Defendant Releasees arising from any violation of Proposition 65 or any
23 other statutory or common law claims that have been or could have been asserted by CEH
24 regarding the failure to warn about exposure to CrVI arising in connection with Released
25 Products manufactured, distributed, sold, or offered for sale by such Settling Defendant prior to
26 the Final Compliance Date.

27 8.3 Compliance with the terms of this Consent Judgment by such Settling Defendant
28 shall constitute compliance with Proposition 65 by such Settling Defendant, its Defendant

1 Releasees, and its Downstream Defendant Releasees with respect to any alleged failure to warn
2 about CrVI in Released Products manufactured, distributed, sold, or offered for sale by such
3 Settling Defendant after the Effective Date , except as to any retailer who fails to provide warning
4 provided to said retailer pursuant to this Consent Judgment in a manner consistent with the
5 requirements of this Consent Judgment.

6 **9. PROVISION OF NOTICE**

7 9.1 When CEH is entitled to receive any notice under this Consent Judgment, the
8 notice shall be sent by first class and electronic mail to:

9 Joseph Mann
10 Lexington Law Group, LLP
11 503 Divisadero Street
12 San Francisco, CA 94117
jmann@lexlawgroup.com

13 9.2 When a Settling Defendant is entitled to receive any notice under this Consent
14 Judgment, the notice shall be sent by first class and electronic mail to the address listed on
15 Exhibit A for such Settled Defendant.

16 9.3 Any Party may modify the person and address to whom the notice is to be sent by
17 sending the other Party notice by first class or electronic mail.

18 **10. COURT APPROVAL**

19 10.1 This Consent Judgment shall become effective when approved by the Court. If
20 this Consent Judgment is not entered by the Court, it shall be of no further force or effect and
21 shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

22 **11. GOVERNING LAW AND CONSTRUCTION**

23 11.1 The terms of this Consent Judgment shall be governed by the laws of the State of
24 California.

25 **12. ATTORNEYS' FEES**

26 12.1 Should CEH prevail on any motion, application for an order to show cause, or
27 other proceeding related to this Consent Judgment, CEH shall be entitled to its reasonable
28 attorneys' fees and costs incurred as a result of such motion or application. Should Settling

1 Defendant prevail on any motion, application for an order to show cause, or other proceeding
2 related to this Consent Judgment, Settling Defendant may be awarded its reasonable attorneys'
3 fees and costs as a result of such motion or application upon a finding by the Court that CEH's
4 prosecution of the motion or application lacked substantial justification.

5 12.2 Nothing in this Section 12 shall preclude a Party from seeking an award of
6 sanctions pursuant to law.

7 **13. ENTIRE AGREEMENT**

8 13.1 This Consent Judgment contains the sole and entire agreement and understanding
9 of the Parties with respect to the entire subject matter hereof, and any and all prior discussions,
10 negotiations, commitments, or understandings related thereto, if any, are hereby merged herein
11 and therein. There are no warranties, representations, or other agreements between the Parties
12 except as expressly set forth herein. No representations, oral or otherwise, express or implied,
13 other than those specifically referred to in this Consent Judgment have been made by any Party
14 hereto. No other agreements not specifically contained or referenced herein, oral or otherwise,
15 shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically
16 contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the
17 Parties hereto only to the extent that they are expressly incorporated herein. No waiver of any of
18 the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the
19 other provisions hereof whether or not similar, nor shall such waiver constitute a continuing
20 waiver.

21 **14. RETENTION OF JURISDICTION**

22 14.1 This Court shall retain jurisdiction of this matter to implement or modify the
23 Consent Judgment.

24 **15. SUCCESSORS AND ASSIGNS**

25 15.1 This Consent Judgment shall apply to and be binding upon CEH and each Settling
26 Defendant, and their respective divisions, subdivisions, and subsidiaries, and the successors or
27 assigns of any of them.

