			FILED Superior Court of California			
	1	Reuben Yeroushalmi (SBN 193981)	County of Los Angeles			
		Shannon E. Royster (SBN 314126) YEROUSHALMI & YEROUSHALMI*	07/11/2022 Sherri R. Carter, Executive Officer / Clerk of Court			
	2	9100 Wilshire Boulevard, Suite 240W	By: S. Ontiveros Deputy			
	3	Beverly Hills, CA 90212				
	4	Telephone: (310) 623-1926 Facsimile: (310) 623-1930				
	5 6	Attorneys for Plaintiff, CONSUMER ADVOCACY GROUP, INC.				
	7	SUPERIOR COURT OF THE STATE OF CALIFORNIA				
	8	COLINIA OF LOCANCEL DO				
	9	COUNTY OF LOS ANGELES				
	10	CONSUMER ADVOCACY GROUP, INC.,	CASE NO. 20STCV45524			
	11	in the public interest,	PROPOSEDI CONSENT HIDOMENT			
	12	Plaintiff,	[PROPOSED] CONSENT JUDGMENT			
	13	v.	Health & Safety Code § 25249.5 et seq.			
	14					
5	15	USA MINISO DEPOT, INC., a Delaware Corporation, <i>et al.</i> ,				
2022 05:26 PM	16	Defendants.				
. 05:	17					
	18	1. INTRODUCTION				
4/29	19	1.1 This Consent Judgment is entere	ed into by and between Plaintiff, Consumer			
ed 0	20	Advocacy Group, Inc. (referred to as "CAG") acting on behalf of itself and in the public interest				
scei∨	21	and Defendant MINISO DEPOT CA, INC. ("Settling Defendant") with each a Party to the action				
Electronically Received 04/29/	22	and collectively referred to as "Parties."				
	23	1.2 Defendant				
	24	1.2.1 CAG alleges that MINISO DEP	OT CA. INC., is a Delaware Corporation which			
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	26	employs ten or more persons. For purposes of this Consent Judgment only, MINISO DEPOT				
	27	CA, INC. does not dispute that it is a "person in the course of doing business" in California				
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YEROUSHALMI		Page 1 of 13 CONSENT JUDGMENT [PROPOSED]				
		00.102.11.0020				

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.

1.4 Notices of Violation

- 1.4.1 On or about May 11, 2020, CAG served a "60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" ("AG# 2020-01190") ("May 11, 2020 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 Sports Armbands sold, manufacturer, and/or distributed by Defendant in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the May 11, 2020 Notice.
- 1.4.2 On or about May 14, 2020, CAG served a "60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" ("AG# 2020-01225") ("May 14, 2020 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 Sports Armbands sold, manufacturer, and/or distributed by Defendant in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the May 14, 2020 Notice.

1.5 Complaints

1.5.1 On November 30, 2020 CAG filed a Complaint for civil penalties and injunctive relief ("Complaint 2") in Los Angeles County Superior Court, Case No. 20STCV45524 against USA MINISO DEPOT, INC.; and MINISO DEPOT CA, INC. Complaint 2 alleges, among other things, that Proposition 65 was violated for failure to allegedly give clear and reasonable

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YEROUSHALMI & YEROUSHALMI warnings of alleged exposure to DEHP in certain Sports Armbands Defendant distributed and/or sold.

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.

2. **DEFINITIONS**

- 2.1 "Covered Products" means the Sports Armbands as specifically identified in the Notices outlined in Section 1.4.
- 2.2 "Effective Date" means the date that this Consent Judgment is approved by the Court.
- 2.3 "DEHP" means Di (2-ethylhexyl) Phthalate, also known as Diethyl Hexyl Phthalate and Bis (2-ethylhexyl) Phthalate
 - 2.4 "Listed Chemicals" means: DEHP
 - 2.5 "Notices" means the Notices named in paragraph 1.4 of this Consent Judgment.

3. INJUNCTIVE RELIEF/REFORMULATION

- 3.1 After the Effective Date, Settling Defendant shall not order for manufacture and then distribute for sale or offer for sale any Covered Products as specifically identified by style number, SKU number or UPC code in the Notices with any component that contains the Listed Chemical(s) in excess of 0.1% (1,000 parts per million) by weight.
- 3.2 Any Covered Products that Settling Defendant manufactures for sale, distributes for sale, or ships for sale in California after the Effective Date that were ordered for manufacture prior to the Effective Date must contain a clear and reasonable warning, consistent with 27 CCR section 25600 *et seq.* unless it contains no more than 0.1% by weight (1,000 ppm) of the Listed Chemical(s). In consideration of the fact that Defendants have agreed to only order for manufacture reformulated Covered products, parties agree to the following language for Covered Products in existing inventory that contain more than 0.1% DEHP by weight:
 - 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.

