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**SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

Coordination Proceeding Special Title
(Rule 3.550)

JUDICIAL COUNCIL COORDINATION
PROCEEDING No. 4657

GIB, LLC Cases

**CONSENT JUDGMENT
RESOLVING THE PEOPLE’S
CLAIMS AGAINST DEFENDANT
GIB , LLC**

1. INTRODUCTION

1.1 On March 28, 2011, the People of the State of California (“People” or “Plaintiffs”), by and through the Attorney General of the State of California (“Attorney General”), filed an Amended Complaint for civil penalties and injunctive relief against Defendant GIB, LLC (“GIB” or “Settling Defendant”) in *People v. GIB, LLC*, Alameda County Superior Court Case No. RG10545880. The People’s complaint asserted the following claims, each of which GIB has denied:

(a) Settling Defendant violated the Safe Drinking Water and Toxic Enforcement Act of 1986 (“Proposition 65”) by exposing users of its Acai Professional Smoothing Solution and Brazilian Blowout Solution (“the Smoothing Solution Products”) to formaldehyde (gas), a chemical known to the state to cause cancer, without providing the legally required warning.

1 (b) Settling Defendant violated Business and Professions Code section 17500
2 (“False Advertising Law”) by falsely labeling, advertising and/or marketing the Smoothing
3 Solution Products with statements such as “formaldehyde free,” “hyde free,” “salon-safe,”
4 and “safe.”

5 (c) Settling Defendant violated Business and Professions Code section 17200
6 (“Unfair Competition Law”) by:

7 (1) Failing to provide warnings, as required Proposition 65;

8 (2) Making false and misleading statements about the Smoothing
9 Solution Products that constitute false advertising, in violation of Business and
10 Professions Code section 17500;

11 (3) Making false and misleading advertising claims in violation of
12 Business and Professions Code section 17508;

13 (4) Failing to provide pre-purchase notice of refund and return policies
14 in violation of Business and Professions Code section 17538;

15 (5) Failing to provide the state Department of Health with a complete
16 and accurate listing of its products that contain a chemical ingredient that causes
17 cancer, in violation of the Safe Cosmetics Act, Health and Safety Code section
18 111792 (a);

19 (6) Misbranding the Smoothing Solution Products, in violation of the
20 Sherman, Food, Drug and Cosmetic Law, Health and Safety Code section 111730;

21 (7) Failing to provide an accurate Materials Safety Data Sheet as
22 required by the California Hazard Communications Standard, California Code of
23 Regulations, title 8, section 5194; and

24 (8) Selling the Smoothing Solution Products with concentrations of
25 volatile organic compounds (VOCs) in excess of the maximum allowed for hair
26 styling products by the consumer product regulations promulgated by the
27 California Air Resources Board (ARB), California Code of Regulations, title 17,
28 sections 94508 (a)(82) and 94509(a).

1 1.2 On the motion of Settling Defendant, the People’s action has been coordinated in
2 this Court with several other actions pending against GIB. (*In Re GIB, LLC Cases*, Judicial
3 Council Coordination Proceeding No. 4657.)

4 1.3 Settling Defendant sells the Smoothing Solution Products in the State of California
5 and/or has done so in the past four years.

6 1.4 For purposes of this Consent Judgment only, the People and Settling Defendant
7 stipulate that: (a) this Court has jurisdiction over the allegations of violations contained in the
8 People’s Amended Complaint, and personal jurisdiction over Settling Defendant as to the acts
9 alleged therein; (b) venue is proper in Los Angeles; and (c) this Court has jurisdiction to enter this
10 Consent Judgment as a full and final resolution of all claims which were or could have been raised
11 in the Amended Complaint based on the facts alleged therein.

12 1.5 The People and Settling Defendant enter into this Consent Judgment as a full and
13 final settlement of all claims asserted in the Amended Complaint relating to the Smoothing
14 Solution Products arising from the presence of formaldehyde in any of its forms, as well as
15 methylene glycol, contained in, and/or emanating from, such products. By execution of this
16 Consent Judgment and agreeing to provide the relief and remedies specified herein, Settling
17 Defendant does not admit any violations of the laws and regulations alleged in the Amended
18 Complaint or recited in Section 1.1 (a) through (c), above, or any violation of any other law or
19 legal duty.

20 1.6 Except as expressly set forth herein, nothing in this Consent Judgment shall
21 prejudice, waive, or impair any right, remedy, or defense the People and Settling Defendant may
22 respectively have in any other or future legal proceedings unrelated to these proceedings. The
23 Parties agree and acknowledge that the Court has not made any finding that Settling Defendant
24 has violated any law or regulation. However, this Paragraph shall not diminish or otherwise affect
25 the obligations, responsibilities, and duties of the Parties under this Consent Judgment, or the
26 rights of the Attorney General or Settling Defendant to enforce the obligations, responsibilities
27 and duties agreed to herein.

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2. **PARTIES**

2.1 The “Parties” to this Consent Judgment are:

- Plaintiff, the People of the State of California, by and through Kamala D. Harris, Attorney General of California (“Plaintiff” or the “People”); and
- Defendant GIB, LLC (“Settling Defendant” or “GIB”), doing business as “Brazilian Blowout.”

3. **DEFINITIONS**

3.1 “Days” shall mean calendar days.

3.2 “Effective Date” shall mean the date of judicial approval of this Consent Judgment.

3.3 “Formaldehyde in any of its forms” shall include, but is not limited to:

formaldehyde gas, formalin, and any and all other synonyms for formaldehyde listed in any regulatory, guidance, or alert document issued by the federal or California Occupational Health and Safety Administration, the U.S. Food and Drug Administration, or the California Department of Public Health, including any trade names under which such products are sold.

3.4 “Smoothing Solution Products” shall mean Acai Professional Smoothing Solution, Brazilian Blowout Solution, and any other GIB salon smoothing solution product, however named, that contains or emits detectable levels of formaldehyde gas when used as directed.

4. **INJUNCTIVE RELIEF: WARNINGS AND HAZARD COMMUNICATION**

4.1 GIB will take the following steps in order to provide clear and reasonable warnings and appropriate hazard communication with respect to the Smoothing Solution Products, and to resolve all issues with respect to compliance with federal and California OSHA hazard communication standards, incorporated into Proposition 65 regulations by reference at California Code of Regulations, title 27, section 25604.1 for those Smoothing Solution Products:

(a) Revised MSDS. Within ten (10) days of the Effective Date of this agreement, GIB shall provide a copy of this Consent Judgment to the preparer of its Material Safety Data Sheet (MSDS), with instructions to produce a revised Material Safety Data Sheet that contains the following language:

1 “WARNING: Use of Brazilian Blowout Acai Professional Smoothing
2 Solution [or if the MSDS applies to another Smoothing Solution Product,
3 insert the name of that product] as directed will expose you to
4 formaldehyde (gas), a chemical known to the State of California to cause
5 cancer.”

6 The revised MSDS shall additionally contain the hazard-communication and safety
7 precautionary language set forth in Exhibit A (“MSDS Minimum Requirements”).

8 (b) Absence of “anti-warnings.” The revised MSDS shall not contain any
9 language with the purpose or likely effect of undermining or diluting the force of the
10 Proposition 65 warning, or reducing the likelihood that product users will heed safety
11 precautions designed to minimize exposure to formaldehyde gas during product use.
12 Prohibited MSDS words or statements include, but are not limited to: any suggestions that
13 the product emits only “trace” or minimal amounts of formaldehyde gas; statements that
14 users are unlikely to be exposed to formaldehyde in excess of Proposition 65 limits;
15 statements that formaldehyde exposures are within OSHA regulatory limits; and the like.

16 (c) Distribution of MSDS. Within twenty (20) days of the Effective Date of
17 this agreement, the revised MSDS shall be:

- 18 (1) Sent by First Class Mail or personal delivery to all stylists and
19 salons who purchased Smoothing Solution Products in 2010 or
20 2011;
- 21 (2) Posted on the public portion of GIB’s “Brazilian Blowout” website
22 in a prominent place;
- 23 (3) Provided to all GIB trainers, sales and marketing representatives,
24 consultants, and distributors, however denominated; and
- 25 (4) Included with all future shipments of Smoothing Solution Products.

26 GIB shall make a diligent search of its business records, and the records of its sales
27 personnel, in order to compile the most complete listing of customers who purchased
28 Smoothing Solution Products in 2010 and 2011. Settling Defendant shall provide the
Attorney General with a written summary of such efforts within thirty (30) days of the
Effective Date of this agreement.

1 (d) Other Product Use Materials. Within twenty (20) days of the Effective
2 Date of this agreement, all training videos, product instruction sheets, and all other forms
3 and formats of GIB communication regarding exposure risks and user precautions with
4 respect to Smoothing Solution Products shall be revised to be consistent with information
5 in the MSDS.

6 4.2 Corrective advertising. Beginning ten (10) days after the Effective Date of
7 this agreement, all bottles of Smoothing Solution Products shall contain:

8 (a) A prominent product ingredient list identifying either methylene glycol or
9 formaldehyde as an ingredient, and

10 (b) A “CAUTION” sticker advising users that the product releases formaldehyde
11 gas when used as directed, that it must be used with appropriate ventilation, and
12 that it must be used in accordance with manufacturer instructions.