1 **16. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT**

2 16.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized
3 by the Party he or she represents to stipulate to this Consent Judgment and to enter into and
4 execute the Consent Judgment on behalf of the Party represented and to legally bind that Party.

5 **17. NO EFFECT ON OTHER SETTLEMENTS**

6 17.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim
7 against an entity that is not a Settling Defendant on terms that are different from those contained
8 in this Consent Judgment.

9 **18. EXECUTION IN COUNTERPARTS**

10 18.1 The stipulations to this Consent Judgment may be executed in counterparts and by
11 means of portable document format (pdf), which taken together shall be deemed to constitute one
12 document.

13
14 **IT IS SO ORDERED:**

15
16 Dated: _____

Judge of the Superior Court of California

1 **IT IS SO STIPULATED:**

2 Dated: November 11, 2024

**CENTER FOR ENVIRONMENTAL
HEALTH**

4 

5 _____
Signature

7 Kizzy Charles-Guzman
Printed Name

9 CEO
Title

Dated: 9/12/24, 2024

BALI LEATHERS, INC.

Lois C. Widdemer
Signature

Lois C. Widdemer
Printed Name

President
Title

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Dated: SEP. 5, 2024

MARC JACOBS INTERNATIONAL, LLC

Signature

Printed Name

Title

1 Dated: August 20, 2024

PETZL AMERICA, INC.

2
3 Kenneth T. Adams Jr.
Signature

4
5 Kenneth Thomas Adams Jr.
Printed Name

6
7 Chief Operating Officer
Title

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Dated: September 12, 2024

SEYCHELLES IMPORTS, LLC



Signature

John Koo

Printed Name

cfo

Title

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EXHIBIT A

Individual Settling Defendant Information

1 Settling Defendant(s): BALI LEATHERS, INC.
2 Covered Products: Gloves Made With Leather Materials
3 Contact Information: Jade Jurdi
4 Steptoe & Johnson LLP
5 633 West Fifth Street, Suite 1900
6 Los Angeles, CA 90071
7 jjurdi@Steptoe.com
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1 Settling Defendant(s): MARC JACOBS INTERNATIONAL, LLC
2 Covered Products: Footwear Made With Leather Materials
3 Contact Information: JOSEPH GREEN
4 Special Counsel
5 Kelley Drye & Warren LLP
6 Washington Harbour
7 3050 K Street NW, Suite 400
8 Washington, DC 20007
9 Tel: (202) 342-8849
10 jgreen@kelleydrye.com
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1 Settling Defendant(s): PETZL AMERICA, INC.
2 Covered Products: Gloves Made With Leather Materials
3 Contact Information: Rashelle Perry
4 Chief Legal Officer
5 Petzl America, Inc.
6 2929 Decker Lake Drive
7 West Valley City, UT 84119
8 rperry@petzl.com
9
10 Paul S. Rosenlund
11 Duane Morris LLP
12 Spear Tower
13 One Market Plaza, Suite 2200
14 San Francisco, CA 94105-1127
15 PSRosenlund@duanemorris.com
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1 Settling Defendant(s): SEYCHELLES IMPORTS, LLC
2 Covered Products: Footwear Made With Leather Materials
3 Contact Information: Bao M. Vu
4 STOEL RIVES LLP
5 1 Montgomery Street, Suite 3230
6 San Francisco, CA 94104
7 bao.vu@stoel.com
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EXHIBIT B

Tannery Certification

EXHIBIT B
TANNERY CERTIFICATION

Tannery Name: _____

Address: _____

I certify as follows:

All chrome-tanned leather produced by the tannery after the date of this certification will be tanned consistent with the Reformulation Protocol attached as Exhibit C to the Consent Judgment in *Center for Environmental Health v. Bali Leathers, Inc., et al.*, Lead Case No. RG19029736 (consolidated with *Center for Environmental Health v. Tommy Baham Group, Inc., et al.*, Case No. RG 19-034870), for purposes of establishing good manufacturing practices and measures for chrome-tanned or chrome-retanned leather in order to eliminate or minimize the presence and potential formation of hexavalent chromium (CrVI) in such leather intended for footwear and glove products sold in California. Specifically, the tannery will comply with the Reformulation Protocol to eliminate or minimize the formation of hexavalent chromium in chrome-tanned or chrome-retanned leather and shall provide transport and storage instructions specifying recommended temperature, humidity, and light conditions sufficient to maintain physical and chemical properties of the leather relevant to CrVI formation.

