State of California - Department of Justice - Attorney General's Office - Proposition 65 Enforcement Reporting

FORM JUS 1502 (03-01) Attention: Prop 65 Coordinator, 1515 Clay Street, Suite 2000, Oakland, CA 94612

PRIVATE ENFORCEMENT FILING - Health and Safety Code section 25249.7(e) and (f)

## REPORT OF ENTRY OF JUDGMENT

Please	print or type required information	Original Filing	al Filing		
	PLAINTIFF(S)				
	Shefa LMV Inc.				
	DEFENDANT(S) INVOLVED IN JUDGMENT				
PARTIES TO THE ACTION	, ,			rporation; Mexilink;	
	COURT DOCKET NUMBER		COURT NAME		
Жο	19STCV05345		SUPERIOR COURT OF	CA, Los Angeles Co	
CASE	SHORT CASE NAME				
-	Shefa LMV, Inc. v. Henkle Corp.				
REPORT INFO	INJUNCTIVE RELIEF  COMPLIANT PRODUCTS  PAYMENT: CIVIL PENALTY  \$3,0000  DATE SUBMITTED TO COURT  7 /06/2020  COPY OF	AND WARNINGS  PAYMENT: ATTORNEYS FEES  \$30,000  ISJUDGMENT PURSUANT TO SETTLEMENT?  Yes	PAYMENT: OTHER  0  IF YES, DATE SETTLEMENT WAS REPORTED TO ATTORNEY GENERA  12 /16 / 2019  ATTACHED	For Internal Use Only	
	NAME OF CONTACT			1	
	Daniel N. Greenbaum	, Esq.			
FILER INFO	ORGANIZATION  Law Office of Daniel N. Greenbaum		TELEPHONE NUMBER (818 ) 809–2199		
	ADDRESS 7120 Hayvenhurst Ave., Suite 320			FAX NUMBER (424 ) 243-7698	
	CITY <b>Van Nuys</b>	STATE ZIP  CA 91406-0000	e-MAIL ADDRESS dgreenbaum@green	baumlawfirm.com	

**FILING INSTRUCTIONS:** This form can be completed online and printed. If electronic filing is not available, mail the completed form with a copy of the judgment to the attention of the Prop 65 Coordinator at the address shown above. If you need additional space to complete this form please use an attachment.

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153			Superior Court of California County of Los Angeles				
Electronically Received 07/06/2020 10:53 AM			08/05/2020				
	. 1	LAW OFFICE OF DANIEL N. GREENBAUM	Sherri R. Carter, Executive Officer / Clerk of Cour				
		Daniel N. Greenbaum, Esq. (SBN 268104) The Hathaway Building	By: A. Barton Deputy				
	2	7120 Hayvenhurst Avenue, Suite 320 Van Nuys, CA 91406					
	3	Telephone: (818) 809-2199					
	4	Facsimile: (424) 243-7689  Email: dgreenbaum@greenbaumlawfirm.c	om				
	-	Attorney for Plaintiff SHEFA LMV, INC.					
	7	SUPERIOR COURT OF THE STATE OF CALIFORNIA					
lect							
ш	8						
•	9	SHEFA LMV, INC.,	Case No. 19STCV05345				
	10	)	Case 140. 1951 C 7 05545				
	11	Plaintiff, )	PROPOSEDI CONSENT JUDGMENT				
	12	vs.	AS TO HENKEL CAPITAL S.A. de C.V.; MEXILINK, INC.; AND NATTURA				
	13	HENKEL CAPITAL S.A. de C.V., erroneously)					
	14	named as HENKEL CORPORATION; ) MEXILINK, )	Action Filed: February 19, 2019				
15		INC.; NATTURA LABORATORIOS S.A. DE )	• • •				
	16	C.V., erroneously named as MOCO DE ) GORILA, INC.; and DOES					
	17	1 through 100, Inclusive,					
	18	Defendant.					
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:	28	4831-9642-0793.1	•				
		FROPOSEDI CONS	ENT JUDGMENT				

1. INTRODUCTION

#### 1.1 Parties

This consent judgment ("Consent Judgment") is entered into by and between plaintiff Shefa LMV, Inc. ("Shefa" or "Plaintiff") and HENKEL CAPITAL S.A. de C.V., erroneously named as HENKEL CORPORATION; MEXILINK, INC.; and NATTURA LABORATORIOS S.A. DE C.V., erroneously named as MOCO DE GORILA, INC.; (individually "Defendant" and collectively "Defendants") (Plaintiff and each Defendant individually referred to as a "Party" and collectively as the "Parties.")