Or:

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

- 3.3 Any warnings provided pursuant to this Section 3.2 shall be affixed to the packaging of, or directly on, or attached to the Covered Products, and be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. The equilateral triangle pictogram shall be in yellow with a black exclamation mark; provided however, the pictogram may be in black and white instead of yellow if the Covered Product label does not contain the color yellow.
- 3.4 Covered Products already distributed to Downstream Releasees prior to the Effective Date, including those already being offered to sale as of the Effective Date, may continue to be sold through as is.

4. SETTLEMENT PAYMENT

- 4.1 **Payment and Due Date**: Within ten (10) business days of receiving Notice that this Consent Judgment has been entered by the Court and receiving the appropriate tax payer information from CAG, Defendant shall pay a total of Two hundred thousand dollars and zero cents (\$200,000) 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 twenty-two thousand and eight hundred and sixty dollars (\$22,860) 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 seventeen thousand one hundred and forty-five dollars (\$17,145) representing 75% of the total civil penalty

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and Settling Defendant will issue a second check to CAG in the amount of five thousand seven hundred and fifteen dollars (\$5,715) 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 \$17,145. Settling Defendant will also issue a 1099 to CAG in the amount of \$5,715 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 seventeen thousand one hundred and forty dollars (\$17,140) 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

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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 one hundred and sixty thousand dollars (\$160,000) 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 Gyurics. Settling Defendant shall provide written confirmation to CAG of the payment to OEHHA.

5. MATTERS COVERED BY THIS CONSENT JUDGMENT

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, 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, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against Defendant Releasees and Downstream Releasees arising from any actual or alleged violation of Proposition 65 or any other statutory or common law claim regarding the Covered Products manufactured, distributed or sold by the Defendant Releasees through the Effective Date regarding any actual or alleged failure to warn about exposure to the Listed Chemicals from the Covered Products. In furtherance of the foregoing, CAG on behalf of itself only, hereby waives any and all rights and benefits which it now has, or in the future may have, conferred upon it with respect to Claims regarding the Covered Products manufactured, distributed or sold by Defendant Releasees and Downstream Releasees through the Effective Date 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 by virtue of the provisions of section 1542 of the California Civil Code, which provides as follows:

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YEROUSHALMI & YEROUSHALMI 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.

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.

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.

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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

1	of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment					
2	agrees that any statute or rule of construction providing that ambiguities are to be resolved					
3	against the drafting Party should not be employed in the interpretation of this Consent Judgment					
4	and, in this regard, the Parties hereby waive California Civil Code section 1654.					
5	13.	EXEC	CUTION AND COUNTERPARTS			
6		13.1	This Consent Judgment may be executed in counterparts and by means of			
7	facsin	esimile or portable document format (pdf), which taken together shall be deemed to constitute				
8	one document and have the same force and effect as original signatures.					
9	14.	. NOTICES				
10		14.1	Any notices under this Consent Judgment shall be by delivery of First-Class Mail.			
11		If to CAG:				
12		Reuben Yeroushalmi				
13		reuben@yeroushalmi.com Yeroushalmi & Yeroushalmi				
14	9100 Wilshire Boulevard, Suite 240W					
15		Beverly Hills, CA 90212				
16		If to Defendant MINISO DEPOT CA, INC.:				
17		Wendy Yu, General Counsel				
18	Wendy.y@miniso-na.com Miniso USA					
19	200 S. Los Robles Ave., Suite 200					
20						
21		With a	a copy to:			
22		Laure	n M. Michals			
23		lmichals@nixonpeabody.com				
24	Nixon Peabody, LLP One Embarcadero Center, 32 nd Floor					
25	San Francisco, CA 94111 Ph: (415) 984-8200					
26						
27		Modif	fication of the person and/or address to whom notices are to be sent can be made			
28	upon	written	direction sent via first class mail by the Party making that change.			
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1	15. AUTHORITY TO STIPULATE		
2	2 15.1 Each signatory to this Consent Judgment certifies that he or she is fully aut		
3	by the Party he or she represents to enter into this Consent Judgment and to execute it on behalf		
4	of the Party represented and legally to bind that party.		
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6	AGREED TO: AGREED TO:		
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8	Date:, 2022 Date:, 2022		
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12	Name: Name:		
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14	Title: Title:		
15	CONSUMER ADVOCACY GROUP, MINISO DEPOT CA, INC.		
16	INC.		
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21	IT IS SO ORDERED.		
22	WORKE CO.		
23	Date: 07/11/2022 melosa mecky		
24	JODGE OF THE SUPERIOR COURT		
25	Malcolm Mackey / Judge		
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