The tannery will retain records demonstrating compliance with the Reformulation Protocol for a period of at least five years and provide such records on written request by any customer.

Signature: _____

Name: _____

Title: _____

Email address: _____

Date: _____

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EXHIBIT C

Reformulation Protocols

LEATHER TANNING/FINISHING PROTOCOL FOR COMPLIANCE WITH PROPOSITION 65 REQUIREMENTS TO MINIMIZE POTENTIAL FORMATION OF HEXAVALENT CHROMIUM

Background: For purposes of compliance with Proposition 65, the following Protocol is intended to establish good manufacturing practices and measures for chrome-tanned or chrome-retanned leather in order to eliminate or minimize the presence and potential formation of hexavalent chromium (CrVI) in such leather intended for footwear and glove products sold in California. Settling Defendants shall be required to comply with the terms of the Protocol prior to manufacturing or processing leather footwear/gloves for sale in California or to require compliance with the Protocol by third party manufacturers and suppliers of leather intended for such products.

Certification with overall Gold rating under the Leather Working Group (LWG) Audit Protocol shall be considered in assessing compliance with this Protocol. For companies attaining a lower overall LWG medal rating, compliance assessment also shall consider attainment of Gold rating in the sections of the LWG Protocol relating to Restricted Substances Lists and Chemical Management (currently Section 9 “Restricted Substances, Compliance, Chromium VI Management” and Section 16 “Chemical Management” of Issue 7.2.2 of the LWG Protocol).

Leather Tanning/Finishing Protocol

The following protocol for chrome-tanners/retanners identifies good manufacturing practices recognized by the leather tanning industry to eliminate or minimize the formation of hexavalent chromium in chrome-tanned or chrome re-tanned leather. Tannery shall provide transport and storage instructions specifying recommended temperature, humidity, and light conditions sufficient to maintain physical and chemical properties of the leather relevant to CrVI formation.

Upon written agreement of the Parties, this Protocol may be re-evaluated and revised appropriately to reflect advances in technology and production processes. Unless otherwise noted, references to test methods, detection limits, and other standards are to the version in place as of adoption of this Protocol.

1. Process Stage: Beamhouse

- 1.1. **Degreasing:** Thorough degreasing processes must be employed to reduce the presence of natural fats that can diminish leather quality and potentially contribute to CrVI formation.
 - 1.1.1. Perform thorough and consistent degreasing during beamhouse operations involving sheepskin, pigskin, and other high-fat content hides (*i.e.*, fat content over 3% dry weight basis). These materials can be very greasy and may require a specific, separate degreasing operation to reduce the fat content.
 - 1.1.2. Processing of bovine hides should include the use of surfactants to ensure fat content less than 3% dry weight basis.
 - 1.1.3. Use of halogenated organic degreasing agents is prohibited.
 - 1.1.4. Use only aqueous degreasing agents.

- 1.1.5. Do not use products with oxidative potential.
- 1.1.6. If bleaching is required (under exceptional circumstances to reduce natural skin pigmentation when producing very pale leather), products with oxidative potential may be necessary. If used, the process should incorporate iodine-starch paper for each batch of leather being processed to check oxidative potential and, if necessary, use reducing agent prior to addition of chromium in tanning stage.
- 1.1.7. Wash limed hides/pelts properly after liming and decalcifying.