#### 1,2 Plaintiff

Shefa is a public benefit, non-profit corporation that 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 Settling Defendants

Each Defendant employs ten (10) or more persons 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 §25249.6 et seq. ("Proposition 65").

#### 1.4 Products Covered

The products covered by this Consent Judgment are hair gel products distributed by HENKEL CAPITAL S.A. de C.V. or manufactured by NATTURA LABORATORIOS S.A. DE C.V., including, but not limited to: a) Wetline Xtreme® Professional Styling Gel; UPC; 871217007416; b) Wetline Xtreme® Reaction Styling Gel UPC871217004316; and c) Moco De Gorila (Gorilla Snot Gel®) Galan By Natturalabs; UPC878971000028, that contain Diethanolamine and are sold, or distributed for sale in California (the "Covered Products").

## 1.5 General Allegations

Shefa alleges that Defendants manufacture, import, sell, or distribute, for sale in the state of California, the Covered Products without first providing a clear and reasonable warning required by Proposition 65. DEA (CAS # 111-42-2) is a chemical listed under Proposition 65 as a chemical known to the state to cause cancer.

#### 1.6 Notice of Violation

On December 21, 2017 and March 16, 2018, Shefa served Defendants and the requisite public enforcement agencies with a 60-Day Notice of Violation (the "Notice") alleging that each Defendant violated Proposition 65 when it failed to warn its customers and consumers in California that the Covered Products expose users to DEA. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

## 1.7 Complaint

On February 19, 2019, Shefa filed the instant complaint in the Superior Court in and for the County of Los Angeles against Defendants, alleging violations of California Health & Safety Code § 25249.6, based on exposures to DEA contained in the Covered Products sold in the State of California (the "Complaint").

#### 1.8 No Admission

Each Defendant denies the material, factual, and legal allegations contained in the Notice and Complaint and maintains that all the products it has manufactured, sold, or 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 by any Defendant 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 by any Defendant of any fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically denied by Defendants. This section shall not, however, diminish or otherwise affect Defendants' obligations, responsibilities, and duties under this Consent Judgment.

## 1.9 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate: a) this Court has jurisdiction over Defendants as to the allegations in the Complaint; b) venue is proper in the County of Los Angeles; c) each Defendant employs or has employed ten or more persons during time periods relevant to the Complaint; and d) this Court has jurisdiction over the Parties to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65.

#### 1.10 Dates

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date the Consent Judgment is approved and entered by the Court and "Compliance Date" shall mean 180 days after the Effective Date.

# 2. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS

#### 2.1 Reformulation of Covered Products

As of the date of execution of this Consent Judgment Defendants HENKEL CAPITAL S.A. de C.V. and NATTURA LABORATORIOS S.A. DE C.V., confirm that they have actively engaged their suppliers of raw materials and hair gel products to comply with their reformulation efforts. Before the Compliance Date, these two Defendants shall take commercially reasonable efforts not to manufacture or distribute any Covered Products (a) that contain DEA as an ingredient in its formula and (b) that any Defendant intends to sell or offer for sale to California consumers. For purposes of this Consent Judgment, Covered Products "contain DEA" if DEA is an intentionally added ingredient of the Covered Products or if the DEA concentration in the Covered Products exceeds the level(s) for the relevant time frame(s) set forth in Section 2.2 of this Consent Judgment.

## 2.2 Reformulation Requirements

2.2.1 "Reformulated Covered Products" shall be deemed to comply with Proposition 65 without a consumer warning. "Reformulated Covered Products" are defined as those Covered Products with DEA concentrations of less than or equal to six-tenths of one percent (0.6%) in the triethanolamine ("TEA") ingredient in the Covered Products, and with concentrations of TEA of less than or equal to seven percent (7%) in the final Covered Products (the "concentration standards").

# 2.2.2 For Covered Products manufactured by NATTURA

LABORATORIOS S.A. DE C.V., compliance with the concentration standards will be based on a certificate of analysis or analytical testing results: (a) provided by the TEA supplier for each lot of

TEA used to manufacture the Covered Products; or (b) obtained by this Defendant for each such lot of TEA.

