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Evan Smith (Bar No. SBN 242352) **FILED**
BRODSKY & SMITH, L.L.C. ALAMEDA COUNTY
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FILED
ALAMEDA COUNTY
AUG 09 2019
CLERK OF THE SUPERIOR COURT
By *[Signature]* Deputy
By *[Signature]* Deputy

Attorneys for Plaintiff

CLERK OF THE SUPERIOR COURT
By *[Signature]* Deputy
By *[Signature]* Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

EMA BELL,
Plaintiff,
v.
PAPER SOURCE, INC., et al.,
Defendants.

Case No.: RG18914925
CONSENT JUDGMENT
Judge: Julia Spain
Dept.: 520
Hearing Date: September 26, 2019
Hearing Time: 2:00 PM
Reservation #: R-2103291

FILE BY FAX

1 **1. INTRODUCTION**

2 **1.1 The Parties.** This Consent Judgment is entered into by and between Ema Bell acting
3 on behalf of the public interest (hereinafter "Bell") and Paper Source, Inc. ("Paper Source" or
4 "Defendant") with Bell and Defendant collectively referred to as the "Parties" and each of them as
5 a "Party." Bell is an individual residing in California that seeks to promote awareness of exposures
6 to toxic chemicals and improve human health by reducing or eliminating hazardous substances
7 contained in consumer products. Paper Source is alleged to be a person in the course of doing
8 business for purposes of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.

9 **1.2 Allegations and Representations.** Bell alleges that Defendant has exposed
10 individuals to diisononyl phthalate (DINP) from its sales of Toss Designs, Inc. Stadium crossbody
11 purses/bags/totes without providing a clear and reasonable exposure warning pursuant to
12 Proposition 65. DINP is listed under Proposition 65 as a chemical known to the State of California
13 to cause cancer.

14 **1.3 Notice of Violation/Complaint.** On or about May 1, 2018, Bell served Paper
15 Source, and various public enforcement agencies with documents entitled "60-Day Notice of
16 Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notice"), alleging that Defendant
17 violated Proposition 65 for failing to warn consumers and customers that use of Toss Designs, Inc.
18 Stadium crossbody purses/bags/totes expose users in California to DINP. No public enforcer has
19 brought and is diligently prosecuting the claims alleged in the Notice. On July 31, 2018, Bell filed
20 a complaint (the "Complaint") in the matter.

21 **1.4** For purposes of this Consent Judgment only, the Parties stipulate that this Court has
22 jurisdiction over Defendant as to the allegations contained in the Complaint filed in this matter, that
23 venue is proper in the County of Alameda, and that this Court has jurisdiction to approve, enter,
24 and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all
25 claims which were or could have been raised in the Complaint based on the facts alleged therein
26 and/or in the Notice.

1 1.5 Defendant denies the material allegations contained in the Notice and Complaint
2 and maintains that it has not violated Proposition 65. Nothing in this Consent Judgment shall be
3 construed as an admission by Defendant of any fact, finding, issue of law, or violation of law; nor
4 shall compliance with this Consent Judgment constitute or be construed as an admission by
5 Defendant of any fact, finding, conclusion, issue of law, or violation of law, such being specifically
6 denied by Defendant. However, this section shall not diminish or otherwise affect the obligations,
7 responsibilities, and duties of Defendant under this Consent Judgment.

8 **2. DEFINITIONS**

9 2.1 **Covered Products.** The term "Covered Products" means Toss Designs, Inc.
10 Stadium crossbody purses/bags/totes that are distributed and/or offered for sale in California by
11 Paper Source.

12 2.2 **Effective Date.** The term "Effective Date" means the date this Consent Judgment is
13 entered as a Judgment of the Court.

14 **3. INJUNCTIVE RELIEF: WARNINGS**

15 3.1 **Reformulation of Covered Products.** As of the date this Consent Judgment is
16 signed by both Parties, and continuing thereafter, Covered Products that Paper Source directly
17 imports, distributes, sells, or offers for sale in California shall either: (a) be Reformulated Products
18 pursuant to § 3.2, below; or (b) be labeled with a clear and reasonable exposure warning pursuant
19 to §§ 3.3 and 3.4, below. For purposes of this Consent Judgment, a "Reformulated Product" is a
20 Covered Product that is in compliance with the standard set forth in § 3.2 below. The warning
21 requirement set forth in §§ 3.3 and 3.4 shall not apply to any Reformulated Product.