2. Process Stage: Tanning/Wet Blue

- 2.1. Tanning Agents: Chromium-containing tanning agents must not contain intentionally added or detectable levels¹ of CrVI.
 - 2.1.1. Obtain from chemical supplier test reports for each supplier production batch conducted pursuant to ISO 19071 for CrVI in chromium tanning agents demonstrating detectable levels of CrVI no higher than the levels specified in the most current version of the ZDHC Manufacturing Restricted Substances List (“MRSL”)² (as analyzed by the test method specified therein).
 - 2.1.2. Maintain inventory control to ensure quality of tanning agents at time of use. Use of tanning/retanning agents past their “use by” date is prohibited.
 - 2.1.3. Tanning process vessels and associated make-up and delivery systems to be thoroughly cleaned and maintained using best practices.
 - 2.1.4. Water used during the tanning process and to clean apparatus, tubs, tools, and other equipment must have undetectable levels of CrVI.
 - 2.1.4.1. Recycled water must be tested regularly (at least annually) and verified as having undetectable levels of CrVI; water received directly from municipal or permitted wells does not require repeat verification of CrVI levels but should be analyzed to confirm absence of CrVI.
 - 2.1.5. Storage conditions must be maintained in accordance with chemical supplier instructions. Storage of chemicals outside of manufacturer recommendations is prohibited, unless representative samples of the chemicals are tested to confirm undetectable levels of CrVI no later than one month prior to use. ISO 19071 or other CrVI test methods appropriate to the chemical shall be employed.
 - 2.1.6. Final wash must be employed to remove unfixed chrome to the extent feasible.
 - 2.1.7. Use of chromium tanning agents recycled by the tannery is prohibited unless tested regularly (at least annually) to confirm undetectable CrVI via ISO 19071.
- 2.2. Use of Oxidizing Agents: The use of oxidizing agents such as sodium chlorite (or hypochlorite) in the pickle, or of potassium permanganate in pre-tanning wet-end operations, increases the risk of the formation of CrVI.

¹ The terms “detectable/undetectable levels” of CrVI shall be defined by the relevant test method appropriate for the chemical.

² The ZDHC MRSL is the minimum standard for the CrVI standard in this Protocol. Reference to other CrVI limits from other MRSLs may be used if they meet or exceed the stringency of the ZDHC standard. The current version of the ZDHC MRSL is v.3.1 and can be found at: <https://mrsl-30.roadmaptozero.com/mrslpdf?for=Consultancy>. All references to the ZDHC MRSL in this Protocol refer to the then most current version of the ZDHC MRSL. This note applies to all references to ZDHC in this Protocol.

- 2.2.1. Oxidizing agents may only be used if they can be shown to be absolutely necessary (*e.g.*, for white or pastel shades) and if the residuals are reduced prior to the addition of chrome tanning agents. Starch-iodide test papers (must show no color development) or Oxidation-Reduction Potential (“ORP”) measurement (must show a negative reading indicating a reducing agent) shall be used to confirm lack of oxidative potential.
- 2.3. Measure and monitor levels of residual natural fats in wet blue leather. Bovine leather shall contain no more than 3% residual fat as measured below. Pigskin leather shall contain no more than 7% residual fat, as measured below. Other leather (*e.g.*, sheep, goat, *etc.*) shall contain no more than 4% fat, as measured below.
 - 2.3.1. Monitoring must indicate an average grease content of less than 3% (bovine) or 4% (other) by weekly analysis or per 30 batches of production, whichever is the more frequent. For pigskin, monitoring must indicate an average grease content of less than 7% by monthly analysis or per 30 batches of production, whichever is the more frequent. (A “batch” is a production drum load or a group of hides/skins that are processed together as a unit.)
 - 2.3.2. Alternatively, the wet blue leather must have a maximum of 0.5% of Free Fatty Acids (using test method ISO 4048:2018)
- 2.4. If wet blue is used as a starting material: Wet blue bought from other suppliers must be shown to be free of CrVI (using the ISO 17075-2 test method after ageing procedure) and to have fat content less than 3% (bovine), 7% (pigskin), or 4% (other). For pigskin with fat content over 4%, additional degreasing shall be performed before or during the retan stage to reduce fat content below 4%.