- 2.2.3 For Covered Products distributed by HENKEL CAPITAL S.A. de C.V., compliance with the concentration standards will be based on a certificate of analysis or analytical testing results: (a) provided by each of the manufacturers of Covered Products that this defendant distributes once every six months; or (b) obtained by this Defendant for Covered Products from each manufacturer once every six months.
- 2.2.4 Defendants may, absent reasonable grounds to question the accuracy of the certificate of analysis or analytical testing results, establish compliance with the DEA concentration standard for Covered Products to be deemed Reformulated Covered Products by relying in good faith on such certificates of analysis or analytical testing results, or on comparable quantitative DEA content information. HENKEL CAPITAL S.A. DE C.V. and NATTURA LABORATORIOS S.A. de C.V. shall retain certificates of analysis or analytical testing results for three years after delivery of the TEA lot or Covered Products to which such documentation applies and compliance documentation shall be made available within 30 days of a written request by Plaintiff, who may make no more than two such requests annually.

## 2.3 Preservation of Competitiveness

The intent of this Section 2 is to protect the competitive interests of Defendants arising from Shefa's claims and to ensure that by settling the allegations in the Notices of Violation and the Complaint, Defendants are not disadvantaged with respect to their competitors. Specifically, the Parties agree that, should any agreement or consent judgment be entered into by Shefa, the California Office of Environmental Health Hazard Assessment, or the California Attorney General's Office concerning products substantially similar to the Covered Products that contains provisions that would materially affect the terms of this Consent Judgment in a manner which would materially benefit Defendants if such provisions were incorporated into this Consent Judgment, such benefits shall be deemed to accrue to Defendants, this Consent Judgment shall be

 amended by a stipulation, and a new [proposed] order shall be submitted to the Court for approval, a copy of which shall be provided to the Attorney General's office no later than forty-five (45) business days before submission to the Court, to provide Defendants the benefit of such agreement or consent judgment. Further, should there be a court decision involving any other person or entity that received a Proposition 65 60-Day Notice of Violation alleging that DEA is in products substantially similar to the Covered Products and such decision is in whole or in part materially favorable to the defendants in such action in a manner which would materially benefit Defendants if such materially favorable aspects of such decision were incorporated into this Consent Judgment, then that decision shall be incorporated into this Consent Judgment by a stipulation and a new [proposed] order that shall be submitted to the Court for approval, a copy of which shall be provided to the Attorney General's Office not later than forty-five (45) business days before submission to the Court.

# 2.4 Warnings For Covered Products

Defendants further agree, promise, and represent that, as of the Compliance Date, to the extent they ship or sell Covered Products that do not meet the reformulation standards set forth above in Section 2.2, Defendants will provide warnings that comply with Proposition 65 on such Covered Products. The warnings shall be provided in a conspicuous and prominent manner such that they will be likely to be read or seen by the consumer before or at the time of the sale or purchase. The Parties agree that the warnings set forth below shall constitute compliance with Proposition 65 with respect to any Covered Products that do not meet the reformulation standards:

(a) the text, "WARNING: This product can expose you to chemicals, including Diethanolamine, which is known to the State of California to cause cancer.

For more information go to www.P65Warnings.ca.gov." accompanied by and placed to the right of a symbol consisting of a black exclamation point in a yellow equilateral triangle

with a bold black outline sized to be no smaller than the word, "WARNING" as provided by regulations adopted on or about August 30, 2016; or

(b) the text, "WARNING: Cancer - www.P65Warnings.ca.gov." accompanied by and placed to the right of a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline sized to be no smaller than the word.

The triangular warning symbol specified in Section 3.3(a) and 3.3(b) shall be in yellow with a black exclamation mark; *provided however*, the symbol may be printed in black and white if the Covered Product label is not printed against a yellow background.

## 2.5 Covered Products in the Stream of Commerce.

Any Covered Products that have been distributed, shipped, or sold by Defendants before the Compliance Date, shall not be subject to the requirements of Section 2.1, 2.2 or 2.4.