13 4.3 Cessation of Deceptive Representations. Beginning ten (10) days after the
14 Effective Date of this agreement, GIB must both refrain from making, and remove from its
15 Brazilian Blowout web site, advertising materials, brochures, e-mail blasts to stylists, and all
16 forms of communication of all kind, any and all statements indicating that:

17 (a) Smoothing Solution Products are formaldehyde-free, contain no formaldehyde,
18 or will not expose users to formaldehyde;

19 (b) Smoothing Solution Products expose users to only trace or minimal amounts of
20 formaldehyde gas;

21 (c) Smoothing Solution Products are safe, harmless, benign, contain no harsh
22 chemicals, or are made only with natural ingredients;

23 (d) Public entities have declared Smoothing Solution Products to be safe.

24 4.4 Rebroadcast of Reviews. GIB must also refrain from re-broadcasting through any
25 communicative channels any statements similar to those described in paragraph 4.3, such as in
26 magazine articles or advertising pieces promoting Brazilian Blowout as safe or formaldehyde-
27 free. If, however, a magazine article or advertising piece writes a positive review of a Smoothing
28 Solution Product but also makes claims similar to those in subparagraphs 4.3 (a) through (d),

1 above, then GIB may re-broadcast such language only if in its rebroadcast, GIB clearly refutes
2 any such claims made in the original piece.

3 4.5 Modification of GIB Website Content. GIB must specifically remove from its
4 Brazilian Blowout website the items listed in Exhibit B (“Website Modification Minimum
5 Requirements”).

6 4.6 Future Communications with the Public. Consistent with both First Amendment
7 free-speech guarantees and prohibitions on deceptive advertising, in future communications with
8 the public GIB may dispute, discuss, or quote statements, findings, and test results by public
9 entities, but may not misstate or mischaracterize the underlying public-entity statements, findings,
10 and/or test results. GIB also may not use references to public-entity statements, findings, and/or
11 test results to imply that its product releases only trace or minimal amounts of formaldehyde, or
12 that safety precautions, including proper ventilation and adherence to usage instructions, are
13 unnecessary or unimportant. However, GIB may factually cite to statements, findings, and/or test
14 results published by public entities, as long as they are not presented in a context likely to deceive
15 a reasonable consumer.

16 4.7 Additional Worker Safety Requirements. Beginning twenty (20) days after the
17 Effective Date of this agreement, all training videos and other training materials used to certify
18 stylists or to promote GIB products will emphasize ventilation requirements, adherence to usage
19 instructions, stylist and customer safety, and the need for caution with respect to sensitive clients
20 (children, pregnant women, chemically sensitive clients, the elderly, and clients with respiratory
21 conditions).

22 4.8 Required Advisory to GIB Agents and Advertising firms. Settling Defendant will
23 provide all members of its sales and marketing staff, consultants, representatives, and distributors
24 with the advisory attached as Exhibit C (“Memorandum Re: Requirements for Future
25 Representations Regarding GIB Acai Professional Smoothing Solution and Other GIB Smoothing
26 Solutions Emitting Formaldehyde Gas”), and obtain from each such person the signed
27 acknowledgment set forth at page 3 of Exhibit C, certifying that s/he has read the advisory.
28 Settling Defendant will also send the advisory attached as Exhibit D (“Letter Re: Requirements

1 for Future Representations Regarding GIB ‘Brazilian Blowout’ Acai Professional Smoothing
2 Solution”) by certified mail to each advertising and public relations firm that GIB employed after
3 June 1, 2010 or employs in the future

4 5. **INJUNCTIVE RELIEF: CALIFORNIA SAFE COSMETICS ACT**
5 **COMPLIANCE**

6 5.1 Database Reporting Requirement. Within ten (10) days of the Effective Date of
7 this agreement, GIB will report the presence of both methylene glycol and formaldehyde gas in its
8 Smoothing Solution Products to the Department of Public Health- Safe Cosmetics Program
9 through the on-line reporting system. When reporting, GIB shall not claim that the presence of
10 these ingredients is a trade secret.

11 6. **INJUNCTIVE RELIEF: VOC REGULATORY COMPLIANCE**

12 6.1 VOC Measurement. For purposes of this Consent Judgment, “total regulated
13 VOCs” means VOCs measured by ARB "method 310," with an exemption for fragrances of up to
14 two percent (2%) by weight (Cal. Code Regs., tit. 17, § 94510, subd. (c)), and an exemption for
15 all Low Vapor Pressure VOCs (Cal. Code Regs., tit. 17, § 94510, subd. (d)).

16 6.2 Product Packaging.

17 (a) Beginning ten (10) days after the Effective Date of this agreement, any GIB
18 Smoothing Solution Product that exceeds 2% by weight of total regulated VOCs will be sold
19 only in bottles that contain or are packaged with a “Pump Spray” dispenser, as defined in
20 California Code of Regulations, title 17, section 94508(a)(123), or are dispensed in a product
21 form specified in the Table of Standards for VOCs at California Code of Regulations, title 17,
22 section 94509, as subject to a VOC limit higher than 2%.

23 (b) Beginning thirty (30) days after the Effective Date of this agreement, any GIB
24 Smoothing Solution Product that exceeds 2% by weight of total regulated VOCs will be sold only
25 in a bottle that is shipped with a Pump Spray dispenser or other applicable dispensing apparatus
26 already in place in the bottle. The bottle may be accompanied by a measuring cap indicating the
27 appropriate amount of product to use, and/or by usage instructions indicating how many pumps or
28 operations of the dispensing apparatus are necessary to provide the appropriate amount of

1 product. The intent of the requirement to sell product with the Pump Spray or other dispenser
2 already in place is to prevent customers from circumventing the dispensing apparatus by pouring
3 liquid product directly from the bottle.

4 6.3 Product Testing. To determine compliance or noncompliance with the requirement
5 that GIB's Smoothing Solution Products contain no more than the allowable percentage by weight
6 of total regulated VOCs for the applicable product form (e.g., 6% for a Pump Spray product):

- 7
- 8 • Within ten (10) days of the Effective Date of this agreement, GIB shall
9 retain two independent laboratories that are acceptable to the Attorney
10 General for testing for total regulated VOCs.
- 11 • Within ten (10) days of being informed of GIB's choice of laboratories, the
12 Attorney General will obtain three bottles of GIB Smoothing Solution
13 Products, via a single order through ordinary channels of commerce (that is,
14 from GIB directly or from one of GIB's authorized distributors). The
15 Attorney General shall provide one bottle to each of the GIB-retained
16 independent laboratories, and shall provide the third bottle to ARB for in-
17 house testing for total regulated VOCs.

18 6.4 Laboratory Data-Sharing. With respect to GIB Smoothing Solution Products only:

- 19 • ARB will share its test results, including its testing methodology, laboratory
20 reports, and laboratory notes with GIB, at the same time this information is
21 shared with the Attorney General;
- 22 • GIB will authorize its retained labs to share their test results, including their
23 testing methodology, laboratory reports, and laboratory notes with ARB
24 and the Attorney General, at the same time this information is shared with
25 GIB.

26 6.5 Compliance Determination. When the product testing and data-sharing specified
27 above is completed:

28 (a) If all results obtained by ARB and the two independent GIB-retained laboratories
indicate that the Smoothing Solution Products comply with the total regulated VOC limit, then
GIB may continue to sell the Product so long as it complies with the terms of this Consent
Judgment and other applicable provisions of law.

(b) If all results obtained by ARB and two independent laboratories indicate that the
Smoothing Solution Products exceed the total regulated VOC limit, then GIB must immediately

1 cease sales of any noncompliant product in California until compliance can be demonstrated, and
2 the People may, after providing notice to GIB, seek an order of the Court compelling GIB to cease
3 California sales until it brings the Product into compliance with ARB regulations.

4 (c) If one or more results obtained by ARB and two independent laboratories indicate that
5 the Product complies with the total regulated VOC limit, and one or more of these results indicate
6 that it the Product does not so comply, then before the People may seek any order of the Court
7 compelling GIB to take additional steps to comply with VOC limits or cease California sales of
8 the Product, the parties shall meet and confer as provided in paragraph (d) below, in an attempt to
9 resolve the discrepancies in testing results.

10 (d) Within fifteen (15) days after learning of any discrepancy among the results from
11 ARB and the two laboratories referred to above, GIB shall provide the Attorney General and ARB
12 with a written explanation of (i) the discrepancies among the laboratory results, and (ii) GIB's
13 reasons for asserting that the VOC content of the Product does not exceed the total regulated VOC
14 limit. Within 30 of receipt of that written explanation, representatives of GIB, ARB, and the
15 Attorney General shall meet and confer in order to resolve these issues in a manner consistent
16 with applicable laws and regulations. If the discrepancies and related issues cannot be resolved at
17 that meeting, or pursuant to any subsequent meetings that the parties may mutually agree upon,
18 then the Attorney General may file a motion with the Court seeking, as appropriate, either judicial
19 enforcement of this Consent Judgment or resolution of the dispute arising under this Judgment.

20 6.6 Nothing in this Consent Judgment is intended to limit ARB's rights to take its own
21 enforcement action at any time, in any appropriate forum, to compel GIB's compliance with
22 applicable laws or regulations.