3. **Process Stage: Retanning/Wet End/Finishing**

- 3.1. Retanning Agents: Optimization of chrome fixation is critical to reduce extractable chrome levels and the potential for CrVI formation.
 - 3.1.1. Use of oxidizing agents (such as ammonia-based chemicals/bleach) after chrome tanning is prohibited.
 - 3.1.2. Confirm selection of appropriate retanning agents for binding behavior and/or use of complexing agents. Maintain documentation.
 - 3.1.3. Chromium-containing retanning agents must not contain intentionally added or detectable levels of CrVI higher than the levels specified in the ZDHC MRSL.
 - 3.1.4. Obtain from chemical supplier test reports conducted pursuant to ISO 19071 demonstrating undetectable levels of CrVI.
 - 3.1.5. Maintain inventory control to ensure quality of retanning agents at time of use. Use of retanning agents past their “use by” date is prohibited.
- 3.2. Retanning process vessels and associated make-up and delivery systems to be thoroughly cleaned and maintained using best practices.
- 3.3. Water used during retanning process and to clean apparatus, tubs, tools, and other equipment must have undetectable levels of CrVI. Recycled water must be tested

regularly (at least annually) and verified as having undetectable levels of CrVI; water received directly from municipal or permitted wells does not require repeat verification of CrVI levels but should be analyzed to confirm absence of CrVI.

- 3.4. Storage conditions must be maintained in accordance with chemical supplier instructions. Storage of chemicals outside of manufacturer recommendations is prohibited, unless representative samples of the chemicals are tested to confirm undetectable levels of CrVI no later than one month prior to use. ISO 19071 or other CrVI test methods appropriate to the chemical shall be employed.
- 3.5. Final wash must be employed to remove unfixed chrome to the extent feasible.
- 3.6. Use of chromium retanning agents recycled by the tannery is prohibited unless tested regularly (at least annually) to confirm undetectable CrVI via ISO 19071.
- 3.7. Use scavenging agents, such as 1%-3% vegetable tanning extracts, for antioxidant protection, or use commercially-available synthetic antioxidants specifically formulated for the purpose and according to manufacturer specifications. (Antioxidants may be introduced directly or as part of the retanning agent formulation.)
 - 3.7.1. Add antioxidants during retanning process to enable longer-lasting antioxidant efficacy. Use of only spray-on antioxidants is prohibited.
- 3.8. Dyes and Pigments:
 - 3.8.1. Dye and pigments must not contain intentionally added or detectable levels of CrVI.
 - 3.8.2. Obtain from chemical supplier test reports conducted pursuant to ISO or EPA test method for CrVI demonstrating undetectable levels of CrVI.
 - 3.8.3. Obtain from chemical supplier certification that dyes or pigments lack oxidative potential (through ORP measurement showing a negative reading indicating a reducing agent or other appropriate method).
 - 3.8.4. If chromium-containing dyes or pigments are used, final product must be tested annually (or sooner if there is a change in formula) to confirm levels of CrVI below detection limit. Test using ISO 17075-2.
 - 3.8.5. Use of dyes and pigments must be compliant with the ZDHC MRSL.
- 3.9. Bleaches:
 - 3.9.1. Use of aggressive bleaches, peroxides, and potassium permanganate (KMnO₄) as bleaching agents after tanning is prohibited.
- 3.10. Fatliquors: Fatliquors must be suitably formulated with an appropriate antioxidant to protect against CrVI formation. Fish and vegetable oils in particular must be formulated with an appropriate antioxidant to protect against CrVI formation. Do not use fatliquors without having first obtained from the supplier a statement confirming that fatliquors are formulated with an appropriate antioxidant.