#### 3. MONETARY SETTLEMENT TERMS

- 3.1 Payment from Defendants. Within ten (10) business days of the Effective Date,

  Defendants shall make the Total Settlement Payment of \$33,000.00.
- 3.2 Allocation of Payments. The Total Settlement Payment shall be paid in three (3) separate checks made payable and allocated as follows:
- 3.2.1 Civil Penalty. Defendants shall pay \$3,000.00 as a civil penalty pursuant to Health & Safety Code § 25249.7(b). The civil penalty shall be apportioned in accordance with Health & Safety Code § 25249.12 (25% to Shefa and 75% to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of the civil penalty payment in the amount of \$2,250.00 shall be made payable to OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be delivered as follows:

Attn: Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010, MS #19B
Sacramento, CA 95812-4010

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The Shefa portion of the civil penalty payment in the amount of \$750.00 shall be made payable to Shefa LMV, Inc. and associated with taxpayer identification number 81-0907002. This payment shall be delivered to the Law Office of Daniel N. Greenbaum, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406.

3.2.2 Attorney's Fees and Costs. A reimbursement of Shefa's attorney's fees and costs in the amount of \$30,000.00 payable to the "Law Office of Daniel N. Greenbaum," and associated with taxpayer identification number 46-4580172. This payment shall be delivered to the Law Office of Daniel N. Greenbaum, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406.

### 4. CLAIMS COVERED AND RELEASED

## 4.1 Public Release

This Consent Judgment is a full, final, and binding resolution between Shefa on the one hand and each Defendant on the other of any violation of Proposition 65 that was or could have been asserted by Shefa, acting on behalf of itself and in a representative capacity in the public interest under Health & Safety Code § 25249.7, against: (1) each Defendant, its parents, subsidiaries, affiliated entities, manufacturers, suppliers, directors, officers, employees, attorneys, and the predecessors, successors, or assigns of each of them ("Defendant Releasees"); (2) each person or entity to whom each Defendant directly or indirectly exports, distributes or sells the Covered Products, including, without limitation, importers, distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees, including but not limited to Amazon.com, Kmart Corporation and Target, Inc. ("Downstream Releasees"); and (3) each person or entity that manufactures or packages any Covered Products for any Defendant Releasee or otherwise directly or indirectly sells or distributes any covered Products to any Defendant Releasee ("Upstream Releasees") based on failure to warn of alleged exposures to DEA from Covered Products manufactured, sold, or distributed for sale in California by Defendants before the Compliance Date. The release in this Section 4.1 applies to all Covered Products that Defendants manufactured, distributed, or sold before the Compliance Date, regardless of the date any other releasee distributes or sells the Covered Products.

Compliance with the terms of this Consent Judgment shall constitute compliance with Proposition 65 by Defendants, Defendant Releasees, Downstream Releasees, and Upstream Releasees with respect to DBA in Covered Products manufactured, sold, or distributed on and after the Effective Date.

#### 4.2 Shefa's Individual Release of Claims

In further consideration of the promises and agreements herein contained, Shefa, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims that it may have against Defendants and Releasees, including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses, including, without limitation, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 for unwarned exposures to DEA from Covered Products manufactured, sold, or distributed for sale by Defendant prior to the Compliance Date. The releases in Section 4.2 are provided in Shefa's individual capacity and are not releases on behalf of the public.

#### 4.3 Defendants' Release of Shefa

Each defendant, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims that it may have against Shefa and its attorneys and other representatives, for any and all actions taken or statements made by Shefa and its attorneys and other representatives in the course of investigating the claims set forth in the Complaint or otherwise seeking to enforce Proposition 65 against it in this matter.

#### 4.4 Release of Unknown Claims

It is possible that other claims not known to the Parties arising out of the facts contained in the Notice, or alleged in the Complaint, relating to the Covered Products, will hereafter be discovered or developed. Shefa, on behalf of itself only, acknowledges that this Consent Judgment is expressly intended to cover and include all such claims through and including the Compliance

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Shefa understands and acknowledges that the significance and consequence of this waiver of

California Civil Code § 1542 is that, even if Shefa suffers future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, the Covered Products, including but not limited to any exposure to, or failure to warn with respect to exposure to, the Covered Products, Shefa will not be able to make any claim for those damages against Defendants or any of the releasees.

Date, including all rights of action therefor. Shefa acknowledges that the claims released in

claims, and in doing so waives California Civil Code § 1542, which reads as follows:

Sections 4.1 and 4.2 may include unknown claims, and nevertheless Shefa intends to release such

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE

CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR

AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT

#### 5. COURT APPROVAL

WITH THE DEBTOR.

