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Attorney for Plaintiff SHEFA LMV, INC.

COUNTY OF LOS ANGELES

Plaintiff,

VS.

**DANSHUZ; and DOES 1 through 100,
Inclusive,**

[PROPOSED] STIPULATED CONSENT

JUDGMENT AS TO DEFENDANT

Inclusive,

DANSHUZ

Defendant.

Action Filed: May 14, 2018

[PROPOSED] STIPULATED CONSENT JUDGMENT AS TO DEFENDANT DANSHUZ

1 **1. INTRODUCTION**

2
3 **1.1 Parties**

4 This consent judgment (“**Consent Judgment**”) is entered into by and between plaintiff
5 Shefa LMV, Inc. (“**Shefa**” or “**Plaintiff**”) and Maria Luisa, Inc. (doing business as “**Danshuz**”
6 (“**Danshuz**” or “**Defendant**”). Shefa and **Defendant** are referred to individually as a “**Party**” and
7 collectively as the “**Parties.**”)

8 **1.2 Plaintiff**

9 Shefa is a public benefit, non-profit corporation that seeks to promote awareness of
10 exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous
11 substances contained in consumer products.

12 **1.3 Settling Defendant**

13 Defendant employs ten (10) or more persons and is a person in the course of doing business
14 for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety
15 Code §25249.6 *et seq.* (“**Proposition 65**”).

16 **1.4 Products Covered**

17 The products covered by this Consent Judgment are resealable plastic garment bag products,
18 including, but not limited to, Dansbagz Competition Garment Bag, Pink Danshuz UPC:
19 821360123280, that are manufactured, sold, or distributed for sale in California by Defendant and
20 contain Di-[2-Ethylhexyl] Phthalate (“**DEHP**”) (collectively, the “**Covered Products**”).

21 **1.5 General Allegations**

22 Shefa alleges that Defendant manufactures, imports, sells, or distributes, for sale in the state
23 of California, the Covered Products without first providing a clear and reasonable warning required
24 by Proposition 65. DEHP (CAS # 117-81-7) is a chemical listed under Proposition 65 as a chemical
25 known to the state to cause cancer or reproductive toxicity.

26 **1.6 Notice of Violation**

27 On February 06, 2018, Shefa served Defendant and the requisite public enforcement
28 agencies with a 60-Day Notice of Violation (the “**Notice**”) alleging that Defendant violated

1 Proposition 65 when it failed to warn its customers and consumers in California that the Covered
2 Products expose users to DEHP. To the best of the Parties' knowledge, no public enforcer has
3 commenced and is diligently prosecuting the allegations set forth in the Notice.

4 **1.7 Complaint**

5 On May 14, 2018, Shefa filed the instant complaint in the Superior Court in and for the
6 County of Los Angeles against Defendant and DOES 1-100, alleging violations of California
7 Health & Safety Code § 25249.6, based on exposures to DEHP contained in the Covered Products
8 sold in the State of California (the "**Complaint**").

9 **1.8 No Admission**

10 Defendant denies the material, factual, and legal allegations contained in the Notice and
11 Complaint and maintains that all the products it has manufactured, sold, or distributed for sale in
12 California, including the Covered Products, have been, and are, in compliance with all laws.
13 Nothing in this Consent Judgment shall be construed as an admission by Defendant of any fact,
14 finding, conclusion of law, issue of law, or violation of law; nor shall compliance with this Consent
15 Judgment constitute or be construed as an admission by Defendant of any fact, finding, conclusion
16 of law, issue of law, or violation of law, the same being specifically denied by Defendant. This
17 section shall not, however, diminish or otherwise affect Defendant's obligations, responsibilities,
18 and duties under this Consent Judgment.

19 **1.9 Consent to Jurisdiction**

20 For purposes of this Consent Judgment only and subject to Section 1.8, the Parties stipulate
21 that: this Court has jurisdiction over Defendant as to the allegations in the Complaint, venue is
22 proper in the County of Los Angeles, the Defendant has employed ten or more persons during time
23 periods relevant to the Complaint, and this Court has jurisdiction over the Parties to enter and
24 enforce the provisions of this Consent Judgment pursuant to Proposition 65.

25 **1.10 Effective Date**

26 For purposes of this Consent Judgment, the term "**Effective Date**" shall mean the date the
27 Consent Judgment is approved and entered by the Court.