23 7. **INJUNCTIVE RELIEF: ADDITIONAL PROVISIONS**

24 7.1 Proof of Licensing. To insure that professional products are not being unlawfully
25 sold for home use, GIB shall require proof of licensing before allowing customers to purchase
26 salon-use only products through its web site and other sales channels.

27 7.2 Refund Policies. Immediately on signing this Consent Judgment, GIB will provide
28 all its customers with clear and conspicuous pre-purchase notice of its refund policies with

1 respect to all cosmetic products it offers for sale, as required by Business and Professions Code
2 section 17538.

3 **8. CIVIL PENALTIES**

4 8.1 Amount. Settling Defendant shall pay a civil penalty of \$300,000 pursuant to
5 California Health and Safety Code sections 25249.7(b) and 25249.12. Pursuant to section
6 25249.12, Defendant shall pay 75% of these funds (\$225,000) to the California Office of
7 Environmental Health Hazard Assessment (“OEHHA”), and shall pay the remaining 25%
8 (\$75,000) to the Attorney General.

9 8.2 Payment Schedule. These penalty payment shall be made in installments,
10 according to the following schedule:

11

Due Date	Total Amount Due	Amount to be remitted to OEHHA	Amount to be remitted to the Attorney General
Effective Date + 30 days	\$75,000	\$56,250	\$18,750
Effective Date + 7 months	\$75,000	\$56,250	\$18,750
Effective Date + 14 months	\$75,000	\$56,250	\$18,750
Effective Date + 21 months	\$75,000	\$56,250	\$18,750

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20 **9. PLAINTIFF’S ATTORNEYS’ FEES AND COSTS**

21 9.1 Reimbursement of Costs. Within thirty (30) days of the Effective Date, Settling
22 Defendant shall pay the Attorney General the sum of \$25,000 to reimburse the direct costs she has
23 borne with respect to product testing and obtaining expert advice in this matter.

24 9.2 Reimbursement of Fees. Settling Defendant shall pay the sum of \$275,000 to the
25 Attorney General to reimburse a portion of the legal fees and costs she has incurred in litigating
26 this matter. This amount shall be paid in installments, according to the following schedule:
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Due Date	Amount Due
Effective Date + 30 days	\$175,000
Effective Date + 1 year	\$25,000
Effective Date + 2 years	\$25,000
Effective Date + 3 years	\$25,000
Effective Date + 4 years	\$25,000

9.3 Disposition of Funds Payable to Attorney General. Seventy-five percent (75%) of those separate portions of the money paid to the Attorney General pursuant to paragraphs 8 and 9 of this Consent Judgment shall be administered by the California Department of Justice, and shall be used by the Environment Section of the Public Rights Division of the Attorney General's Office, until all funds are exhausted, for any of the following purposes: (1) implementation of the Attorney General's authority to protect the environment and natural resources of the State pursuant to Government Code section 12600 et seq. and as Chief Law Officer of the State of California pursuant to Article V, section 13 of the California Constitution; (2) enforcement of laws related to environmental protection, including, but not limited to, Chapters 6.5 and 6.95, Division 20, of the California Health and Safety Code; (3) enforcement of the Unfair Competition Law, Business and Professions Code section 17200, et seq., as it relates to protection of the environment and natural resources of the State of California; and (4) other environmental actions which benefit the State of California and its citizens as determined by the Attorney General. Such funding may be used for the costs of the Attorney General's investigation, filing fees and other court costs, payment to expert witnesses and technical consultants, purchase of equipment, laboratory analyses, personnel costs, travel costs, and other costs necessary to pursue environmental actions investigated or initiated by the Attorney General for the benefit of the State of California and its citizens. The payment, and any interest derived therefrom, shall solely and exclusively augment the budget of the Attorney General's Office as it pertains to the Environment Section of the Public Rights Division and in no manner shall supplant or cause any reduction of any portion of the Attorney General's budget.

1 Twenty-five percent (25%) of those separate portions of the money paid to the Attorney
2 General pursuant to paragraphs 8 and 9 of this Consent Judgment shall be placed in an interest
3 bearing Special Deposit Fund established by the Attorney General. Those funds, including any
4 interest derived therefrom, shall be used by the Attorney General, until all such funds are
5 exhausted, for the costs and expenses associated with the enforcement and implementation of
6 Proposition 65, including investigations, enforcement actions, other litigation or activities as
7 determined by the Attorney General to be reasonably necessary to carry out her or his duties under
8 Proposition 65. Such funding may be used for the Attorney General’s investigation, filing fees
9 and other court costs, payment to expert witnesses and technical consultants, purchase of
10 equipment, travel, purchase of written materials, laboratory testing, sample collection, or any
11 other cost associated with the Attorney General’s duties or authority under Proposition 65.
12 Funding placed in the Special Deposit Fund pursuant to this Section, and any interest derived
13 therefrom, shall solely and exclusively augment the budget of the Attorney General’s Office and
14 in no manner shall supplant or cause any reduction of any portion of the Attorney General’s
15 budget.

16 **10. PAYMENTS**

17 10.1 Each payment required by this Consent Judgment shall be accompanied by a cover
18 letter stating that payment is being made pursuant to this Consent Judgment, and identifying the
19 case name and number. Payments shall be made through the delivery of separate checks payable
20 as follows:

21 (a) Attorney General. Payments due to the Attorney General shall be made
22 payable to the “California Department of Justice,” and sent to the attention of Robert Thomas,
23 Legal Analyst, Department of Justice, 1515 Clay Street, 20th Floor, Oakland, CA 94612.

24 (b) Office of Environmental Health Hazard Assessment. Payments due to
25 OEHHA shall be made payable to the “Office of Environmental Health Hazard Assessment,”
26 and sent to: Senior Accounting Officer, Office of Environmental Health Hazard Assessment, P.
27 O. Box 4010, Sacramento, CA 95812-0410. The cover letter to OEHHA should additionally
28 provide contact information for Robert Thomas from paragraph (a) above.

1 10.2 Late Payment/Acceleration. Within ten (10) days after the Effective Date, the
2 Attorney General will inform GIB in writing of the calendar date that each of the payments
3 described in Sections 8.2 and 9.2 is due. If any payment required by this Judgment is not received
4 by the due date, then Plaintiffs will provide Settling Defendant ten (10) business days' notice of
5 default. If Settling Defendant fails to cure the default within that time, then at the option of the
6 Attorney General, all unpaid balances due pursuant to those sections shall be accelerated, and
7 shall become immediately due and payable, with interest thereon as specified in section 685.010
8 of the Code of Civil Procedure, commencing to accrue on the entire remaining unpaid balance of
9 any sum pursuant those sections, as of the first day immediately after the ten-day delinquency that
10 preceded the notice of default. Code of Civil Procedure section 1013, and the extensions
11 provided for therein, shall not apply to nor extend any deadline referred to in this paragraph or in
12 the payment provisions of this Judgment. If the Attorney General declines to exercise and waives
13 this optional acceleration as to any one or more default(s) in payment, said waiver or waivers shall
14 not constitute a waiver of this option in the event of any other default. Settling Defendant is
15 permitted at its option to pre-pay any time the remaining unpaid balance of any amount due in this
16 Judgment.

17 10.3 If there is a change in the address or the person to whom payments should be made,
18 as detailed in 10.1 (a) and (b), Plaintiffs will give GIB thirty (30) days advanced written notice of
19 all such changes, consistent with section 16.2 of this Consent Judgment.

20 **11. MODIFICATION OF CONSENT JUDGMENT**

21 11.1 This Consent Judgment may be modified from time to time by express written
22 agreement of the Parties with the approval of the Court; by an order of this Court on noticed
23 motion from Plaintiffs or Settling Defendant in accordance with law, for good cause shown; or by
24 the Court in accordance with its inherent authority to modify its own judgments.

25 11.2 Before filing an application with the Court for a modification to this Consent
26 Judgment, the party seeking modification shall meet and confer with the other party to determine
27 whether the modification may be achieved by consent. If a proposed modification is agreed upon,
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1 then Settling Defendant and the Attorney General will present the modification to the Court by
2 means of a stipulated modification to the Consent Judgment.

3 **12. ENFORCEMENT**

4 12.1 Plaintiffs may, by motion or application for an order to show cause before this
5 Court, enforce the terms and conditions contained in this Consent Judgment. In any such
6 proceeding, Plaintiffs may seek whatever fines, costs, penalties, or remedies are provided by law
7 for failure to comply with the Consent Judgment. Where said violations of this Consent
8 Judgment constitute violations of Proposition 65, the Business and Professions Code §§ 17200 *et*
9 *seq.*, Business and Professions Code §§ 17500 *et seq.*, or other laws that are the subject of the
10 Amended Complaint committed subsequent to the Effective Date of this Judgment, the Plaintiff is
11 not limited to enforcement of this, but may seek in another action whatever fines, costs, penalties,
12 or remedies are provided for by law for failure to comply with Proposition 65 or other laws. In
13 any action brought by Plaintiffs or another enforcer alleging subsequent violations of Proposition
14 65 or other laws, Settling Defendant may assert any and all defenses that are available, including
15 any *res judicata* or collateral estoppel effect of this Consent Judgment.

