1 2 3 4	Evan Smith (Bar No. SBN 242352) BRODSKY & SMITH, LLC. 9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212 Tel: (877) 534-2590 Fax: (310) 247-0160	San Francisco County Superior Count JUN 29 2021
5	Attorneys for Plaintiff	CLERK OF THE COURT
6		Deputy Clerk
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9	SUPERIOR COURT OF THE	STATE OF CALIFORNIA
10	COUNTY OF SAN FRANCISCO	
11	EMA BELL,	Case No.: CGC-20-584324
12	Plaintiff,	CONSENT JUDGMENT
13	v.	Judge: Ethan P. Schulman
14	UNCAS INTERNATIONAL, LLC, CVS	Dept.: 302 Hearing Date: June 29, 2021
15	PHARMACY, INC.,	Hearing Time: 9:30 AM Reservation #:
16	Defendants.	
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1. INTRODUCTION

- 1.1 **The Parties.** This Consent Judgment is entered into by and between Ema Bell acting on behalf of the public interest (hereinafter "Bell") and Uncas International, LLC ("Uncas" or "Defendant") with Bell and Defendant collectively referred to as the "Parties" and each of them as a "Party." Bell is an individual residing in California that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Uncas is alleged to be a person in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.
- 1.2 Allegations and Representations. Bell alleges that Defendant has exposed individuals to di(2-ethylhexyl) phthalate (DEHP) from its sales of Scented lip gloss sets/kits and Unicorn pouches without providing a clear and reasonable exposure warning pursuant to Proposition 65. DEHP is listed under Proposition 65 as a chemical known to the State of California to cause cancer and reproductive toxicity.
- Notices of Violation/Complaint. On or about May 10, 2019 (Unicorn pouches) and May 13, 2019 (Scented lip gloss sets/kits), Bell served Uncas, CVS Pharmacy, Inc., and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notices"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of Scented lip gloss sets/kits and Unicorn pouches expose users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notices. On May 4, 2020, Bell filed a complaint (the "Complaint") in the matter.
- 1.4 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations contained in the Complaint filed in this matter, that venue is proper in the County of San Francisco, and that this Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein and/or in the Notice.

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

2. <u>DEFINITIONS</u>

- 2.1 **Covered Products.** The term "Covered Products" means are Scented lip gloss sets/kits and Unicorn pouches, as described in Plaintiff's Notices, that are or were manufactured, distributed and/or offered for sale in California by Uncas.
- 2.2 **Effective Date.** The term "Effective Date" means the date that notice of entry of this Consent Judgment is served on all parties.

3. <u>INJUNCTIVE RELIEF: WARNINGS</u>

- Reformulation of Covered Products. As of the Effective Date, and continuing thereafter, Covered Products that Uncas directly manufactures, imports, distributes, sells, or offers for sale in California shall either: (a) be Reformulated Products pursuant to § 3.2, below; or (b) be labeled with a clear and reasonable exposure warning pursuant to §§ 3.3 and 3.4, below. For purposes of this Consent Judgment, a "Reformulated Product" is a Covered Product that is in compliance with the standard set forth in § 3.2 below. The warning requirement set forth in §§ 3.3 and 3.4 shall not apply to any Reformulated Product.
- 3.2 **Reformulation Standard.** "Reformulated Products" shall mean Covered Products that contain in any location on the product likely to be handled concentrations less than or equal to 0.1% (1,000 parts per million (ppm)) of DEHP when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or other methodology utilized by federal or state government agencies for the purpose of determining the phthalate content in a solid substance.

- 3.3 Clear and Reasonable Warning. As of the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 3.3 and 3.4 must be provided for all Covered Products that Defendant manufacturers, imports, distributes, sells, or offers for sale in California that is not a Reformulated Product. There shall be no obligation for Defendant to provide a warning for Covered Products that enter the stream of commerce prior to the Effective Date. The warning shall consist of either the Warning or Alternative Warning described in §§ 3.3(a) or (b), respectively:
 - (a) Warning. The "Warning" shall consist of the statement:
 - ⚠ WARNING: This product can expose you to chemicals including di(2-ethylhexyl) phthalate (DEHP), which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.
- (b) Alternative Warning: Uncas may, but is not required to, use the alternative short-form warning as set forth in this § 3.3(b) ("Alternative Warning") as follows:

⚠ WARNING: Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

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

If Uncas sells Covered Products via an internet website to customers located in California, the warning requirements of this section shall be satisfied if the foregoing warning appears either:

(a) on the same web page on which a Covered Product is displayed and/or described; (b) on the same page as the price for the Covered Product; or (c) on one or more web pages displayed to a purchaser prior to purchase during the checkout process. Alternatively, a symbol consisting of a black exclamation point in a yellow or white equilateral triangle may appear adjacent to or immediately following the display, description, price, or checkout listing of the Covered Product, if the warning statement appears elsewhere on the same web page in a manner that clearly associates it with the product(s) to which the warning applies.

