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10			
11	Attorneys for Defendant FASHION ACCESSORY BAZAAR LLC		
12			
13	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
14			
15	COUNTY OF MARIN		
16	UNLIMITED CIVIL JURISDICTION		
17			
18	LAURENCE VINOCUR,	Case No. CIV1502070	
19	Plaintiff,	Assigned for All Purposes to:	
20	v.	Hon. Roy O. Chernus Courtroom B-06	
21	FASHION ACCESSORY BAZAAR LLC; and DOES 1-150, inclusive,	[PROPOSED] CONSENT JUDGMENT AS TO FASHION ACCESSORY BAZAAR LLC	
22	Defendants.		
23	Detendants.		
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CONSENT JUDGMENT AS TO FASHION ACCESSORY BAZAAR LLC

### 1. <u>INTRODUCTION</u>

#### 1.1. Parties

This Consent Judgment is entered into by and between Plaintiff, Laurence Vinocur ("Vinocur") and Defendant, Fashion Accessory Bazaar LLC ("FAB"), with Vinocur and FAB each individually referred to as a "Party" and collectively as the "Parties."

#### 1.2. Plaintiff

Vinocur is an individual residing in California who 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

FAB employs ten or more individuals and is a "person in the course of doing business" for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 *et seq.* ("Proposition 65").

## 1.4. General Allegations

Vinocur alleges that FAB manufactures, imports, sells, or distributes for sale in California, badge holders that contain di(2-ethylhexyl)phthalate ("DEHP") without first providing the exposure warning required by Proposition 65. DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm.

#### 1.5. Product Description

The products covered by this Consent Judgment include badge holders that contain DEHP including, but not limited to, the *1 Rectangle Lanyard Badge Holder Non-leather*, *F54112-FPP-030113*, *ADX437049*, *UPC #6 88955 68947 3*, manufactured, imported, sold, or distributed for sale in California by FAB, hereinafter the "Covered Products".

#### 1.6. Notice of Violation

On or about March 13, 2015, Vinocur served FAB and certain requisite public enforcement agencies with a "60-Day Notice of Violation" ("Notice") regarding the alleged violation of Proposition 65 with respect to the Covered Products. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

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## 1.7. Complaint

On June 5, 2015, Vinocur filed the instant action ("Complaint"), naming FAB as a defendant for its alleged violations of Health and Safety Code section 25249.6 that are the subject of the Notice.

#### 1.8. No Admission

FAB denies the material, factual, and legal allegations contained in the Notice and Complaint, and maintains that all of the products that it has sold and distributed for sale in California, including the Covered Products, have been, and are, in compliance with all laws. 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 constitute or 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 FAB's obligations, responsibilities, and duties under this Consent Judgment.

#### 1.9. Jurisdiction

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

#### 1.10. Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall be five (5) days after Vinocur's counsel provides written notice to FAB's counsel that the Motion to Approve the Consent Judgment has been granted by the Court.

# 2. <u>INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS</u>

#### 2.1. Reformulated Products

Commencing on the later of the Effective Date or April 1, 2016, and continuing thereafter,

Covered Product(s) which FAB sells, or distributes for sale, in California shall either: a) contain less
than or equal to 1,000 parts per million of DEHP when analyzed pursuant to U.S. Environmental

Protection Agency testing methodologies 3580A and 8270C or other methodology utilized by federal or

state government agencies for the purpose of determining DEHP content in a solid substance ("Reformulated Product(s)"); or b) have a clear and reasonable warning pursuant to Section 2.2 below.

## 2.2. Clear and Reasonable Warnings

Warnings shall be prominently placed with such conspicuousness as compared with other words, statements, designs or devices as to render it likely to be read and understood by an ordinary individual under customary conditions prior to exposure. FAB shall affix a warning to the packaging, labeling, or directly on any Covered Product(s) that are not Reformulated Product(s) defined in Section 2.1, above, and sold or distributed for sale in California that states:

**WARNING:** This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.

or any other warning that complies with Proposition 65 pursuant to Section 7 below.

## 2.3. Sales of Existing Inventory or Additional Products with Warnings

To the extent that FAB has any non-Reformulated Covered Products in its possession, custody, and control, that it seeks to ship to or sell in California, such non-Reformulated Covered Products shall be accompanied by a clear and reasonable warning as provided by Section 2.2 above.

# 3. MONETARY SETTLEMENT TERMS

# 3.1. Civil Penalty Payments

Pursuant to Health and Safety Code section 25249.7(b)(2), and in settlement of all the claims referred to in this Consent Judgment, FAB shall pay \$14,500 in civil penalties in accordance with this Section. Each civil penalty payment will be allocated in accordance with California Health & Safety Code § 25249.12(c)(1) & (d), with seventy-five percent (75%) of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") by Vinocur.

# 3.1.1 Initial Civil Penalty

Within five days of the Effective Date, FAB shall make an initial civil penalty payment of \$4,500. FAB shall provide its payment in a single check made payable to "Laurence Vinocur, Client Trust Account", to be delivered to the address provided in Section 3.3, below. Vinocur's counsel shall be responsible for remitting FAB's penalty payment under this Consent Judgment to OEHHA within five (5) business days of receipt.