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

17 13.1 Each signatory to this Consent Judgment certifies that s/he is fully authorized by
18 the party he or she represents to stipulate to this Consent Judgment and to enter into and execute
19 the Consent Judgment on behalf of the party represented and legally to bind that party.

20 **14. CLAIMS COVERED**

21 14.1 Full and Binding Resolution. This Consent Judgment is a full, final, and binding
22 resolution between the People and Settling Defendant, of any violation of Proposition 65 and any
23 of the laws and regulations recited in Section 1.1 above, that the People have, or could asserted in
24 the Amended Complaint against Settling Defendant arising from (i) the failure to provide clear
25 and reasonable warning regarding exposures to formaldehyde in any of its forms, or (ii) any other
26 conduct alleged in the Amended Complaint. Compliance with the terms of this Consent Judgment
27 resolves any issue now, in the past, and in the future, concerning compliance by Settling
28 Defendant, its subdivisions and subsidiaries, and the predecessors and successors of any of

1 them, with the requirements of Proposition 65, Business and Professions Code sections 17200 *et*
2 *seq.* and 17500 *et seq.*, and the laws and regulations listed in Section 1.1 above, arising from its
3 allegedly deficient labeling of the Smoothing Solution Products, exposures to methylene glycol
4 and/or formaldehyde gas contained in or emitted by, the Smoothing Solution Products, or from
5 GIB's alleged failure to provide information about its refund policies. Settling Defendant's
6 compliance with the terms of this Judgment also resolves any liability that Settling Defendant's
7 distributors, wholesalers, and retailers may have under Proposition 65 for selling, providing, or
8 applying the Product without first providing a warning. This Consent Judgment does not resolve
9 any claims that Plaintiffs may assert with respect to (i) products other than Smoothing Solution
10 Products, (ii) chemicals other than formaldehyde in any of its forms; (iii) future false advertising
11 or false or misleading claims; (iv) Settling Defendant's failure to continuously comply with the
12 terms of this Consent Judgment, or (v) Settling Defendant's failure to comply with amendments or
13 modifications to the laws or regulations listed in Section 1.1, above. This Consent Judgment does
14 not waive or release claims that any agency of the State of California that is not a signatory to this
15 Judgment may bring pursuant to its authority to enforce any law or regulation over which it has
16 jurisdiction.

17 14.2 Further Reservations. Without limiting the rights reserved to Plaintiffs in the
18 preceding paragraphs, Plaintiffs also reserve the right to bring actions seeking penalties,
19 injunctive, and other relief, against any downstream sellers (*i.e.*, distributors, wholesalers, and/or
20 retailers) who, after the Effective Date of this Judgment: (i) fail to provide warnings as required
21 by California or Federal law with respect to Smoothing Solution Products, or (ii) otherwise fail to
22 comply with, or impede the efforts of others to comply with, any applicable terms of this Consent
23 Judgment.

24 15. INVESTIGATION

25 15.1 Plaintiffs are conducting an ongoing investigation of hair care products that may
26 cause exposure to formaldehyde that are sold by companies other than Settling Defendant. In
27 connection with this investigation, Settling Defendant will, upon reasonable notice, provide
28 Plaintiffs with information, product samples, and other information and materials within their

1 possession, custody or control, or that are readily available to them, relevant to such investigation,
2 except to the extent that such information is privileged or otherwise protected from disclosure.

3 **16. PROVISION OF NOTICE**

4 16.1 When any party is entitled to receive any notice or certification under this Consent
5 Judgment, it shall be sent to the person(s) and address(es) set forth in this Paragraph. Any party
6 may modify the person and address to whom such communications are to be sent by sending each
7 other party notice by e-mail and first class mail. Said change shall take effect for any notice
8 mailed at least five (5) days after the date the return receipt is signed by the party receiving the
9 change.

10 16.2 When notices or certifications are required, they shall be sent by e-mail *and* by
11 First Class Mail or overnight delivery to each of the following:

12 For the Attorney General:

13 Claudia Polsky, Deputy Attorney General
14 California Department of Justice
15 1515 Clay Street, 20th Floor,

16 [REDACTED]
17 Dennis A. Ragen, Deputy Attorney General
18 California Department of Justice
19 110 West A. Street, Suite 1100

20 [REDACTED]
21 Robert Thomas, Legal Analyst
22 Department of Justice,
23 1515 Clay Street, 20th Floor,

24 16.3 For GIB:

25 Hartford O. Brown
26 Klinedinst PC
27 777 South Figueroa, Suite 2800
28 Los Angeles, CA 90017
hbrown@klinedinstlaw.com

1 Greg A. Garbacz, Esq.
2 Klinedinst PC
3 501 West Broadway, Suite 600
4 San Diego, CA 92101
5 ggarbacz@klinedinstlaw.com

6 16.4 Written Certification. Within fifteen (15) days of completing any action required
7 by this Consent Judgment, and also upon Plaintiffs' written request, Settling Defendant will
8 provide Plaintiffs with written certification that the required action has been completed.

9 16.5 Copies of checks. Settling Defendant will cause copies of each and every check
10 issued pursuant to this Consent Judgment to be sent to Claudia Polsky and Dennis Ragen at the
11 addresses set forth above.

12 **17. COURT APPROVAL**

13 17.1 This Consent Judgment shall be submitted to the Court for entry by noticed
14 motion, or as otherwise may be required or permitted by the Court. If this Consent Judgment is
15 not approved by the Court, it shall be of no force or effect and may not be used by the Plaintiffs or
16 Settling Defendant for any purpose.

17 **18. ENTIRE AGREEMENT**

18 18.1 This Consent Judgment and its Exhibits constitute the sole and entire agreement
19 and understanding of the Parties with respect to the entire subject matter hereof, and any and all
20 prior discussions, negotiations, commitments and understandings related hereto. No
21 representations, oral or otherwise, express or implied, other than those contained herein have been
22 made by any Party hereto. No other agreements not specifically referred to herein, oral or
23 otherwise, shall be deemed to exist or to bind any of the Parties.

24 **19. RETENTION OF JURISDICTION**

25 19.1 This Court shall retain jurisdiction of this matter, pursuant to Code of Civil
26 Procedure section 664.6 and any other applicable provisions of law, to implement and enforce the
27 Consent Judgment, and to resolve any disputes that may arise as to its implementation.

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20. EXECUTION IN COUNTERPARTS

20.1 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

IT IS SO ORDERED and ADJUDGED:

DATED: _____

HON. ELIHU M. BERLE
JUDGE OF THE SUPERIOR COURT

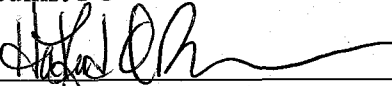
IT IS SO STIPULATED:

DATED: January ____, 2012

KAMALA D. HARRIS
Attorney General
MARK BRECKLER
Chief Assistant Attorney General
SALLY MAGNANI
Senior Assistant Attorney General
DENNIS A. RAGEN
Deputy Attorney General

By: _____
CLAUDIA POLSKY
Deputy Attorney General
For Plaintiff People of the State of California

GREG A. GARBACZ, ESQ.
HARTFORD O. BROWN, ESQ.
Klinedinst PC

By:  _____
HARTFORD BROWN
For Defendant GIB, LLC

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20. EXECUTION IN COUNTERPARTS

20.1 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

IT IS SO ORDERED and ADJUDGED:

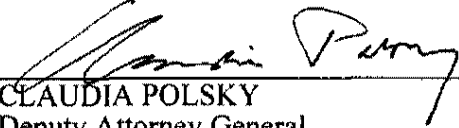
DATED: _____

HON. ELIHU M. BERLE
JUDGE OF THE SUPERIOR COURT

IT IS SO STIPULATED:

DATED: January 5, 2012

KAMALA D. HARRIS
Attorney General
MARK BRECKLER
Chief Assistant Attorney General
SALLY MAGNANI
Senior Assistant Attorney General
DENNIS A. RAGEN
Deputy Attorney General

By: 

CLAUDIA POLSKY
Deputy Attorney General
For Plaintiff People of the State of California

GREG A. GARBACZ, ESQ.
HARTFORD O. BROWN, ESQ.
Klinedinst PC

By: _____
HARTFORD BROWN
For Defendant GIB, LLC

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Exhibit A
(MSDS Minimum Requirements)

Exhibit A

Material Safety Data Sheet (MSDS) Minimum Requirements

The MSDS for Brazilian Blowout Professional Smoothing Solution, dated October 26, 2010, appended as Attachment 1 hereto, must be revised as follows:

Chronic Health Effects, Section 2.6

- This Section must be revised to reflect, at minimum, the specific health hazards of cancer and sensitization of the respiratory system in addition to the already-described hazard of skin sensitization. The sentence stating that “No harmful or chronic health effects related to the respiratory system are expected” is inaccurate and must be removed. The initial sentence is irrelevant and is apt to create confusion as to the distinction between acute hazards (such as those from ingestion) and chronic hazards; it must be deleted.

Composition and Ingredient Information, Section 3

- Ingredient concentrations must be updated to reflect the composition of Brazilian Blowout’s current product

Toxicological Information, Section 11

- Section 11.4 (“Suspected Carcinogen”) must list formaldehyde (gas), based on the National Toxicology Program’s listing of formaldehyde as a known carcinogen on June 10, 2011.