This Consent Judgment is not effective until it is approved and entered by the Court.

#### 6. 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 or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, then any Defendant may provide written notice to Shefa of any asserted change in the law, and with the exception of Sections 3.1 and 3.2 above, have no further obligations pursuant to this Consent Judgment, with respect to, and to the extent that, the Covered Products are so affected. None of the terms of this Consent Judgment shall have any application to Covered Products sold outside of the State of California.

# 7. NOTICE

Unless specified herein, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and sent by email, or by any of the following service

Daniel N. Greenbaum Law Office of Daniel N. Greenbaum 7120 Hayvenhurst Ave., Suite 320 Van Nuys, CA 91406

Any Party may, from time to time, specify in writing to each other Party a change of address

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,

# COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

Plaintiff agrees to comply with the reporting form requirements referenced in California

The Parties acknowledge that, pursuant to California Health & Safety Code § 25249.7(f), Shefa is obligated to file a noticed motion to obtain judicial approval of this Consent Judgment. Upon the Parties' execution of this Consent Judgment, Shefa promptly shall proceed to submit this

This Consent Judgment may only be modified by a written instrument executed by the Party or Parties to be bound thereby, and after approval by the Court upon a noticed motion. Any motion to modify shall be served on all Parties and the Office of the Attorney General.

If Shefa or any Defendant determines at a future date that a violation of this Consent Judgment has occurred, that Party shall provide notice to every other Party. Before bringing any action to enforce any requirement of this Consent Judgment, the Party alleging a violation of this

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Consent Judgment shall provide each other Party with written notice of the grounds for such allegation together with all supporting information as well as a complete demand for the relief sought. The Parties shall then meet and confer regarding the basis for the alleged violation to resolve the matter informally, including providing the Party alleged to be in violation with a reasonable opportunity of at least thirty (30) days to cure any alleged violation. Should such attempt at informal resolution fail, the Party alleging a violation may file its lawsuit seeking the proposed relief.

## 13. TERMINATION

This Consent Judgment shall terminate in the event that any of the following occurs: a) the Office of Environmental Health Hazard Assessment, or any successor agency, issues a decision removing DEA from Proposition 65's List of Chemicals Known to the State of California to Cause Cancer or Reproductive Toxicity (the "Proposition 65 List"); b) a court of competent jurisdiction issues an order removing DEA from the Proposition 65 List, and that order becomes final and non-appealable; or c) the Proposition 65 statute is repealed.

#### 14. AUTHORIZATION

The undersigned are authorized to execute this Consent Judgment on behalf of their respective Party and have read, understood, and agree to all the terms and conditions of this Consent Judgment.

7	AGREED TO:	AGREED TO:	
	Date: 6/22/2020	Date: May 8 2020	
	By:SHEFA LMV, INC.	By: 10000 CLV.;	

4831-9642-0793.1

AGREED TO:

MEXILINK, INC.

AGREED TO:

NATTURA LABORATORIOS S.A. DE C.V.

4831-9642-0793.1

1	08/05/2020 [PROPOSED] JUDGMENT On, 2019 atam/pm, Plaintiff Shefa LMV Inc.'s ("Plaintiff") Motion for Court				
2	Approval of Settlement Agreement and Entry of Consent Judgment as to Defendants HENKEL				
3	CAPITAL S.A. de C.V.; MEXILINK, INC.; and NATTURA LABORATORIOS S.A. DE C.V.;				
4	came for hearing before this Court in Department 71, the Honorable Monica Bachner presiding.				
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	Counsel for Plaintiff did [not] appear; counsel for Defendants did [not] appear.				
6	After full consideration of the points and authorities and related pleadings submitted, the Cou				
7.	GRANTS Plaintiff's Motion pursuant to and in accordance with Health & Safety Cod				
8	§25249.7(f)(4). The Court reviewed the above Settlement Agreement and makes the following				
9	findings pursuant to Health & Safety Code § 25249.7(f)(4):				
10	a. The injunctive relief required by the Settlement Agreement complies with Health &				
11	Safety Code § 25249.7;				
12	b. The reimbursement of fees and costs to be paid pursuant to the Settlement				
13	Agreement is reasonable under California law; and				
14	c. The civil penalty amount to be paid pursuant to Settlement Agreement is reasonable.				
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16	IT IS SO ORDERED, ADJUDGED AND DECREED.				
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