- 3.11. Inventory control must be maintained to ensure quality of fatliquors at time of use and that all fatliquors are used prior to “use by” dates.
- 3.12. Chemical storage conditions must be maintained in accordance with chemical supplier instructions to avoid fatliquor breakdown. Storage in conditions outside of manufacturer recommendations is prohibited, unless representative samples of the chemicals are tested to confirm the absence of oxidative potential no later than one month prior to use. Starch-iodide test papers (must show no color development) or ORP measurement (must show a negative reading indicating a reducing agent) shall be used to confirm lack of oxidative potential.
4. **Finishing Oils/Waxes:** Oils and wax finishes containing a high level of unsaturated fats are more likely associated with CrVI formation.
 - 4.1. Obtain from supplier a statement confirming that finishing oils and waxes are suitable for use and do not contribute to CrVI formation (such as by indicating compliance with ZDHC MRSL specifications).
5. **pH Levels:** Careful monitoring of pH through the entire set of tanning, retanning, fatliquoring, and dyeing process stages is critical to the avoidance of CrVI in the finished leather product. The potential for formation of CrVI increases at higher pH. While the neutralization process during wet end retanning will raise pH, this will be reversed during subsequent acidification and fixation.
 - 5.1. The pH must be maintained below 4.0 in the final bath (fixation) of the re-tanning process to ensure entire cross-section of leather is at acidic pH. Maintain documentation of final pH.
 - 5.2. Acidification at the end of wet end processing should be done in a steady manner with 2-3 additions of acid.
 - 5.3. Allow sufficient time to ensure complete acid penetration, depending on thickness and other processing conditions.
 - 5.4. The pH through the entire leather cross-section must be consistently below 4.5 in finished leather. Document final pH of leather determined during research and development. Conduct random audit sampling to ensure pH of final leather product is below 4.5 and maintain documentation.
6. **Final Wash:** Final wash must be employed to remove unfixed chrome. The pH of wash waters may need to be adjusted (lowered) to avoid localized, surface raising of pH.
 - 6.1. Drying: Solar irradiation is prohibited during drying of the leather.

7. Mold:

- 7.1. Use of ammonia to prevent mold formation is prohibited. If a fungicide is to be used to prevent mold formation a declaration should be obtained from the manufacturer to confirm that its use will not contribute to the potential formation of CrVI.

8. Process Stage: Storage and Transportation

- 8.1. Storage and transportation conditions must be monitored to maintain temperature, humidity, and light exposure to reduce the possibility of CrVI formation. Tannery shall provide storage instructions specifying recommended temperature, humidity, and light conditions sufficient to maintain physical and chemical properties of the leather.

9. Good Manufacturing and Quality Control Standards

- 9.1. The following quality assurance procedures must be implemented in order to ensure the prevention of CrVI formation throughout the entire production process:
- 9.1.1. Ensure cleanliness and good organization within the entire production facility.
 - 9.1.2. Storage conditions must be regularly checked to ensure that chemical degradation does not occur.
 - 9.1.3. Inventory control (received date, use by date, supplier, batch number, stores location, *etc.*) must be undertaken to ensure that chemicals are not used past their use-by date.
 - 9.1.4. Train employees in the safe use of chemicals and the correct make-up and application procedures for their use in each stage of the process. Educate workers about the potential for formation of CrVI, its potential for harm in the final product, and their role in ensuring process recipes are followed in order to ensure manufacture of a safe product. Ensure that all safety data sheets are current and available for each chemical, and that employees have been trained to properly handle and store the chemicals. Maintain written chemical management policy.
 - 9.1.5. All process steps must be documented, including the chemicals used in order to ensure transparency in the manufacturing or processing procedure.
 - 9.1.6. Ensure that the products which you use to degrease, tan, dye, or retan the leather do not contain intentionally added or detectable levels of CrVI higher than the levels specified in the ZDHC MRSL and have low oxidation potential. Obtain from chemical supplier a statement confirming that chemicals are suitable for use and do not contribute to CrVI formation or have oxidative potential. If stored outside of supplier recommendations or past “use by” dates, use iodine-starch paper or ORP measurement to check oxidative potential and if necessary use reducing agent prior to use.
 - 9.1.7. Use of chemicals which contain intentionally added CrVI or which the manufacturer cannot guarantee as having detectable levels of CrVI no higher than the levels specified in the ZDHC MRSL is prohibited.
 - 9.1.8. Maintain detailed internal quality control records.
 - 9.1.9. Testing: Annually test representative samples of finished leather for CrVI. Refer to AFIRM Restricted Substances List (available at <https://afirm-group.com/wp->

