1	Reuben Yeroushalmi (SBN 193981)	FILED Superior Court of California County of Los Angeles
	Shannon E. Royster (SBN 314126)	06/13/2022
2	YEROUSHALMI & YEROUSHALMI* 9100 Wilshire Boulevard, Suite 240W	Sherri R. Carter, Executive Officer / Clerk of Court
3	Beverly Hills, CA 90212	By: S. Ontiveros Deputy
4	Telephone: (310) 623-1926 Facsimile: (310) 623-1930	
5	Attorneys for Plaintiff, CONSUMER ADVOCACY GROUP, INC.	
7	SUPERIOR COURT O	F THE STATE OF CALIFORNIA
8	COUNTY OF	LOS ANGELES
9		
0	CONSUMER ADVOCACY GROUP, INC., in the public interest,	CASE NO. 19STCV26999
1		[PROPOSED] CONSENT JUDGMENT
2	Plaintiff,	particular particular and an arrangement of the particular and arrangement
3	v.	Health & Safety Code § 25249.5 et seq.
5	USA MINISO DEPOT, INC., a Delaware Corporation, et al.,	
6	Defendants.	
8	1. INTRODUCTION	
9	1.1 This Consent Judgment is entered	ed into by and between Plaintiff, Consumer
0	Advocacy Group, Inc. (referred to as "CAG") a	acting on behalf of itself and in the public interest,
1	and Defendant MINISO DEPOT CA, INC. ("S	Settling Defendant") with each a Party to the action
2	and collectively referred to as "Parties."	
3	1.2 Defendant and Covered Produ	ucts
4	1.2.1 CAG alleges that MINISO DEP	POT CA, INC is a Delaware Corporation which
5	employs ten or more persons. For purposes of t	this Consent Judgment only, MINISO DEPOT
6	CA, INC. does not dispute that it is a "person i	in the course of doing business" in California
8		
MI	Page	1 of 15

CONSENT JUDGMENT [PROPOSED]

within the meaning of California Health and Safety Code section 25249.5 *et seq.* ("Proposition 65") and subject to the provisions of the Proposition 65.

1.2.2 CAG alleges that Settling Defendant manufactures, sells, and/or distributes consumer products in California.

1.3 Listed Chemicals

- 1.3.1 Di (2-ethylhexyl) Phthalate ("DEHP"), also known as Diethyl Hexyl Phthalate and Bis (2-ethylhexyl) Phthalate, has been listed by the State of California as a chemical known to cause cancer and birth defects or other reproductive harm.
- 1.3.2 Diisononyl Phthalate ("DINP") has been listed by the State of California as a chemical known to cause cancer.

1.4 Notices of Violation

- 1.4.1 On or about October 2, 2018, CAG served a "60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" ("AG# 2018-01781") ("October 2, 2018 Notice") that provided Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DINP contained in certain Cosmetic Bags sold, manufacturer, and/or distributed by Defendant in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the October 2, 2018 Notice.
- 1.4.2 On or about November 30, 2018, CAG served a "60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" ("AG# 2018-02187") ("November 30, 2018 Notice") that provided Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP contained in certain Tissue Holders sold, manufacturer, and/or distributed by Defendant in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the November 30, 2018, Notice.
- 1.4.3 On or about December 21, 2018, CAG served a "60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" ("AG# 2018-02329")

YEROUSHALMI & YEROUSHALMI

- 1.4.4 On or about January 18, 2019, CAG served a "60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" ("AG# 2019-00138") ("January 18, 2019 Notice") that provided Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP contained in certain Soap Holders sold, manufacturer, and/or distributed by Defendant in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the January 18, 2019 Notice.
- 1.4.5 On or about February 12, 2019 CAG served a "60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" ("AG# 2019-00326") ("February 12, 2019 Notice") that provided Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP contained in certain Cosmetic Bags sold, manufacturer, and/or distributed by Defendant in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the February 12, 2019 Notice.

1.5 Complaints

1.5.1 On July 31, 2019 CAG filed a Complaint for civil penalties and injunctive relief ("Complaint 1") in Los Angeles County Superior Court, Case No. 19STCV26999 against USA MINISO DEPOT, INC.; MINISO DEPOT FINANCIAL, INC.; and MINISO DEPOT CA, INC. Complaint 1 alleges, among other things, that Proposition 65 was violated for failure to allegedly give clear and reasonable warnings of alleged exposure to DEHP in certain Soap Holders, Cosmetic Bags, Tape Measures, and Tissue Holders, and DINP in certain Cosmetic Bags. Defendant distributed and/or sold.