22 3.2 **Reformulation Standard.** "Reformulated Products" shall mean Covered Products
23 that contain concentrations less than or equal to 0.1% (1,000 parts per million (ppm) of DINP when
24 analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and
25 8270C or other methodology utilized by federal or state government agencies for the purpose of
26 determining the phthalate content in a solid substance.

1 3.3 **Clear and Reasonable Warning.** As of the date this Consent Judgment is signed
2 by both Parties, and continuing thereafter, a clear and reasonable exposure warning as set forth in
3 this §§ 3.3 and 3.4 must be provided for all Covered Products that Defendant imports, distributes,
4 sells, or offers for sale in California that is not a Reformulated Product. There shall be no obligation
5 for Defendant to provide a warning for Covered Products that enter the stream of commerce prior
6 to the date this Consent Judgment is signed by both Parties. The warning shall consist of either the
7 **Warning** or **Alternative Warning** described in §§ 3.3(a) or (b), respectively:

8 (a) **Warning.** The "Warning" shall consist of the statement:

9 ⚠ **WARNING:** This product can expose you to chemicals including diisononyl
10 phthalate (DINP), which is known to the State of California to cause cancer. For
11 more information go to www.P65Warnings.ca.gov.

12 (b) **Alternative Warning:** Paper Source may, but is not required to, use the alternative
13 short-form warning as set forth in this § 3.3(b) ("**Alternative Warning**") as follows:

14 ⚠ **WARNING:** Cancer - www.P65Warnings.ca.gov.

15 3.4 A **Warning** or **Alternative Warning** provided pursuant to § 3.3 must print the word
16 "**WARNING:**" in all capital letters and in bold font, followed by a colon. The warning symbol to
17 the left of the word "**WARNING:**" must be a black exclamation point in a yellow equilateral
18 triangle with a black outline, except that if the sign or label for the Covered Product does not use
19 the color yellow, the symbol may be in black and white. The symbol must be in a size no smaller
20 than the height of the word "**WARNING:**". The warning shall be affixed to or printed on the
21 Covered Product's packaging or labeling, or on a placard, shelf tag, sign or electronic device or
22 automatic process, providing that the warning is displayed with such conspicuousness, as compared
23 with other words, statements, or designs as to render it likely to be read and understood by an
24 ordinary individual under customary conditions of purchase or use. A warning may be contained
25 in the same section of the packaging, labeling, or instruction booklet that states other safety
26 warnings, if any, concerning the use of the Covered Product and shall be at least the same size as
27 those other safety warnings.
28

1 If Paper Source sells Covered Products via an internet website to customers located in
2 California, the warning requirements of this section shall be satisfied if the foregoing warning
3 appears either: (a) on the same web page on which a Covered Product is displayed and/or described;
4 (b) on the same page as the price for the Covered Product; or (c) on one or more web pages
5 displayed to a purchaser prior to purchase during the checkout process. Alternatively, a symbol
6 consisting of a black exclamation point in a yellow or white equilateral triangle may appear adjacent
7 to or immediately following the display, description, price, or checkout listing of the Covered
8 Product, if the warning statement appears elsewhere on the same web page in a manner that clearly
9 associates it with the product(s) to which the warning applies.

10 3.5 **Compliance with Warning Regulations.** Defendant shall be deemed to be in
11 compliance with this Consent Judgment by either adhering to §§ 3.3 and 3.4 of this Consent
12 Judgment or by complying with warning requirements adopted by the State of California's Office
13 of Environmental Health Hazard Assessment ("OEHHA") after the Effective Date.

14 **4. MONETARY TERMS**

15 4.1 **Civil Penalty.** Paper Source shall pay \$1,500.00 as a Civil Penalty pursuant to
16 Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health
17 & Safety Code § 25192, with 75% of these funds remitted to OEHHA and the remaining 25% of
18 the Civil Penalty remitted to Bell, as provided by California Health & Safety Code § 25249.12(d).