28 **2. INJUNCTIVE RELIEF: COMPLIANT PRODUCTS AND WARNINGS**

1 **2.1 Reformulation Standards**

2 As of the Effective Date, unless a warning is provided in compliance with Section 2.2
3 below, Defendant shall not manufacture for sale in California any Covered Products unless such
4 Covered Products contain DEHP in concentrations less than or equal to 1000 parts per million
5 (“ppm”) when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies
6 3580A and 8270C or any other scientifically reliable methodology for determining the
7 concentration of DEHP in the Covered Products.

8 **2.2 Warning Standards**

9 Defendant agrees, promises, and represents that, as of the Effective Date, to the extent it
10 ships or sells Covered Products that do not meet the reformulation standards set forth above in
11 Section 2.1, Defendant will provide warnings on such Covered Products that comply with
12 Proposition 65. The warnings shall be provided in a conspicuous and prominent manner such that
13 they will be likely to be read or seen by the consumer prior to or at the time of the sale or purchase.
14 The Parties agree that the warning set forth below shall constitute compliance with Proposition 65
15 with respect to any Covered Products that are not reformulated:

16 ⚠ **WARNING:** This product can expose you to chemicals, including Di-[2-
17 Ethylhexyl] Phthalate (DEHP), which are known to the State of California to cause
18 cancer and birth defects or other reproductive harm. For more information go to
19 www.P65Warnings.ca.gov.

20 **2.3 Covered Products in the Stream of Commerce.**

21 Any Covered Products that have been distributed, shipped, or sold by Defendant prior to the
22 Effective Date, shall not be subject to the requirements of Sections 2.1 and 2.2.
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1 **3. MONETARY SETTLEMENT TERMS**

2 **3.1 Payment from Defendant.** Within ten (10) business days of the Effective Date,
3 Defendant shall make the Total Settlement Payment of \$17,000.00.

4 **3.2 Allocation of Payments.** The Total Settlement Payment shall be paid in three (3)
5 separate checks made payable and allocated as follows:

6 **3.2.1 Civil Penalty.** Defendant shall pay \$2,000.00 as a civil penalty
7 pursuant to Health & Safety Code § 25249.7(b). The civil penalty shall be apportioned in
8 accordance with Health & Safety Code § 25249.12 (25% to Shefa and 75% to the State of
9 California's Office of Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the
10 OEHHA portion of the civil penalty payment in the amount of \$1,500.00 shall be made payable to
11 OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be
12 delivered as follows:

13 For United States Postal Service Delivery:

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

19 For Non-United States Postal Service Delivery:

20 Attn: Mike Gyurics
21 Fiscal Operations Branch Chief
22 Office of Environmental Health Hazard Assessment
23 1001 I Street, MS #19B
24 Sacramento, CA 95814

25 The Shefa portion of the civil penalty payment in the amount of \$500.00 shall be made
26 payable to Shefa LMV, Inc. and associated with taxpayer identification number 81-0907002.
27 This payment shall be delivered to the Law Office of Daniel N. Greenbaum, 7120 Hayvenhurst
28 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 \$15,000.00 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 and Defendant 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 Defendant, its parents, subsidiaries, affiliated entities, manufacturers, suppliers, directors, officers, employees, attorneys, and the predecessors, successors, or assigns of each of them, and each entity to whom Defendant directly or indirectly exports, distributes or sells the Covered Products, including, without limitation, distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees, including but not limited to Discount Dance LLC., (“Releasees”), based on failure to warn of alleged exposures to DEHP from Covered Products manufactured, sold, or distributed for sale in California by Defendant prior to the Effective Date. The release in this Section 4.1 applies to all Covered Products that Defendant manufactured, distributed, or sold prior to the Effective 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 Defendant and the Releasees with respect to DEHP 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 Defendant 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 DEHP from

1 Covered Products manufactured, sold, or distributed for sale by Defendant prior to the Effective
2 Date. The releases in Section 4.2 are provided in Shefa's individual capacity and are not releases on
3 behalf of the public.