3.5 Compliance with Warning Regulations. Defendant shall be deemed to be in compliance with this Consent Judgment and with Proposition 65 by either adhering to §§ 3.3 and 3.4 of this Consent Judgment or by complying with warning requirements adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") after the Effective Date.

4. MONETARY TERMS

- 4.1 **Civil Penalty.** Uncas shall pay \$1,500.00 as a Civil Penalty pursuant to Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health & Safety Code § 25192, with 75% of these funds remitted to OEHHA and the remaining 25% of the Civil Penalty remitted to Bell, as provided by California Health & Safety Code § 25249.12(d).
- 4.1.1 Within fifteen (15) days of the Effective Date and after being provided all relevant taxpayer information, Uncas shall issue two separate checks for the Civil Penalty payment to (a) "OEHHA" in the amount of \$1,125.00; and to (b) "Brodsky & Smith, LLC in Trust for Bell" in the amount of \$375.00. Payment owed to Bell pursuant to this Section shall be delivered to the following payment address:

Evan J. Smith, Esquire Brodsky & Smith, LLC Two Bala Plaza, Suite 805 Bala Cynwyd, PA 19004

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

For United States Postal Service Delivery:

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

For Non-United States Postal Service Delivery:

Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 1001 I Street Sacramento, CA 95814

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

Attorneys' Fees. Uncas shall pay \$16,000.00 to Brodsky & Smith, LLC ("Brodsky Smith") as complete reimbursement for Bell's attorneys' fees and costs incurred as a result of investigating, bringing this matter to Uncas attention, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure § 1021.5. Payment shall be as follows: (a) Within fifteen (15)days of the Effective Date and being provided taxpayer information, Uncas shall issue a check payable to "Brodsky & Smith, LLC" in the amount of \$5,000.00 for delivery to the address identified in § 4.1.1, above; (b) Within forty-five (45) days of the Effective Date, Uncas shall issue a check payable to "Brodsky & Smith, LLC" in the amount of \$5,500.00 for delivery to the address identified in § 4.1.1, above; and (c) Within seventy-five (75) days of the Effective Date, Uncas shall issue a check payable to "Brodsky & Smith, LLC" in the amount of \$5,500.00 for delivery to the address identified in § 4.1.1, above.

5. <u>RELEASE OF ALL CLAIMS</u>

5.1 This Consent Judgment is a full, final, and binding resolution between Bell acting on her own behalf, and on behalf of the public interest, and Uncas, and its parents, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions,

subdivisions, subsidiaries, partners, sister companies, and affiliates, and their predecessors, successors and assigns ("Defendant Releasees"), and all entities from whom they obtain and to whom they directly or indirectly distribute or sell Covered Products, including but not limited to manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees, retailers, franchisees, and cooperative members, including but not limited to CVS Pharmacy, Inc., ("Downstream Releasees"), of all claims for violations of Proposition 65 based on exposure to DEHP from Covered Products as set forth in the Notices, with respect to any Covered Products manufactured, distributed, or sold by Uncas prior to the Effective Date. It is the Parties' intention that this Consent Judgment shall have preclusive effect such that no other actions by private enforcers, whether purporting to act in his, her, or its interests or the public interest shall be permitted to pursue and/or take any action with respect to any violation of Proposition 65 that was alleged in the Complaint, or that could have been brought pursuant to the Notices against Uncas and/or the Downstream Releasees of the Covered Products ("Proposition 65 Claims"). Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with regard to the Covered Products.

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

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE 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.

5.3 Uncas waives any and all claims against Bell, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Bell and her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to Covered Products.

6. <u>INTEGRATION</u>

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

7. GOVERNING LAW

7.1 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 Covered Products, then Defendant shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, Covered Products are so affected.

8. NOTICES

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

For Defendant:

Lauren M. Michals Nixon Peabody LLP One Embarcadero Center, 32nd Floor San Francisco, CA 94111

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and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

This Consent Judgment may be modified only by further stipulation of the Parties

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MODIFICATION

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CONSENT JUDGMENT

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12. ATTORNEY'S FEES

- 12.1 A Party who unsuccessfully brings or contests an action arising out of this Consent Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs.
- 12.2 Nothing in this Section shall preclude a Party from seeking an award of sanctions pursuant to law.

13. <u>RETENTION OF JURISDICTION</u>

13:1 This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment.

14. <u>AUTHORIZATION</u>

AGREED TO:

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

Date: 5/6/2021	Date:
By Zman AAW	By:
EMA BEEL	UNCAS INTERNATIONAL, LLC

IT IS SO ORDERED, ADJUDGED AND DECREED:

Dated: June 29, 2021 Judge of Superior Court

ETHAN P. SCHULMAN

AGREED TO: