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Evan Smith (Bar No. SBN 242352) 1 **BRODSKY SMITH** 9595 Wilshire Blvd., Ste. 900 2 Beverly Hills, CA 90212 Tel: (877) 534-2590 3 Fax: (310) 247-0160 4 Attorneys for Plaintiffs Superior Court of California County of San Francisco 5 FEB 2 1 2024 6 CLERK OF THE COURT 7 Deputy Clerk 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 **COUNTY OF SAN FRANCISCO** 10 PRECILA BALABBO, Case No.: CGC-22-603311 11 Plaintiff, CONSENT JUDGMENT 12 13 Judge: Richard B. Ulmer Dept.: 302 Hearing Date: February 21, 2024 Hearing Time: 9:30 AM JO-ANN STORES, LLC, 14 Defendant. Complaint Filed: December 6, 2022 15 16 17 18 19 20 21 22 23 24 25 26 27

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#### 1. INTRODUCTION

- 1.1 The Parties. This Consent Judgment is entered into by and between Plaintiffs Precila Balabbo ("Balabbo") and Ema Bell ("Bell") (collectively, "Plaintiffs") acting on behalf of the public interest and Jo-Ann Stores, LLC ("Jo-Ann" or "Defendant") with Plaintiffs and Defendant collectively referred to as the "Parties" and each of them as a "Party." Plaintiffs are individuals residing in California that seek to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Jo-Ann 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. Plaintiffs allege that Defendant has exposed individuals to di(2-ethylhexyl) phthalate (DEHP) from its sales of (a) Webster Fine Art photo album snap-in pouches, UPC # 608807004285, (b) Webster Fine Art photo album cover caddys, UPC # 608807003943, (c) hildie & jo jump ring mandrels, # 7868337868334, (d) Big Twist All-In-One vertical storage totes, UPC # 6972857576073, (e) Place & Time small sun shade cases, # 18622076, (f) Place & Time vases, UPC # 8904383300240, and (g) Top Notch rolling totes, # 400191058406, without providing a clear and reasonable exposure warning pursuant to Proposition 65. DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.
- 1.3 Notices of Violation. On or about December 7, 2021, Balabbo served Jo-Ann and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "First December Notice"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of Webster Fine Art photo album snap-in pouches, UPC # 608807004285, expose users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the First December Notice.

On or about December 20, 2021, Balabbo served Jo-Ann and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code

§25249.7(d) (the "Second December Notice"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of Webster Fine Art photo album cover caddys, UPC # 608807003943, expose users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the Second December Notice.

On or about February 8, 2022, Balabbo served Jo-Ann and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "February Notice"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of hildie & jo jump ring mandrels, # 7868337868334, expose users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the February Notice.

On or about July 5, 2022, Bell served Jo-Ann and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "First July Notice"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of Big Twist All-In-One vertical storage totes, UPC # 6972857576073, expose users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the First July Notice.

On or about July 12, 2022, Bell served Jo-Ann and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Second July Notice"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of Place & Time small sun shade cases, # 18622076, expose users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the Second July Notice.

On or about August 24, 2022, Bell served Jo-Ann and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "August Notice"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of Place & Time vases, UPC # 8904383300240, expose

users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the August Notice.

On or about May 24, 2023, Balabbo served Jo-Ann and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "May Notice"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of Top Notch rolling totes, # 400191058406, expose users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the May Notice.

The First December Notice, the Second December Notice, the February Notice, the First July Notice, the Second July Notice, the August Notice, and the May Notice are collectively referred to herein, as the "Notices."

- 1.4 Action. On December 6, 2022, Balabbo filed a complaint (the "Complaint"). On February 24, 2023, Balabbo filed a first amended complaint (the "First Amended Complaint"). On September 7, 2023, Plaintiffs filed a second amended complaint (the "Second Amended Complaint").
- 1.5 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations contained in the Action 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 Action based on the facts alleged therein and in the Notices.
- 1.6 Defendant denies the material allegations contained in Plaintiffs' Notices, Complaint, First Amended Complaint, and Second Amended 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 (a) Webster Fine Art photo album snap-in pouches, UPC # 608807004285, (b) Webster Fine Art photo album cover caddys, UPC # 608807003943, (c) hildie & jo jump ring mandrels, # 7868337868334, (d) Big Twist storage organizers and totes, including but not limited to UPC # 6972857576073 and UPC #6972857576004, (e) Place & Time small sun shade cases, # 18622076, (f) Place & Time vases, UPC # 8904383300240, and (g) Top Notch rolling totes, # 400191058406 that are sold or offered for sale in California by Jo-Ann.
- 2.2 Effective Date. The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.