content/uploads/2023/04/2023_AFIRM_RSL_2023_0419a.pdf) for recommended testing method.

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EXHIBIT D

Form of Notice to Suppliers

EXHIBIT D
SUPPLIER NOTIFICATION
[FOR SETTLING DEFENDANTS THAT PURCHASE LEATHER FROM TANNERIES]:

Dear [Supplier]:

As part of a settlement of a Proposition 65 enforcement action regarding hexavalent chromium in leather footwear/gloves, [Settling Defendant] is writing to notify you of certain requirements applicable to chrome-tanned leather used to manufacture leather components of footwear and gloves that come into direct contact with the skin of the average user when the footwear or gloves are worn.

Pursuant to the settlement, chrome-tanned leather used to manufacture direct skin contact components must be produced pursuant to the settlement Reformulation Protocol at a tannery that certifies that it will comply with the Reformulation Protocol, which is designed to minimize the presence and potential formation of hexavalent chromium in chrome-tanned leather.

We are required to obtain a certification from each tannery that directly supplies [Settling Defendant] with chrome-tanned leather at least once every five years. Please execute the attached certification and return it to us within 30 days, so that we can ensure compliance with the terms of the settlement. ***[For initial notifications before the final compliance date]:*** The settlement allows for a phase-in of leather from certified tanneries. If you cannot currently certify compliance with the Reformulation Protocol, please advise us immediately and provide a timeline for when you expect to obtain certification.

We are also required by the settlement to request that you retain certifications and records demonstrating compliance with the Reformulation Protocol for at least five years, and to produce them to us upon our written request.

[FOR SETTLING DEFENDANTS THAT PURCHASE FINISHED PRODUCTS]:

Dear [Supplier]:

As part of a settlement of a Proposition 65 enforcement action regarding hexavalent chromium in leather footwear/gloves, [Settling Defendant] is writing to notify you of certain requirements applicable to chrome-tanned leather used to manufacture leather components of footwear and gloves that come into direct contact with the skin of the average user when the footwear or gloves are worn.

Pursuant to the settlement, chrome-tanned leather used to manufacture direct skin contact components must be produced pursuant to the settlement Reformulation Protocol at a tannery that certifies that it will comply with the Reformulation Protocol, which is designed to minimize the presence and potential formation of hexavalent chromium in chrome-tanned leather.

We are requiring you to obtain a certification from each tannery that supplies you with chrome-tanned leather for use to manufacture direct skin contact components at least once every five years. Please have each tannery execute the attached certification and return it to you within 30 days, so that we can ensure compliance with the terms of the settlement. ***[For initial notifications before the final compliance date]:*** The settlement allows for a phase-in of leather from certified tanneries. If you cannot currently obtain certifications with compliance with the Reformulation Protocol from all tanneries that supply you with chrome-tanned leather, please advise us immediately and provide a timeline for when you expect to obtain certifications from all tanneries.

We are also required by the settlement to request that you retain certifications and records demonstrating your tanneries' compliance with the Reformulation Protocol for at least five years, and to produce them to us upon our written request.