10

13 14

15 16

17

18 19

20

22

21

23

2425

26

27

28

YEROUSHALMI & YEROUSHALMI

1.6 Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint, personal jurisdiction over Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Los Angeles, and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations as alleged against Settling Defendant, and of all claims which were or could have been raised by any person or entity based in whole or in part, directly or indirectly, on the facts alleged in the Notices therein or arising therefrom or related thereto.

1.7 No Admission

This Consent Judgment resolves claims that are denied and disputed. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. Nothing in this Consent Judgment shall be construed as an admission by the Parties of any material allegation in the Notice or the Complaint, or of any fact, conclusion of law, issue of law or violation of law of any kind, including without limitation, any admission concerning any alleged or actual violation of Proposition 65 or any other statutory, regulatory, common law, or equitable doctrine, including but not limited to the meaning of the terms "knowingly and intentionally expose" or "clear and reasonable warning" as used in Health and Safety Code section 25249.6. Nothing in this Consent Judgment, nor compliance with its terms, shall constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, or of fault, wrongdoing, or liability by Settling Defendant, their officers, directors, employees, or parent, subsidiary or affiliated corporations, or be offered or admitted as evidence in any administrative or judicial proceeding or litigation in any court, agency, or forum. Furthermore, nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument, or defense the Parties may have in any other or future legal proceeding, except as expressly provided in this Consent Judgment.

Page 4 of 15

CONSENT JUDGMENT [PROPOSED]

information from CAG, Defendant shall pay a total of three hundred thousand dollars and zero cents (\$300,000) in full and complete settlement of any and all claims for civil penalties, damages, attorney's fees, expert fees or any other claim for costs, expenses or monetary relief of any kind for claims that were or could have been asserted in the Notices or Complaint identified in Sections 1.5.1 through 1.5.9, as follows:

- 4.1.1 **Civil Penalty** In consideration of the fact that Proposition 65 requires warnings, and the Defendant has agreed to reformulate certain Covered Products, in lieu of warnings, Plaintiff has agreed to a lower penalty amount totaling thirty-four thousand and three hundred dollars (\$34,300) as follows for alleged civil penalties pursuant to Health & Safety Code § 25249.12:
- (a) Settling Defendant will issue one check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of twenty-five thousand seven hundred and twenty-five dollars (\$25,725) representing 75% of the total civil penalty and Settling Defendant will issue a second check to CAG in the amount of eight thousand five hundred and seventy-five dollars (\$8,575) representing 25% of the total civil penalty;
- (b) Separate 1099s shall be issued for each of the above payments: Settling Defendant will issue a 1099 to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of \$25,725. Settling Defendant will also issue a 1099 to CAG in the amount of \$8,575 and deliver it to CAG c/o Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.
- 4.1.2 Additional Settlement Payments: Settling Defendant shall issue one check for to twenty-five thousand and seven hundred dollars (\$25,700) to "Consumer Advocacy Group, Inc." pursuant to Health & Safety Code § 25249.7(b) and California Code of Regulations, Title 11 § 3203(d). CAG will use this portion of the Total Settlement Payment as follows, eighty five percent (85%) for fees of investigation, purchasing and testing for the Proposition 65 Listed Chemical in various products, and for expert fees for evaluating exposures through various

mediums, including but not limited to consumer product, occupational, and environmental exposures to the Proposition 65 Listed Chemical, and the cost of hiring consulting and retaining experts who assist with the extensive scientific analysis necessary for those files in litigation and to offset the costs of future litigation enforcing Proposition 65 but excluding attorney fees; fifteen percent (15%) for administrative costs incurred during investigation and litigation to reduce the public's exposure to the Proposition 65 Listed Chemicals by notifying those persons and/or entities believed to be responsible for such exposures and attempting to persuade those persons and/or entities to reformulate their products or the source of exposure to completely eliminate or lower the level of the Proposition 65 Listed Chemicals including but not limited to costs of documentation and tracking of products investigated, storage of products, website enhancement and maintenance, computer and software maintenance, investigative equipment, CAG's member's time for work done on investigations, office supplies, mailing supplies and postage Within 30 days of a request from the Attorney General, CAG shall provide to the Attorney General copies of documentation demonstrating how the above funds have been spent. CAG shall be solely responsible for ensuring the proper expenditure of such additional settlement payment.

4.1.3 Reimbursement of Attorney Fees and Costs: Settling Defendant shall issue a check in the amount of two hundred and forty thousand dollars (\$240,000) payable to "Yeroushalmi & Yeroushalmi" as complete reimbursement for any and all reasonable investigation fees and costs, attorneys' fees, expert fees, and any and all other costs and expenses incurred as a result of investigating, bringing this matter to the Settling Defendant' attention, litigating, negotiating a settlement in the public interest, and seeking and obtaining court approval of this Consent Judgment.

4.2 Other than the payment to OEHHA described above, all payments referenced in paragraphs 4.1.1, 4.1.2, and 4.1.3 above, shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Blvd., Suite 240W, Beverly Hills, CA 90212. The payment to OEHHA shall be delivered directly to Office of Environmental Health Hazard Assessment, OEHHA, 1001 I Street, Mail Stop 12-B Sacramento, California 95812, Attn: Mike

OEHHA.

5.

3

4 5

6

0	

1	0
- 1	0

1	1	

1	١

1	
	,

14

15

16

17

18

19

20	
21	

22

23

24

25

26

27

28

YEROUSHALMI

damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation

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, including, without limitation, all

actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations,

5.1 This Consent Judgment is a full, final, and binding resolution between CAG, on behalf of itself and in the public interest, and Settling Defendant and their owners, officers, directors, insurers, employees, parents, shareholders, divisions, subdivisions, subsidiaries, partners, affiliates, sister companies, predecessors, and their successors and assigns, including but not limited to USA MINISO DEPOT, INC. and MINISO DEPOT FINANCIAL, INC. (collectively "Defendant Releasees" which includes Settling Defendant), and all entities to whom Defendant Releasees, including Settling Defendant, directly or indirectly distribute or sell Covered Products, including, but not limited to, downstream distributors, downstream wholesalers, customers, retailers, marketplace hosts, franchisees, cooperative members, licensees, and the successors and assigns of any of them, who may use, maintain, distribute or sell Covered Products, including MINISO DEPOT FINANCIAL INC. ("Downstream Releasees"), of all claims for alleged or actual violations of Proposition 65 for alleged exposures to the Listed Chemicals from the Covered Products manufactured, distributed or sold by Settling Defendant up through the Effective Date as set forth in the Notices and Complaints. Settling Defendant's compliance with this Consent Judgment shall constitute compliance with Proposition 65 with respect to alleged exposures to the Listed Chemicals from the Covered Products sold by Defendant Releasees or Downstream Releasees after the Effective Date. Nothing in this Section affects CAG's right to commence or prosecute an action under Proposition 65 against any person other than Defendant Releasees, or Downstream Releasees. 5.2 CAG on behalf of itself, its past and current agents, representatives, attorneys,

Gyurics. Settling Defendant shall provide written confirmation to CAG of the payment to

MATTERS COVERED BY THIS CONSENT JUDGMENT

15 16

17

18 19

21

20

22 23

24

25

26 27

28

YEROUSHALMI & YEROUSHALMI CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

CAG understands and acknowledges that the significance and consequence of this waiver of California Civil Code section 1542 is that even if CAG suffers future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, Claims arising from any violation of Proposition 65 or any other statutory or common law regarding the Covered Products manufactured, distributed or sold by the Defendant Releasees and Downstream Releasees through the Effective Date regarding the failure to warn about actual or alleged exposure to the Listed Chemicals from the Covered Products, CAG will not be able to make any claim for those damages, penalties or other relief against Defendant Releasees and Downstream Releasees. Furthermore, CAG acknowledges that it intends these consequences for any such Claims arising from any violation of Proposition 65 or any other statutory or common law

regarding the failure to warn about exposure to the Listed Chemicals from the Covered Products as may exist as of the date of this release but which CAG does not know exist, and which, if known, would materially affect their decision to enter into this Consent Judgment, regardless of whether their lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

5.3 Compliance with the terms of this Consent Judgment shall be deemed to constitute compliance with Proposition 65 by any of the Defendant Releasees and Downstream Releasees regarding alleged exposures to the Listed Chemicals in the Covered Products as set forth in the Notices and Complaint.

6. ENTRY OF CONSENT JUDGMENT

- 6.1 CAG shall file a motion seeking approval of this Consent Judgment pursuant to California Health & Safety Code § 25249.7(f).
- 6.2 If this Consent Judgment is not approved in full by the Court: (a) this Consent Judgment and any and all prior agreements between the Parties merged herein shall terminate and become null and void, and the actions shall revert to the status that existed prior to the execution date of this Consent Judgment; (b) no term of this Consent Judgment or any draft thereof, or of the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall have any effect, nor shall any such matter be admissible in evidence for any purpose in this Action, or in any other proceeding; and (c) the Parties agree to meet and confer to determine whether to modify the terms of the Consent Judgment and to resubmit it for approval.