## 3. INJUNCTIVE RELIEF: REFORMULATION AND/OR WARNINGS

- 2.1 Reformulation of Covered Products. Within 120 days following the Effective Date, and continuing thereafter, Covered Products that Jo-Ann directly sells, or offers for sale in California shall either be: (a) reformulated Products pursuant to § 3.2, below; or (b) 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 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. Within 120 days following 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 sells, or offers for sale in California that is not a Reformulated Product. 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: Jo-Ann 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 or Alternative 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 or Alternative 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. The Warning or Alternative 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.

In addition to affixing the Warning or Alternative Warning to the Covered Product's packaging or labeling, the Warning or Alternative Warning shall be posted on websites where Jo-Ann offers Products for sale to consumers in California. The requirements of this Section shall be satisfied if the Warning or Alternative Warning, or a clearly marked hyperlink using the word "WARNING," appears on the product display page, or by otherwise prominently displaying the

warning to the purchaser prior to completing the purchase. To comply with this Section, Jo-Ann shall (a) post the Warning or Alternative Warning on its own website and, if it has the ability to do so, on the websites of its third-party internet sellers; and (b) if it does not have the ability to post the Warning or Alternative Warning on the websites of its third-party internet sellers, provide such sellers with written notice in accordance with Title 27, California Code of Regulations, § 25600.2. Third-party internet sellers of the Covered Product that have been provided with written notice in accordance with Title 27, California Code of Regulations, § 25600.2 are not released in Section 5 of this Agreement if they fail to meet the warning requirements herein.

- 3.5 Compliance with Warning Regulations. The Parties recognize that the warning methods and content set forth in §§ 3.3 and 3.4 are not the exclusive means of providing a clear and reasonable warning under Proposition 65 and its implementing regulations. Defendant shall be deemed to be in compliance with this Consent Judgment by either adhering to §§ 3.3 and 3.4 of this Consent Judgment or by conforming to any Office of Environmental Health Hazard Assessment ("OEHHA") safe harbor warning regulations applicable to the Covered Products and alleged exposures at issue after the Effective Date. If "consumer information," as that term is defined in Title 27, California Code of Regulations, Section 25600.1(c) as it may be amended from time to time, is provided in a foreign language, Jo-Ann shall provide the Warning or Alternative Warning in the foreign language in accordance with applicable warning regulations adopted by OEHHA.
- 3.6 Sell-Through for Existing Inventory. The warning and reformulation requirements of this Section 3 shall not apply to Covered Products that Jo-Ann places into the stream of commerce within 120 days of the Effective Date, including but not limited to Covered Products in distribution centers, in inventory, or at retail locations. Any such Covered Products placed into the stream of commerce within 120 days of the Effective Date shall be subject to the releases provided in Section 5.

### 4. MONETARY TERMS

4.1 Civil Penalty. Jo-Ann shall pay \$7,000.00 as a Civil Penalty pursuant to Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health & Safety

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#### 5. RELEASE OF ALL CLAIMS

5.1 This Consent Judgment is a full, final, and binding resolution between Plaintiffs acting on their own behalf, and on behalf of the public interest, and Jo-Ann, 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, including but not limited to its parents, subsidiaries, and affiliates, franchisees, and cooperative members ("Downstream Releasees"), of all claims for violations of Proposition 65 based on exposure to DEHP from use of the Covered Products manufactured, distributed, or sold by Jo-Ann prior to (and up to 120 days following) the Effective Date as set forth in the Notices. 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 take any action with respect to any violation of Proposition 65 based on exposure to DEHP from use of the Covered Products that was alleged in the Complaint, First Amended Complaint, and/or Second Amended Complaint, or that could have been brought pursuant to the Notices against Jo-Ann and the Downstream Releasees ("Proposition 65 Claims"). Jo-Ann's compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 by Jo-Ann with regard to exposure to DEHP from use of the Covered Products.

In addition to the foregoing, Plaintiffs, on behalf of themselves, their past and 5.2 current agents, representatives, attorneys, and successors and assignees, and not in their representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Jo-Ann, 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 Jo-Ann, Defendant Releasees or Downstream Releasees. With respect to the foregoing waivers and releases in this paragraph, Plaintiffs hereby specifically waive any and all rights and benefits which they now have, 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 Jo-Ann waives any and all claims against Plaintiffs, their attorneys and other representatives, for any and all actions taken, or statements made (or those that could have been taken or made) by Plaintiffs and their attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and with respect to Covered Products.

## 6. INTEGRATION

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.

Parties agree to meet and confer on how to proceed and if such agreement is not reached within 30 days, the case shall proceed on its normal course.

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

## 11. MODIFICATION

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

## 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. RETENTION OF JURISDICTION

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

## 14. **AUTHORIZATION**

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.

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12	By: MATAMAN By: Ama WALAD PRECILA BALABBO JO-ANN STORES, LLC
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15 16	IT IS SO ORDERED, ADJUDGED AND DECREED:
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