4 4.3 Defendant's Release of Shefa

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

10 4.4 Release of Unknown Claims

11 It is possible that other claims not known to the Parties arising out of the facts contained in
12 the Notice, or alleged in the Complaint, relating to the Covered Products, will hereafter be
13 discovered or developed. Shefa, on behalf of itself only, acknowledges that this Consent Judgment
14 is expressly intended to cover and include all such claims through and including the Effective Date,
15 including all rights of action therefor. Shefa acknowledges that the claims released in Sections 4.1
16 and 4.2 may include unknown claims, and nevertheless Shefa intends to release such claims, and in
17 doing so waives California Civil Code § 1542, which reads as follows:

18 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
19 **CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR**
20 **AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM**
21 **OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT**
22 **WITH THE DEBTOR.**

23 Shefa understands and acknowledges that the significance and consequence of this waiver of
24 California Civil Code § 1542 is that, even if Shefa suffers future damages arising out of or resulting
25 from, or related directly or indirectly to, in whole or in part, the Covered Products, including but not
26 limited to any exposure to, or failure to warn with respect to exposure to, the Covered Products,
27 Shefa will not be able to make any claim for those damages against Defendant or any of the
28 Releasees.

1 **5. COURT APPROVAL**

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

3 **6. GOVERNING LAW**

4 The terms of this Consent Judgment shall be governed by the laws of the State of California
5 and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise
6 rendered inapplicable by reason of law generally, or as to the Covered Products, then Defendant
7 may provide written notice to Shefa of any asserted change in the law, and with the exception of
8 Sections 3.1 and 3.2 above, have no further obligations pursuant to this Consent Judgment, with
9 respect to, and to the extent that, the Covered Products are so affected. None of the terms of this
10 Consent Judgment shall have any application to Covered Products sold outside of the State of
11 California.

12 **7. NOTICE**

13 Unless specified herein, all correspondence and notices required to be provided pursuant to
14 this Consent Judgment shall be in writing and sent by any Party to the other by: (i) personal
15 delivery; (ii) first-class, registered or certified mail, return receipt requested; or (iii) a recognized
16 overnight courier at the following addresses:

17 To Defendant:

18 Julia R. Graeser, Esq.
19 BARG COFFIN LEWIS & TRAPP, LLP
20 600 Montgomery Street, Suite 525
 San Francisco, CA 94111

 To Shefa:

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

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

23 **8. COUNTERPARTS; FACSIMILE AND PDF SIGNATURES**

24 This Consent Judgment may be executed in counterparts, and by facsimile or portable
25 document format (PDF) signature, each of which shall be deemed an original, and all of which,
26 when taken together, shall constitute one and the same document.
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1 **9. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)**

2 Plaintiff agrees to comply with the reporting form requirements referenced in California
3 Health & Safety Code § 25249.7(f).

4 **10. POST EXECUTION ACTIVITIES**

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

9 **11. MODIFICATION**

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

13 **12. DISPUTE RESOLUTION**

14 If Shefa determines at a future date that a violation of this Consent Judgment has occurred,
15 Shefa shall provide notice to Defendant. Prior to bringing any action to enforce any requirement of
16 this Consent Judgment, the party alleging a violation of this Consent Judgment shall provide the
17 other party with written notice of the grounds for such allegation together with all supporting
18 information as well as a complete demand for the relief sought. The Parties shall then meet and
19 confer regarding the basis for the allegation to resolve the matter informally, including providing
20 the party alleged to be in violation with a reasonable opportunity of at least thirty (30) days to cure
21 any alleged violation. Should such attempt at informal resolution fail, the party alleging a violation
22 may file its lawsuit seeking the proposed relief.

23 **13. AUTHORIZATION**

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


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AGREED TO:

AGREED TO:

Date: 5/25/18

Date: 5/21/2018

By: 
SHEFA LMV, INC.

By: 
DEFENDANT DANSHUZ

1 **[PROPOSED] JUDGMENT**

2 Please note that on _____, 2018 at _____ am, Plaintiff Shefa LMV Inc.'s ("Plaintiff")
3 Motion for Court Approval of Settlement Agreement and Entry of Consent Judgment as to Defendant
4 Danshuz came for hearing before this Court in Department 24, the Honorable Robert L. Hess presiding.
5 Counsel for Plaintiff did [not] appear; counsel for Defendant did [not] appear.

6 After full consideration of the points and authorities and related pleadings submitted, the Court
7 GRANTED Plaintiff's Motion pursuant to and in accordance with Health & Safety Code
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):

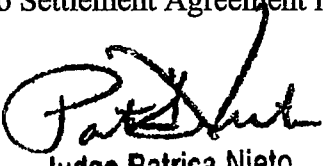
10 a. The injunctive relief required by the Settlement Agreement complies with Health &
11 Safety Code § 25249.7;

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.

15
16 AUG 14 2018

17 _____
18 Date

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16 
17 Judge Patricia Nieto

18 _____
19 Judge of the Superior Court