Regulatory Information, Section 15

- Section 15.7 (“U.S. Regulatory Information”) should be revised to indicate that “when used as directed, this product releases formaldehyde gas.” Formaldehyde gas should be identified as the chemical on relevant state lists. The Proposition 65 “Warning” described in the Consent Judgment should be contained in this Section. This section must not contain any extraneous, editorial, argumentative, or other qualifying information or unsubstantiated claims regarding exposure levels; it must be a straightforward factual disclosure of the regulatory status of product ingredients.

Attachment 1

(MSDS dated October 26, 2010)

Prepared to OSHA, ACC, ANSI, NOHSC, WHMIS & 2001/58 EC Standards

MSDS Revision: 1.4

MSDS Revision Date: 10/26/2010

1. PRODUCT IDENTIFICATION

1.1	Product Name: BRAZILIAN BLOWOUT PROFESSIONAL SMOOTHING SOLUTION
1.2	Chemical Name: NA
1.3	Synonyms: NA
1.4	Trade Names: Brazilian Blowout Professional Smoothing Solution
1.5	Product Use: PROFESSIONAL USE ONLY
1.6	Distributor's Name: Brazilian Blowout
1.7	Distributor's Address: 6855 Tujunga Ave., North Hollywood, CA 91605
1.8	Emergency Phone: CHEMTREC: +1 (703) 527-3887 / +1 (800) 424-3887
1.9	Business Phone: +1-818-232-8775 / +1-877-779-7706

2. HAZARD IDENTIFICATION

2.1	Hazard Identification: This product is NOT classified as a HAZARDOUS SUBSTANCE or as DANGEROUS GOODS according to the classification criteria of [NOHSC: 1088 (2004)] and ADG Code (Australia). In case of eye contact, rinse immediately with water. For external use only. Keep out of reach of children. Use only as directed.						
2.2	Routes of Entry:	Inhalation:	YES	Absorption:	YES	Ingestion:	YES
2.3	Effects of Exposure: INGESTION: If product is swallowed, may cause nausea, vomiting and/or diarrhea. EYES: Direct contact may cause mild irritation. Symptoms of overexposure may include redness, itching, irritation and watering. SKIN: May be irritating to skin. The product can cause allergic skin reactions (e.g., rashes, welts, dermatitis) in some sensitive individuals. INHALATION: May cause irritation and sensitization of the respiratory tract, especially if proper ventilation is not used or otherwise used improperly, e.g. excessive amounts of product are applied. When exposed to high heat (e.g., flat iron), may cause sore throat, coughing, and shortness of breath.						
2.4	Symptoms of Overexposure: Overexposure in eyes may cause redness, itching and watering. Symptoms of skin overexposure may include redness, itching, and irritation of affected areas. The product can cause allergic skin reactions (e.g., rashes, welts, dermatitis) in some sensitive individuals.						
2.5	Acute Health Effects: Moderate irritation to eyes. Moderate irritation to skin near affected areas.						
2.6	Chronic Health Effects: No harmful or chronic health effects are expected to occur from a single accidental ingestion. Frequent or prolonged exposure to product may cause hypersensitivity leading to contact dermatitis. Repeated or prolonged skin contact with product may cause an allergic reaction in some people. No harmful or chronic health effects related to the respiratory system are expected. Proper ventilation must be used to ensure the OSHA TLV's are not exceeded. Avoid prolonged contact to concentrated vapors.						
2.7	Target Organs: Respiratory system, Skin, Eyes.						

NA = Not Available; ND = Not Determined; NE = Not Established; NF = Not Found; C = Ceiling Limit; See Section 16 for Additional Definitions of Terms Used
NOTE: All WHMIS required information is included. It is located in appropriate sections based on the ANSI Z400.1-2004 format.

Prepared to OSHA, ACC, ANSI, NOHSC, WHMIS & 2001/58 EC Standards

MSDS Revision: 1.4

MSDS Revision Date: 10/26/2010

3. COMPOSITION & INGREDIENT INFORMATION- continued

CHEMICAL NAME(S)	CAS No.	RTECS No.	EINECS No.	%	EXPOSURE LIMITS IN AIR (mg/m ³)								
					ACGIH		NOHSC			OSHA			OTHER
					ppm		ppm			ppm			
					TLV	STEL	ES-TWA	ES-STEL	ES-PEAK	TLV	STEL	IDLH	
WATER	7732-18-5	ZC0110000	231-791-2	≤85.0	NA	NA	NF	NF	NF	NA	NA	NA	
METHYLENE GLYCOL	463-57-0	NA	207-339-5	< 5.0	NA	NA	NF	NF	NF	NA	NA	NA	
BEHENYL TRIMETHYLAMMONIUM METHOSULFATE AND N-HEXADECANOL AND BUTYLENE GLYCOL MIXTURE	NA	NA	NA	≤ 5.0	NA	NA	NF	NF	NF	NA	NA	NA	
ISOPARAFFIN	64741-65-7	NA	265-067-2	≤ 3.0	NA	NA	NF	NF	NF	NA	NA	NA	
CETRIMONIUM CHLORIDE	112-02-7	NA	203-928-6	≤ 2.0	NA	NA	NF	NF	NF	NA	NA	NA	
PETROLATUM	8009-03-8	SE6780000	232-373-2	≤ 1.0	NA	NA	NF	NF	NF	NA	NA	NA	
HYPNEA MUSCIFORMIS EXTRACT (AND) GELLIDIOLA ACEROSA EXTRACT (AND) SARGASSUM FILIPENDULA EXTRACT (AND) SORBITOL	NA	NA	NA	≤ 1.0	NA	NA	NF	NF	NF	NA	NA	NA	
THEOBROMA GRANDIFLORUM SEED BUTTER (CUPUAÇU BUTTER)	394236-97-6	NA	NA	≤ 0.5	NA	NA	NF	NF	NF	NA	NA	NA	
PANTHENOL	81-13-0	ES4316000	201-327-3	≤ 0.25	NA	NA	NF	NF	NF	NA	NA	NA	
HYDROLYZED KERATIN	69430-36-0	NA	274-001-1	≤ 1.0	NA	NA	NF	NF	NF	NA	NA	NA	
FRAGRANCE (PARFUM)	NA	NA	NA	≤ 1.0	NA	NA	NF	NF	NF	NA	NA	NA	
METHYLCHLOROISOTHIAZOLINONE	26172-55-4	NA	247-500-7	≤ 0.1	NA	NA	NF	NF	NF	NA	NA	NA	
METHYLISOTHIAZOLINONE	2682-20-4	NA	220-239-6	≤ 0.1	NA	NA	NF	NF	NF	NA	NA	NA	

4. FIRST AID MEASURES

4.1	<p>First Aid:</p> <p>INGESTION: DO NOT INDUCE VOMITING. Contact ChemTrec at 703-527-3887 or the nearest Poison Control Center or local emergency telephone number for assistance and instructions. Seek immediate medical attention. If vomiting occurs spontaneously, keep victim's head lowered (forward) to reduce the risk of aspiration.</p> <p>EYES: If product gets in the eyes, flush eyes thoroughly with copious amounts of water for at least 15 minutes, holding eyelid(s) open to ensure complete flushing. If irritation persists, seek medical attention.</p> <p>SKIN: Remove contaminated clothing and wash affected areas with soap and water. If irritation persists, seek prompt medical attention. Do not wear contaminated clothing until after it has been properly cleaned.</p> <p>INHALATION: Should overexposure occur or victim shows signs of immediate distress, remove victim to fresh air at once. Under extreme conditions, if breathing stops, perform artificial respiration. Seek immediate medical attention.</p>										
4.2	<p>Medical Conditions Aggravated by Exposure:</p> <p>Pre-existing dermatitis, other skin conditions, and pre-existing skin or eye disorders.</p> <p>Overexposure to product may cause lung damage and aggravate pulmonary conditions.</p> <p>Do no use on broken skin or irritated areas. In some individuals contact with skin may aggravate skin diseases such as eczema and contact dermatitis.</p> <table border="1" style="float: right;"> <tr> <td>HEALTH</td> <td style="text-align: center;">1</td> </tr> <tr> <td>FLAMMABILITY</td> <td style="text-align: center;">0</td> </tr> <tr> <td>REACTIVITY</td> <td style="text-align: center;">0</td> </tr> <tr> <td>PROTECTIVE EQUIPMENT</td> <td style="text-align: center;">C</td> </tr> <tr> <td>EYES</td> <td>SKIN</td> </tr> </table>	HEALTH	1	FLAMMABILITY	0	REACTIVITY	0	PROTECTIVE EQUIPMENT	C	EYES	SKIN
HEALTH	1										
FLAMMABILITY	0										
REACTIVITY	0										
PROTECTIVE EQUIPMENT	C										
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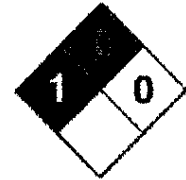
Prepared to OSHA, ACC, ANSI, NOHSC, WHMIS & 2001/58 EC Standards

MSDS Revision: 1.4

MSDS Revision Date: 10/26/2010

5. FIREFIGHTING MEASURES

5.1	Flashpoint & Method: This product is not flammable.
5.2	Autoignition Temperature: ND
5.3	Flammability Limits: Lower Explosive Limit (LEL): NE Upper Explosive Limit (UEL): NE
5.4	Fire & Explosion Hazards: This product is not a flammable liquid. However, if involved in a fire, this product may ignite and decompose to form toxic gases (e.g., CO, CO₂, and NO_x, formaldehyde).
5.5	Extinguishing Methods: Water Fog, Foam, Dry Chemical, CO₂
5.6	Firefighting Procedures: As in any fire, wear MSHA/NIOSH approved self-contained breathing apparatus (pressure-demand) and full protective gear. Keep containers cool until well after the fire is out. Use water spray to cool fire-exposed surfaces and to protect personnel. Prevent runoff from fire control or dilution from entering sewers, drains, drinking water supply, or any natural waterway. Firefighters must use full bunker gear including NIOSH-approved positive pressure self-contained breathing apparatus to protect against potential hazardous decomposition products.