19 4.1.1 Within twenty (20) days of the Effective Date, Paper Source shall issue two
20 separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$1,125.00; and
21 to (b) "Brodsky & Smith, LLC in Trust for Bell" in the amount of \$375.00. Payment owed to
22 Bell pursuant to this Section shall be delivered to the following payment address:

23 Evan J. Smith, Esquire
24 Brodsky & Smith, LLC
25 Two Bala Plaza, Suite 510
26 Bala Cynwyd, PA 19004

27 Payment owed to OEHHA (EIN: 68-0284486) pursuant to this Section shall be delivered directly
28 to OEHHA (Memo Line "Prop 65 Penalties") at one of the following address(es):

For United States Postal Service Delivery:

1 Mike Gyurics
2 Fiscal Operations Branch Chief
3 Office of Environmental Health Hazard Assessment
4 P.O. Box 4010
5 Sacramento, CA 95812-4010

6 For Non-United States Postal Service Delivery:

7 Mike Gyurics
8 Fiscal Operations Branch Chief
9 Office of Environmental Health Hazard Assessment
10 1001 I Street
11 Sacramento, CA 95814

12 A copy of the check payable to OEHHA shall be mailed to Brodsky & Smith, LLC at the address
13 set forth above as proof of payment to OEHHA.

14 4.2 **Attorneys' Fees.** Within twenty (20) days of the Effective Date, Paper Source shall
15 pay \$14,500.00 to Brodsky & Smith, LLC ("Brodsky Smith") as complete reimbursement for Bell's
16 attorneys' fees and costs incurred as a result of investigating, bringing this matter to Paper Source's
17 attention, litigating and negotiating and obtaining judicial approval of a settlement in the public
18 interest, pursuant to Code of Civil Procedure § 1021.5.

19 **5. RELEASE OF ALL CLAIMS**

20 5.1 This Consent Judgment is a full, final, and binding resolution between Bell acting
21 on her own behalf, and on behalf of the public interest, and Paper Source, and its parents,
22 shareholders, members, directors, officers, managers, employees, representatives, agents,
23 attorneys, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their
24 predecessors, successors and assigns ("Defendant Releasees"), and all entities from whom they
25 obtain and to whom they directly or indirectly distribute or sell Covered Products, including but
26 not limited to manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees
27 retailers, franchisees, and cooperative members ("Downstream Releasees"), and all entities from
28 whom they obtain and/or directly acquire the Covered Products from, including but not limited to
manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees retailers,
franchisees, and cooperative members, including but not limited to Toss Designs, Inc. ("Upstream
Releasees"), of all claims for violations of Proposition 65 based on exposure to DINP from Covered

1 Products as set forth in the Notice, with respect to any Covered Products distributed, or sold by
2 Paper Source prior to the Effective Date. This Consent Judgment shall have preclusive effect such
3 that no other person or entity, whether purporting to act in his, her, or its interests or the public
4 interest shall be permitted to pursue and/or take any action with respect to any violation of
5 Proposition 65 that was alleged in the Complaint, or that could have been brought pursuant to the
6 Notice against Paper Source, Downstream Releasees, and/or the Upstream Releasees of the
7 Covered Products ("Proposition 65 Claims"). Compliance with the terms of this Consent Judgment
8 constitutes compliance with Proposition 65 with regard to the Covered Products.

9 5.2 In addition to the foregoing, Bell, on behalf of herself, her past and current agents,
10 representatives, attorneys, and successors and/or assignees, and not in her representative capacity,
11 hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action
12 and releases Paper Source, Defendant Releasees, Downstream Releasees, and Upstream Releasees
13 from any and all manner of actions, causes of action, claims, demands, rights, suits, obligations,
14 debts, contracts, agreements, promises, liabilities, damages, charges, losses, costs, expenses, and
15 attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent,
16 now or in the future, with respect to any alleged violations of Proposition 65 related to or arising
17 from Covered Products distributed, or sold by Paper Source, Defendant Releasees, Downstream
18 Releasees or Upstream Releasees. With respect to the foregoing waivers and releases in this
19 paragraph, Bell hereby specifically waives any and all rights and benefits which she now has, or in
20 the future may have, conferred by virtue of the provisions of § 1542 of the California Civil Code,
21 which provides as follows:

22 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
23 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
24 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
25 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
DEBTOR OR RELEASED PARTY.