## 3.1.2 Final Civil Penalty

On or before September 30, 2016, FAB shall make a final civil penalty payment of \$10,000 in a single check made payable to "Laurence Vinocur, Client Trust Account", to be delivered to the address provided in Section 3.3, below. Pursuant to title 11 California Code of Regulations, section 3203(c), Vinocur agrees that the final civil penalty payment shall be waived in its entirety if, no later than September 15, 2016, an officer of FAB provides Vinocur's counsel a written certification that either:

(a) all Covered Products purchased for sale or manufactured for sale in California as of the date of such certification are Reformulated Products as defined by Section 2.1, or (b) FAB no longer sells non-Reformulated Covered Products in California as of the date of such certification. The option to certify pursuant to this section 3.1.2 in lieu of making the final civil penalty payment required by this Section is a material term and time is of the essence.

#### 3.2. Reimbursement of Attorneys' Fees and Costs

The parties acknowledge that Vinocur and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of this Consent Judgment had been settled. The Parties then attempted to (and did) reach an accord on the compensation due to Vinocur and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5 for all work performed through the mutual execution of this Consent Judgment. Within five (5) days after the Effective Date, FAB shall pay \$33,000 for the fees and costs incurred by Vinocur investigating, bringing this matter to FAB's attention, litigating and negotiating a settlement in the public interest. Payment, in the form of a check made payable to "The Chanler Group", shall be sent to the address set forth in Section 3.3 below.

#### 3.3. Payment Address

All payments required by this Consent Judgment shall be delivered to the following address:

The Chanler Group Attn: Proposition 65 Controller 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710

## 4. <u>CLAIMS COVERED AND RELEASED</u>

# 4.1. Vinocur's Public Release of Proposition 65 Claims

Vinocur, acting on his own behalf and in the public interest, releases FAB and its parents, subsidiaries, affiliated entities under common ownership or control, directors, officers, employees, and attorneys, successors and assignees ("Releasees") and each entity to whom it directly or indirectly distributes or sells the Covered Products including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisers, cooperative members, licensors, and licensees ("Downstream Releasees") for any violations arising under Proposition 65 for unwarned exposures to DEHP from the Covered Products sold by FAB prior to the Effective Date, as set forth in the Notice.

#### 4.2. Vinocur's Individual Release of Claims

Vinocur, in his individual capacity only and *not* in his representative capacity, also provides a release to FAB, Releasees, and Downstream Releasees which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of Vinocur of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual violations of Proposition 65 or exposures from the Covered Products sold or distributed for sale by FAB before the Effective Date.

#### 4.3. FAB's Release of Vinocur

FAB, on its own behalf, and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Vinocur and his attorneys and other representatives, for any and all actions taken or statements made by Vinocur and his attorneys and other representatives, whether in the course of investigating claims, and seeking to enforce Proposition 65 against FAB in this matter with respect to the Covered Products.

#### 5. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered by the Court within one (1) year after it has been fully executed by the Parties.

## 6. <u>SEVERABILITY</u>

If, subsequent to the Court's approval and entry of this Consent Judgment as a judgment, any provision is determined by a court to be unenforceable, the parties shall give full meaning to the intent of the parties to resolve and settle all this matter in its entirety, and 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 and apply within the state of California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, then FAB may provide written notice to Vinocur of any asserted change in the law, and shall have no further injunctive obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so affected. If Proposition 65 or associated regulations are amended or modified to require or allow different warning language content and/or amended or modified methods of transmission, FAB shall be deemed to be in compliance with Proposition 65 warning requirements by either adhering to Section 2.2 above or, after providing written notice to Vinocur of any substitute for the warning specified in Section 2.2 above, by complying with the amended or modified warning requirements. Nothing in this Consent Judgment shall be interpreted to relieve FAB from any obligation to comply with any pertinent state or federal toxics control laws.

## 8. NOTICE

Unless specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered, or certified mail, return receipt requested; or (iii) a recognized overnight courier with delivery confirmation to the following addresses:

#### **Fashion Accessory Bazaar LLC**

Steven Russo, Chief Executive Officer Fashion Accessory Bazaar LLC 15 West 34<sup>th</sup> Street New York, NY 10001 Malcolm C. Weiss, Esq. and Gerard Olson, Esq. Hunton & Williams LLP 550 South Hope Street, Suite 2000 Los Angeles, CA 90071

#### Laurence Vinocur

The Chanler Group Attn: Proposition 65 Coordinator 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

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

## 9. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>

This Consent Judgment may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

## 10. <u>POST EXECUTION ACTIVITIES</u>

Vinocur 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. In furtherance of obtaining such approval, Vinocur and FAB agree to mutually employ their best efforts, and 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 mean cooperating on the drafting and filing of the necessary moving papers, supporting the motion, and appearing at the hearing before the Court.

## 11. MODIFICATION

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

#### 12. <u>INTEGRATION</u>

This Consent Judgment constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be amended or modified except in writing.

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2	13. <u>AUTHORIZATION</u>
3	The undersigned are authorized to execute this Consent Judgment and have read, understood,
4	and agree to all of the terms and conditions contained herein.
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6	AGREED TO:
7	Date: 3/2/2016 Date: 3/7/6
8	
9	By: AURENCE VINOCUR  By: Steven Russo, Chief Executive Officer
10	FASHION ACCESSORY BAZAAR LLC
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