6. ACCIDENTAL RELEASE MEASURES

6.1	Spills: Before cleaning any spill or leak, individuals involved in spill cleanup must wear appropriate Personal Protective Equipment. For small spills (e.g., <1 gallon (3.785 liters)) wear appropriate personal protective equipment (e.g., goggles, gloves). Maximize ventilation (open doors and windows). Remove spilled material with absorbent material and place into appropriate closed container(s) for disposal. Dispose of properly in accordance with local, state and federal regulations. Wash all affected areas and outside of container with plenty of warm water and soap. Remove any contaminated clothing and wash thoroughly before reuse. For spills ≥ 1 gallon (3.785 liters), deny entry to all unprotected individuals. Dike and contain spill with inert material (e.g., sand or earth). Transfer product to containers for recovery or disposal and solid diking material to separate containers for proper disposal. Remove contaminated clothing promptly and wash affected skin areas with soap and water. Keep spills and cleaning runoffs out of municipal sewers and open bodies of water.
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7. HANDLING & STORAGE INFORMATION

7.1	Work & Hygiene Practices: Avoid eye contact. Avoid breathing vapors. Wear protective gloves and avoid direct skin contact whenever possible. Wash hands thoroughly after using this product and before eating, drinking, or smoking. Keep away from foodstuffs and beverages.
7.2	Storage & Handling: Use and store in a cool, dry, well-ventilated location (e.g., local exhaust ventilation is preferred, fans, open doors and windows). Do not store in damaged or unmarked containers or storage devices. Keep away from heat and direct sunlight. Keep containers securely closed when not in use.
7.3	Special Precautions: Spilled material may present a slipping hazard if left unattended. Clean all spills promptly.

Prepared to OSHA, ACC, ANSI, NOHSC, WHMIS & 2001/58 EC Standards

MSDS Revision: 1.4

MSDS Revision Date: 10/26/2010

8. EXPOSURE CONTROLS & PERSONAL PROTECTION

8.1	Ventilation & Engineering Controls: Use with adequate ventilation (e.g., local exhaust ventilation is preferred, fans, open doors and windows). Ensure appropriate decontamination equipment is available (e.g., sink, safety shower, eye-wash station). Use in a chemical fume hood when working with large quantities of product and provide adequate ventilation (e.g., local exhaust ventilation, fans).
8.2	Respiratory Protection: No special respiratory protection is required under typical circumstances of use or handling, however local source capture exhaust is recommended. In instances where vapors or sprays of this product are generated, and respiratory protection is needed, use only protection authorized by 29 CFR §1910.134, applicable U.S. State regulations, or the Canadian CAS Standard Z94.4-93 and applicable standards of Canadian Provinces, EC member States, or Australia.
8.3	Eye Protection: Avoid eye contact. Safety glasses with side shields should be used when handling large quantities (e.g., ≥ 1 gallon (3.785 liters)) of this product.
8.4	Hand Protection: None required under normal conditions of use. However, may cause skin irritation and/or allergic sensitivity in some sensitive individuals, so when product is being mixed, applied or handled, wear gloves made of rubber (nitrile), vinyl or other impervious material.
8.5	Body Protection: No apron required when handling small quantities. When handling large quantities (e.g., ≥ 1 gallon (3.785 liters)), eye wash stations and deluge showers should be available.

9. PHYSICAL & CHEMICAL PROPERTIES

9.1	Density:	NA
9.2	Boiling Point:	NA
9.3	Melting Point:	NA
9.4	Evaporation Rate:	NA
9.5	Vapor Pressure:	NA
9.6	Molecular Weight:	NA
9.7	Appearance & Color:	Lotion with a slight pungent odor.
9.8	Odor Threshold:	NA
9.9	Solubility:	Partially soluble in water.
9.10	pH	4.0-5.0
9.11	Viscosity:	NA
9.12	Other Information:	NA

10. STABILITY & REACTIVITY

10.1	Stability: This product is stable when stored in a cool dry location out of direct sunlight and away from other sources of heat.
10.2	Hazardous Decomposition Products: Oxides of carbon (CO, CO₂) and sulfur (SO₂), and formaldehyde gas.
10.3	Hazardous Polymerization: Will not occur.
10.4	Conditions to Avoid: Open flames, sparks, high heat, direct sunlight and close proximity to incompatible substances.
10.5	Incompatible Substances: High temperatures, sources of heat and direct sunlight.

Prepared to OSHA, ACC, ANSI, NOHSC, WHMIS & 2001/58 EC Standards

MSDS Revision: 1.4

MSDS Revision Date: 10/26/2010

11. TOXICOLOGICAL INFORMATION

11.1	Toxicity Data: This product has not been tested on animals to obtain toxicological data. There are toxicology data for the components of this product, which are found in the scientific literature. These data have not been presented in this document
11.2	Acute Toxicity: See section 2.5
11.3	Chronic Toxicity: See section 2.6
11.4	Suspected Carcinogen: No
11.5	Reproductive Toxicity: This product is not reported to produce reproductive toxicity in humans.
	Mutagenicity: This product is not reported to produce mutagenic effects in humans.
	Embryotoxicity: This product is not reported to produce embryotoxic effects in humans.
	Teratogenicity: This product is not reported to produce teratogenic effects in humans.
	Reproductive Toxicity: This product is not reported to produce reproductive effects in humans.
11.6	Irritancy of Product: See Section 2.3
11.7	Biological Exposure Indices: NE
11.8	Physician Recommendations: Treat symptomatically.

12. ECOLOGICAL INFORMATION

12.1	Environmental Stability: The following statements refer to the environmental fate of <u>methylene glycol</u>. When released into the soil, this material is expected to leach into groundwater. When released into water, this material is expected to readily biodegrade. When released into water, this material is not expected to evaporate significantly. This material is not expected to significantly bioaccumulate. When released into the air, this material is expected to be readily degraded by reaction with photochemically produced hydroxyl radicals.
12.2	Effects on Plants & Animals: There is no specific data available for this product.
12.3	Effects on Aquatic Life: There is no specific data available for this product.

13. DISPOSAL CONSIDERATIONS

13.1	Waste Disposal: Dispose of in accordance with federal, state and local regulations.
13.2	Special Considerations: Dispose of in accordance with federal, state and local regulations.

Prepared to OSHA, ACC, ANSI, NOHSC, WHMIS & 2001/58 EC Standards

MSDS Revision: 1.4



MSDS Revision Date: 10/26/2010

14. TRANSPORTATION INFORMATION

The basic description (ID Number, proper shipping name, hazard class & division, packing group) is shown for each mode of transportation. Additional descriptive information may be required by 49 CFR, IATA/ICAO, IMDG, CTDGR, SCT and ADGR.

14.1	49 CFR (GND): NOT REGULATED	
14.2	IATA (AIR): NOT REGULATED	
14.3	IMDG (OCN): NOT REGULATED	
14.4	TDGR (Canadian GND): NOT REGULATED	
14.5	ADR/RID (EU): NOT REGULATED	
14.6	SCT (MEXICO): NOT REGULATED	
14.7	ADGR (Australia): NOT REGULATED	

15. REGULATORY INFORMATION

15.1	U.S. EPA SARA Reporting Requirements: This product contains methylene glycol a substance subject to SARA 313 reporting requirements.	
15.2	U.S. EPA SARA Threshold Planning Quantity: NA	
15.3	TSCA Inventory Status: All chemical substances of this product are listed on the TSCA inventory or are otherwise exempted from inventory status.	
15.4	U.S. EPA CERCLA Reportable Quantity (RQ): NA	
15.5	Other U.S. Federal Requirements: This product complies with the appropriate sections of the Food and Drug Administration's 21 CFR subchapter G (Cosmetics). <u>Clean Air Act:</u> This material does not contain any Class 1 Ozone depleters. This material does not contain any Class 2 Ozone depleters. <u>Clean Water Act:</u> None of the chemicals in this product are listed as Priority Pollutants under the CWA. None of the chemicals in this product are listed as Toxic Pollutants under the CWA.	
15.6	Other Canadian Regulations: This product has been classified according to the hazard criteria of the Controlled Products Regulations (CPR) and the MSDS contains all of the information required by the CPR. The components of this product are not listed on the DSL/NDSL.	
15.7	U.S. State Regulatory Information: Methylene Glycol is on the following state criteria lists: California, New Jersey, Pennsylvania, Minnesota, and Massachusetts. This product contains methylene glycol. When used as directed, this product releases trace amounts of formaldehyde. The amount of formaldehyde released during use, and any exposure to an employee, will depend and vary widely based on the operating conditions. The precise amount of the exposure is difficult to determine and subject to scientific debate and varying protocols for measurement. Based on current scientific methodology, there is no reason to believe that any occupational exposure to formaldehyde from this product during normal use will exceed 40 micrograms per day.	
15.8	67/548/EEC (European Union) and Australia NOHSC:2011 (2003) Requirements: The primary components of this product are listed in Annex I of EU Directive 67/548/EEC. <u>Isoparaffin:</u> (Xn) harmful. R: 65 - Harmful: May cause lung damage if swallowed. S: 2 - Keep out of reach of children. HazChem Code: None allocated. Poison Schedule: None allocated.	