7. MODIFICATION OF JUDGMENT

- 7.1 This Consent Judgment may be modified only upon written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any Party as provided by law and upon entry of a modified Consent Judgment by the Court.
- 7.2 Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with the other Party prior to filing a motion to modify the Consent Judgment.

9

10 11

12

13

14

15

1617

18

19

20

2122

23

24

25

26

27

28

YEROUSHALMI & YEROUSHALMI

8. ENFORCEMENT OF JUDGMENT

8.1 The terms of this Consent Judgment shall be enforced exclusively by the Parties hereto. The Parties may, by noticed motion or order to show cause before the Superior Court of California, County of Los Angeles, giving the notice required by law, enforce the terms and conditions contained herein. A Party may enforce any of the terms and conditions of this Consent Judgment only after that Party first provides 30 days' notice to the Party allegedly failing to comply with the terms and conditions of this Consent Judgment and attempts to resolve such Party's failure to comply in an open and good faith manner.

9. RETENTION OF JURISDICTION

- 9.1 This Court shall retain jurisdiction of this matter to implement and enforce the terms of this Consent Judgment under Code of Civil Procedure section 664.6.
- 9.2 In any proceeding brought by either Party to enforce this Consent Judgment, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

10. SERVICE ON THE ATTORNEY GENERAL

10.1 CAG shall serve a copy of this Consent Judgment, signed by both parties, on the California Attorney General so that the Attorney General may review this Consent Judgment prior to its submittal to the Court for approval. No sooner than forty-five (45) days after the Attorney General has received the aforementioned copy of this Consent Judgment, CAG may then submit it to the Court for approval.

11. ATTORNEY FEES

11.1 Except as specifically provided in Section 4.1.3 and 9.2, each Party shall bear its own attorneys' fees and costs in connection with the claims resolved in this Consent Judgment.

12. GOVERNING LAW

12.1 The validity, construction, terms, and performance of this Consent Judgment shall be governed by the laws of the State of California, without reference to any conflicts of law provisions of California law.

12.2 In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Consent Judgment are rendered inapplicable or are no longer required as a result of any such repeal or preemption, or rendered inapplicable by reason of law generally as to the Covered Products or Listed Chemicals, then Settling Defendant may provide written notice to CAG of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Settling Defendant from any obligation to comply with any other pertinent state or federal law or regulation.

12.3 The Parties, including their counsel, have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code section 1654.

13. EXECUTION AND COUNTERPARTS

13.1 This Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document and have the same force and effect as original signatures.

14. NOTICES

14.1 Any notices under this Consent Judgment shall be by delivery of First-Class Mail.
If to CAG:

Reuben Yeroushalmi reuben@yeroushalmi.com

. 01	
1	Yeroushalmi & Yeroushalmi 9100 Wilshire Boulevard, Suite 240W
2	Beverly Hills, CA 90212
3	If to Defendant MINISO DEPOT CA, INC:
4	Wendy Yu, General Counsel
5	Wendy.y@miniso-na.com
6	Miniso USA Attn: Legal Department
7	200 S. Los Robles Ave., Suite 200 Pasadena, CA 91101
8	With a convita:
9	With a copy to:
10	Lauren M. Michals
11	lmichals@nixonpeabody.com Nixon Peabody, LLP
	One Embarcadero Center, 32 nd Floor
12	San Francisco, CA 94111 Ph: (415) 984-8200
13	
14	15. AUTHORITY TO STIPULATE
15	15.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized
16	by the Party he or she represents to enter into this Consent Judgment and to execute it on behalf
17	of the Party represented and legally to bind that party.
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
YEROUSHALMI &	Page 14 of 15
& YEROUSHALMI	

CONSENT JUDGMENT [PROPOSED]

1	AGREED TO: AGREED TO:
3 4	Date: March 15, 2022 Date: March 14, 2022
5	
7	Name: Michael Marcus Name: Zhiyu Xie Title: Director Title: CEO
8	Title: Director Title: CEO
10	CONSUMER ADVOCACY GROUP, INC. MINISO DEPOT CA, INC.
11	
12	
13 14	
15	
16	IT IS SO ORDERED.
17	Date: 06/13/2022 Males Macky
18	Date:06/13/2022
19	TODGE OF THE SUPERIOR COURT Malcolm Mackey / Judge
20	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
21	
22	
23	
24	
25	
26	
26 27	
27	Page 15 of 15