26 5.3 Paper Source waives any and all claims against Bell, her attorneys and other
27 representatives, for any and all actions taken or statements made (or those that could have been
28 taken or made) by Bell, her attorneys and other representatives, whether in the course of

1 investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter,
2 and/or with respect to Covered Products.

3 **6. INTEGRATION**

4 6.1 This Consent Judgment contains the sole and entire agreement of the Parties and
5 any and all prior negotiations and understandings related hereto shall be deemed to have been
6 merged within it. No representations or terms of agreement other than those contained herein exist
7 or have been made by any Party with respect to the other Party or the subject matter hereof.

8 **7. GOVERNING LAW**

9 7.1 The terms of this Consent Judgment shall be governed by the laws of the State of
10 California and apply within the State of California. In the event that Proposition 65 is repealed or
11 is otherwise rendered inapplicable by reason of law generally, or as to Covered Products, then
12 Defendant shall have no further obligations pursuant to this Consent Judgment with respect to, and
13 to the extent that, Covered Products are so affected.

14 **8. NOTICES**

15 8.1 Unless specified herein, all correspondence and notices required to be provided
16 pursuant to this Consent Judgment shall be in writing and personally delivered or sent by: (i) first-
17 class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party
18 by the other party at the following addresses:

19 For Defendant:

20 Gary A. Wexler
21 Thompson Coburn LLP
22 2029 Century Park East
23 19th Floor
24 Los Angeles, CA 90067

25 And

26 For Bell:

27 Evan Smith
28 Brodsky & Smith, LLC
9595 Wilshire Blvd., Ste. 900
Beverly Hills, CA 90212

Any party, from time to time, may specify in writing to the other party a change of address to

1 which all notices and other communications shall be sent.

2 **9. COUNTERPARTS; FACSIMILE SIGNATURES**

3 9.1 This Consent Judgment may be executed in counterparts and by facsimile, each of
4 which shall be deemed an original, and all of which, when taken together, shall constitute one and
5 the same document.

6 **10. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)/COURT**
7 **APPROVAL**

8 10.1 Bell agrees to comply with the requirements set forth in California Health & Safety
9 Code § 25249.7(f) and to promptly bring a Motion for Approval of this Consent Judgment.
10 Defendant agrees it shall support approval of such Motion.

11 10.2 This Consent Judgment shall not be effective until it is approved and entered by the
12 Court and shall be null and void if, for any reason, it is not approved by the Court. In such case, the
13 Parties agree to meet and confer on how to proceed and if such agreement is not reached within 30
14 days, the case shall proceed on its normal course.

15 10.3 If the Court approves this Consent Judgment and is reversed or vacated by an
16 appellate court, the Parties shall meet and confer as to whether to modify the terms of this Consent
17 Judgment. If the Parties do not jointly agree on a course of action to take, the case shall proceed on
18 its normal course on the trial court's calendar.

19 **11. MODIFICATION**

20 11.1 This Consent Judgment may be modified only by further stipulation of the Parties
21 and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

22 **12. ATTORNEY'S FEES**

23 12.1 A Party who unsuccessfully brings or contests an action arising out of this Consent
24 Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs.

25 12.2 Nothing in this Section shall preclude a Party from seeking an award of sanctions
26 pursuant to law.

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1 **13. RETENTION OF JURISDICTION**

2 13.1 This Court shall retain jurisdiction of this matter to implement or modify the
3 Consent Judgment.

4 **14. AUTHORIZATION**

5 14.1 The undersigned are authorized to execute this Consent Judgment on behalf of their
6 respective Parties and have read, understood and agree to all of the terms and conditions of this
7 document and certify that he or she is fully authorized by the Party he or she represents to execute
8 the Consent Judgment on behalf of the Party represented and legally bind that Party. Except as
9 explicitly provided herein each Party is to bear its own fees and costs.
10

11 **AGREED TO:**

AGREED TO:

12 Date: 8/8/19

Date: [Signature]

13 B. [Signature]

By: [Signature]

PAPER SOURCE, INC.

14
15
16 **IT IS SO ORDERED, ADJUDGED AND DECREED:**

17 Dated: 12/10/19

18 [Signature]
19 Judge of Superior Court

JULIA A. SPAIN