Prepared to OSHA, ACC, ANSI, NOHSC, WHMIS & 2001/58 EC Standards

MSDS Revision: 1.4

MSDS Revision Date: 10/26/2010

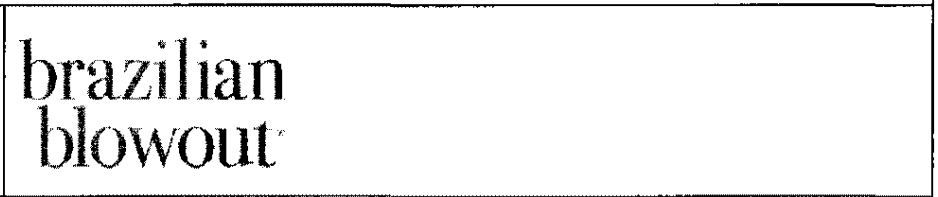
16. OTHER INFORMATION

16.1 Other Information:
Do not ingest. If swallowed, do not induce vomiting; seek medical attention. Avoid eye contact. Keep out of reach of children. If redness or other signs of adverse reaction occur, discontinue use immediately. If irritation persists, seek medical attention. FOR PROFESSIONAL USE ONLY.

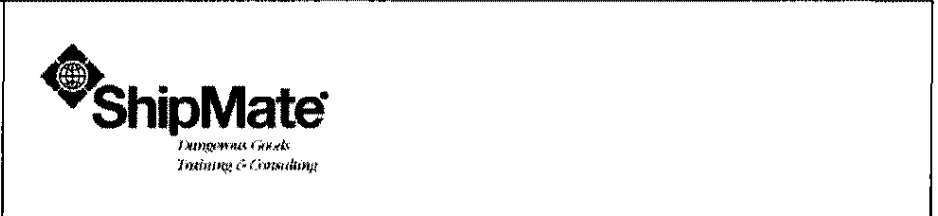
16.2 Terms & Definitions:
Please see last page of this MSDS.

16.3 Disclaimer:
This Material Safety Data Sheet is offered pursuant to OSHA's Hazard Communication Standard, 29 CFR §1910.1200. Other government regulations must be reviewed for applicability to this product. To the best of ShipMate's & BRAZILIAN BLOWOUT's knowledge, the information contained herein is reliable and accurate as of this date; however, accuracy, suitability or completeness are not guaranteed and no warranties of any type, either expressed or implied, are provided. The information contained herein relates only to the specific product(s). If this product(s) is combined with other materials, all component properties must be considered. Data may be changed from time to time. Be sure to consult the latest edition.

16.4 Prepared for:
**Brazilian Blowout
4855 Tujunga Ave.
North Hollywood, CA 91605
+1-877-779-7706
+1-818-232-8775
<http://www.brazilianblowout.com/>**



16.5 Prepared by:
**ShipMate, Inc.
P.O. Box 787
780 Buckaroo Trail, Suite D
Sisters, OR 97759-0787
Tel: +1 (310) 370-3600
Fax: +1 (310) 370-5700
<http://www.shipmate.com>**



Prepared to OSHA, ACC, ANSI, NOHSC, WHMIS & 2001/58 EC Standards | MSDS Revision: 1.4 | MSDS Revision Date: 10/26/2010

DEFINITION OF TERMS

A large number of abbreviations and acronyms appear on a MSDS. Some of these that are commonly used include the following:

GENERAL INFORMATION:

CAS No.	Chemical Abstract Service Number
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EXPOSURE LIMITS IN AIR:

ACGIH	American Conference on Governmental Industrial Hygienists
TLV	Threshold Limit Value
OSHA	U.S. Occupational Safety and Health Administration
PEL	Permissible Exposure Limit
IDLH	Immediately Dangerous to Life and Health

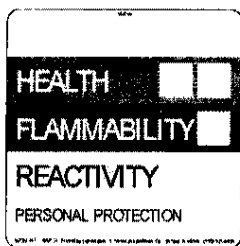
FIRST AID MEASURES:

CPR	Cardiopulmonary resuscitation – method in which a person whose heart has stopped receives manual chest compressions and breathing to circulate blood and provide oxygen to the body.
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HAZARDOUS MATERIALS IDENTIFICATION SYSTEM: HMIS

HEALTH, FLAMMABILITY & REACTIVITY RATINGS:

0	Minimal Hazard
1	Slight Hazard
2	Moderate Hazard
3	Severe Hazard
4	Extreme Hazard



PERSONAL PROTECTION RATINGS:

A		G	
B		H	
C		I	
D		J	
E		K	
F		X	Consult your supervisor or S.O.P. for special handling directions.

Safety Glasses	Splash Goggles	Face Shield & Eye Protection	Gloves
Boots	Synthetic Apron	Full Suit	Dust Respirator
Vapor Respirator	Dust & Vapor Respirator	Full Face Respirator	Airline Hood/Mask or

Note: the dotted circle indicates that this respiratory protective equipment is required for high concentrations or for large volume spills or releases of product.

FLAMMABILITY LIMITS IN AIR:

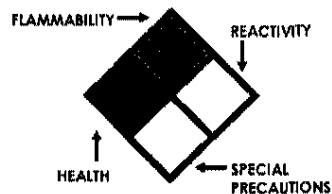
Aut ignition Temperature	Minimum temperature required to initiate combustion in air with no other source of ignition
LEL	Lower Explosive Limit – lowest percent of vapor in air, by volume, that will explode or ignite in the presence of an ignition source
UEL	Upper Explosive limit – highest percent of vapor in air, by volume, that will explode or ignite in the presence of an ignition source

OTHER STANDARD ABBREVIATIONS:

NA	Not Available
NR	No Results
NE	Not Established
NF	Not Found
ND	Not Determined
ML	Maximum Limit
SCBA	Self-Contained Breathing Apparatus

NATIONAL FIRE PROTECTION ASSOCIATION: NFPA HAZARD RATINGS:

0	Minimal Hazard
1	Slight Hazard
2	Moderate Hazard
3	Severe Hazard
4	Extreme Hazard
ACD	Acidic
ALK	Alkaline
COR	Corrosive
W	Use No Water
OX	Oxidizer



TOXICOLOGICAL INFORMATION:

LD ₅₀	Lethal Dose (solids & liquids) which kills 50% of the exposed animals
LC ₅₀	Lethal concentration (gases) which kills 50% of the exposed animal
ppm	Concentration expressed in parts of material per million parts
TD ₀₁	Lowest dose to cause a symptom
TCLo	Lowest concentration to cause a symptom
TD ₀₁ , LD ₀₁ , & LD ₅₀ or TC, TC ₀₁ , LC ₀₁ , & LC ₅₀	Lowest dose (or concentration) to cause lethal or toxic effects
IARC	International Agency for Research on Cancer
NTP	National Toxicology Program
RTECS	Registry of Toxic Effects of Chemical Substances
BCF	Bioconcentration Factor
TL _m	Median threshold limit
log K _{ow} or log K _{oc}	Coefficient of Oil/Water Distribution

REGULATORY INFORMATION:

WHMIS	Canadian Workplace Hazardous Material Information System
DOT	U.S. Department of Transportation
TC	Transport Canada
EPA	U.S. Environmental Protection Agency
DSL	Canadian Domestic Substance List
NDSL	Canadian Non-Domestic Substance List
PSL	Canadian Priority Substances List
TSCA	U.S. Toxic Substance Control Act
EU	European Union (European Union Directive 67/548/EEC)
CPR	Canada's Controlled Product Regulations

EC INFORMATION:

C	E	F	N	O	T+	Xi	Xn
Corrosive	Explosive	Flammable	Harmful	Oxidizing	Toxic	Irritant	Harmful

WHMIS INFORMATION:

A	B	C	D1	D2	D3	E	F
Compressed	Flammable	Oxidizing	Toxic	Irritation	Infectious	Corrosive	Reactive

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Exhibit B
(Website Modification Minimum Requirements)

Exhibit B

Web-Site Modification Minimum Requirements

On the time schedule described in the Consent Judgment, GIB shall remove from the Brazilian Blowout web site the following content:

1. The “talking head” video that appears immediately upon opening the web site.
2. The click-activated “latest air-monitoring test update” on the Brazilian Blowout home page.
3. The following items listed as “Support Materials” for stylists:

Official Statements

16-Dec-2010 [Brazilian Blowout Sues Oregon OSHA](#)

10-Nov-2010 [Brazilian Blowout Proven Safe by Oregon OSHA](#)

01-Nov-2010 [Oregon OSHA Confirms:](#)

15-Oct-2010 [The results are in!](#)

08-Oct-2010 [OSHA's Testing Methods Proven Faulty](#)

05-Oct-2010 ["Contains No Formaldehyde" Test Results Released](#)

04-Oct-2010 [Official Statement from Brazilian Blowout](#)

29-Sep-2010 [Official Statement from Brazilian Blowout](#)

4. Any and all “Press” materials (reprints of, or links to, magazine and other articles in the popular and trade press) that describe Brazilian Blowout as formaldehyde-free, free from harsh chemicals, or safer than formaldehyde-containing competitors, unless those misrepresentations are specifically disclaimed.

GIB shall also refrain from posting new content on the Brazilian Blowout web site that contravenes the Consent Judgment prohibition on deceptive representation.

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Exhibit C

(Memorandum Re: Requirements for Future Representations Regarding GIB Acai Professional Smoothing Solution and Other GIB Smoothing Solutions Emitting Formaldehyde Gas)

MEMORANDUM

TO: GIB SALES AND MARKETING STAFF, CONSULTANTS,
REPRESENTATIVES, AND DISTRIBUTORS
FROM: [INSERT NAME AND TITLE OF GIB CONTACT]
DATE: [INSERT]
RE: **REQUIREMENTS FOR FUTURE REPRESENTATIONS REGARDING
GIB ACAI PROFESSIONAL SMOOTHING SOLUTION AND OTHER
GIB SMOOTHING SOLUTIONS EMITTING FORMALDEHYDE GAS**

GIB has entered into a settlement agreement and Consent Judgment with the California Attorney General regarding GIB's Acai Professional Smoothing Solution, and you are receiving this memorandum pursuant to the requirements of that Judgment. Please read this memorandum carefully, and then sign the acknowledgment on page 3 and return the acknowledgment to me.

When GIB's *Acai Professional Smoothing Solution* is used as directed, it causes emissions of formaldehyde gas, a chemical known to the State to cause cancer. Formaldehyde gas exposure may also result in acute health effects for sensitive stylists and customers, such as breathing difficulties and eye irritation. These risks and adverse effects can be significantly reduced if the product is used with adequate ventilation, and the manufacturer's instructions are carefully followed. It is therefore important that GIB's customers be fully informed of these risks so that they can take the appropriate steps to reduce their exposure to formaldehyde gas. The Consent Judgment contains requirements to ensure that GIB does not downplay these risks, and as employees and/or representatives or agents of GIB, it is your responsibility to comply with these requirements. These requirements include the following provisions:

1. The Material Data Safety Sheet (MSDS) for the Acai Professional Smoothing Solution must contain this warning:

WARNING: Use of Brazilian Blowout Acai Professional Smoothing Solution as directed will expose you to formaldehyde (gas), a chemical known to the State of California to cause cancer.

You may not make statements that undermine or dilute the force of this warning, or that reduce the likelihood that product users will heed safety precautions designed to minimize exposure to formaldehyde gas during product use.

2. You may not make any statements indicating that:

(a) Acai Professional Smoothing Solution is formaldehyde-free, contains no formaldehyde, or will not expose users to formaldehyde;

(b) Acai Professional Smoothing Solution exposes users to only trace or minimal amounts of formaldehyde gas;

(c) Acai Professional Smoothing Solution is safe, harmless, benign, contains no harsh chemicals, or is made only with natural ingredients;

(d) public entities have declared Acai Professional Smoothing Solution safe.

You may not include the above statements in GIB's web site, advertising materials, brochures, e-mails to stylists, or in any other communications of any kind.

3. You must also refrain from re-broadcasting any statements similar to items (a) through (d) above, made by others, such as in magazine articles or advertising pieces promoting Brazilian Blowout as safe or formaldehyde-free. If, however, a magazine article or advertising piece writes a positive review of the Acai Professional Smoothing Solution but also makes claims detailed above in paragraphs (a) through (d), you may re-broadcast such language only if in the rebroadcast, you clearly refute claims similar to (a) through (d) made in the original piece.

4. In future communications with the public, GIB and you may publicly dispute, discuss, or quote statements, findings, and test results by public entities, but may not misstate or mischaracterize the underlying public-entity statements, findings, and/or test results. GIB and you also may not use references to public-entity statements, findings, and/or test results to imply that its product releases only trace or minimal amounts of formaldehyde, or that safety precautions, including proper ventilation and adherence to usage instructions, are unnecessary or unimportant. However, GIB and you may factually cite to statements, findings, and/or test results published by public entities, as long as they are not presented in a context likely to deceive a reasonable consumer.

The above requirements also apply to any past or future GIB salon smoothing solution products, however named, that expose users to formaldehyde gas.

If you have questions regarding the above or if you would like to review a copy of the Consent Judgment, please contact _____.

**ACKNOWLEDGMENT OF REVIEW OF MEMORANDUM SUMMARIZING
REQUIREMENTS FOR FUTURE REPRESENTATIONS
ABOUT ACAI PROFESSIONAL SMOOTHING SOLUTION**

I have read the foregoing Memorandum summarizing the requirements for future representations about GIB's Acai Professional Smoothing Solution, and any other past or future GIB salon smoothing solution products that release formaldehyde gas when used as directed.

Dated: _____

Signature

Print Name

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Exhibit D

(Letter Re: Requirements for Future Representations Regarding GIB ‘Brazilian Blowout’ Acai Professional Smoothing Solution)

[GIB Letterhead]

By Certified Mail

[date]

[Name and address of advertising or public relations firm]

**Re: REQUIREMENTS FOR FUTURE REPRESENTATIONS REGARDING GIB
“BRAZILIAN BLOWOUT” ACAI PROFESSIONAL SMOOTHING SOLUTION**

Dear [____]:

GIB has entered into a settlement agreement and Consent Judgment with the California Attorney General regarding GIB’s *Acai Professional Smoothing Solution*, and you are receiving this letter pursuant to the requirements of that Judgment, because your firm has done advertising or public relations work for GIB over the past two years. This letter sets forth requirements for future advertising and public statements regarding the *Acai Professional Smoothing Solution*.

When GIB’s *Acai Professional Smoothing Solution* is used as directed, it causes emissions of formaldehyde gas, a chemical known to the State to cause cancer. Formaldehyde gas exposure may also result in acute health effects for sensitive stylists and customers, such as breathing difficulties and eye irritation. These risks and adverse effects can be significantly reduced if the product is used with adequate ventilation and the manufacturer’s instructions are carefully followed. It is therefore important that GIB’s customers be fully informed of formaldehyde risks so that they can take the appropriate steps to reduce their exposure. The Consent Judgment contains specific requirements to ensure that GIB does not downplay these risks in its advertising and public relations efforts. These requirements include:

1. The Material Data Safety Sheet (MSDS) for the Acai Professional Smoothing Solution must contain this warning:

WARNING: Use of Brazilian Blowout Acai Professional Smoothing Solution as directed will expose you to formaldehyde (gas), a chemical known to the State of California to cause cancer.

GIB’s advertising and public statements may not contain statements that undermine or dilute the force of this warning, or that reduce the likelihood that product users will heed safety

precautions designed to minimize exposure to formaldehyde gas during product use.

2. GIB's advertising and public statements may not make any of the following claims:

(i) Acai Professional Smoothing Solution is formaldehyde-free, contains no formaldehyde, or will not expose users to formaldehyde;

(ii) Acai Professional Smoothing Solution exposes users to only trace or minimal amounts of formaldehyde gas;

(iii) Acai Professional Smoothing Solution is safe, harmless, benign, contains no harsh chemicals, or is made only with natural ingredients;

(iv) public entities have declared Acai Professional Smoothing Solution safe.

GIB may not include the above statements in its web site, advertising materials, brochures, e-mails to stylists, or in any other communications of any kind.

3. GIB must also refrain from re-broadcasting any statements similar to items (i) through (iv) above, made by others, such as in magazine articles or advertising pieces promoting Brazilian Blowout as safe or formaldehyde-free. If, however, a magazine article or advertising piece writes a positive review of the Acai Professional Smoothing Solution but also makes claims detailed above in paragraphs (i) through (iv), GIB may re-broadcast such language only if in the rebroadcast, GIB clearly refutes claims similar to (i) through (iv) made in the original piece.

4. In future communications with the public, GIB may publicly dispute, discuss, or quote statements, findings, and test results by public entities, but may not misstate or mischaracterize the underlying public-entity statements, findings, and/or test results. GIB also may not use references to public-entity statements, findings, and/or test results to imply that its product releases only trace or minimal amounts of formaldehyde, or that safety precautions, including proper ventilation and adherence to usage instructions, are unnecessary or unimportant. However, GIB may factually cite to statements, findings, and/or test results published by public entities, as long as they are not presented in a context likely to deceive a reasonable consumer.

The above requirements also apply to any past or future GIB salon smoothing solution products, however named, that expose users to formaldehyde gas.

If you have questions regarding the above or if you would like to review a copy of the Consent Judgment, please contact the undersigned at [insert telephone and e-mail address].

Thank you for your attention to these important requirements.

Very truly yours,

[Insert Name of GIB Contact Person]