1 2	Evan Smith (Bar No. SBN 242352) BRODSKY SMITH 9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212	FILED
3	Beverly Hills, CA 90212 Tel: (877) 534-2590 Fax: (310) 247-0160	Can Francisco County Superior Court
4	Attorneys for Plaintiff	APR 3, 0 2024
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8	SUPERIOR COURT OF THE	ESTATE OF CALIFORNIA
9	COUNTY OF SAN FRANCISCO	
10	EMA BELL,	
11		Case No.: CGC-23-608449
12	Plaintiff,	CONSENT JUDGMENT
13	v.	Judge: Richard B. Ulmer Dept.: 302
14 15	SM BEAUTY LLC, BURLINGTON STORES, INC., BURLINGTON COAT FACTORY OF TEXAS, INC.,	Hearing Date: April 30, 2024 Hearing Time: 9:30 AM Complaint Filed: August 17, 2023
16	Defendants.	<b>1</b> [1
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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 SM Beauty LLC ("SM Beauty" 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 allegedly seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. SM Beauty 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. ("Proposition 65").
- 1.2 Allegations and Representations. Bell alleges that Defendant has exposed individuals to diethanolamine (DEA) from its sales of face masks that are manufactured and/or distributed by SM Beauty including the *K-Beauty®* acne care face masks, UPC # 818307026025 without providing a clear and reasonable exposure warning pursuant to Proposition 65. DEA is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer.
- Notice of Violation/Action. On or about August 24, 2022, Bell served Burlington Stores, Inc., Burlington Coat Factory of Texas, Inc. (collectively, "Burlington"), SM Beauty, and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notice"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of the Products expose users in California to DEA. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice. On August 17, 2023, Bell filed a complaint (the "Complaint").
- 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 in the Notice.

 1.5 Defendant denies the material allegations contained in Bell's Notice 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. **DEFINITIONS**

- 2.1 Covered Products. The term "Covered Products" means K-Beauty® acne care face masks, UPC # 818307026025 that are manufactured, distributed, shipped into California and offered for sale in California by SM Beauty that expose users to DEA.
- 2.2 Effective Date. The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court and SM Beauty receives notice from Bell (including by email) that the Consent Judgment has been entered.

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

- Reformulation of Products. As of the Effective Date, or within ninety (90) days of the Effective Date, and continuing thereafter, Covered Products that SM Beauty directly manufactures, imports, distributes, 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 Settlement Agreement, a "DEA Free Reformulated Product" is a Covered Product that is in compliance with the standard set forth in § 3.2, below. The warning requirements set forth in §§ 3.3 and 3.4 shall not apply to any DEA Free Reformulated Product or to any Covered Product manufactured prior to the Effective Date, or within 90 days of the Effective Date.
- 3.2 **DEA Free Reformulation Standard.** To qualify as a "DEA Free Reformulated Product" the Covered Product must meet the following standard: DEA content that is not detectable (i.e., zero) or below the Reporting Limit (defined herein) when analyzed pursuant to liquid

chromatography/tandem mass spectrometry (LC/MS/MS), inductively coupled mass-spectroscopy (ICP-MS) or other method of analysis utilized by the International Organization for Standardization (ISO) for qualitative and quantitative screening of cosmetics and cosmetic raw materials.

- 3.2.1 Reporting Limit. The "Reporting Limit<sup>1</sup>" is 5.1 mg/kg.
- 3.3 Clear and Reasonable Warning. As of the date this Consent Judgment is signed by both Parties, 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 or are in inventory prior to the Effective Date or within 90 days of 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 diethanolamine (DEA), which is known to the State of California to cause cancer. For more information go to <a href="https://www.P65Warnings.ca.gov">www.P65Warnings.ca.gov</a>.
- (b) Alternative Warning: SM Beauty 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 www.P65Warnings.ca.gov.
- 3.4 A Warning or Alternative Warning provided pursuant to § 3.3 must print the word "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

<sup>&</sup>lt;sup>1</sup> The "Reporting Limit" the lowest concentration at which DEA can be detected in a sample of a Covered Product by an accredited testing laboratory employing LC/MS/MS analysis or other method of analysis utilized by the ISO for qualitative and quantitative screening of cosmetics and cosmetic raw materials.

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. 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, SM Beauty shall provide the Warning or Alternative Warning in the foreign language in accordance with applicable warning regulations adopted by the Office of Environmental Health Hazard Assessment ("OEHHA").

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 SM Beauty 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, SM Beauty 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. Defendant shall be deemed to be in compliance with this Consent Judgment by either adhering to §§ 3.3 and 3.4 of this Consent

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

4.2 Attorneys' Fees. Within fifteen (15) days of the Effective Date, SM Beauty shall pay \$23,000.00 to Brodsky Smith as complete reimbursement for Bell's attorneys' fees and costs incurred as a result of investigating, bringing this matter to the attention of SM Beauty, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure § 1021.5.

### 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 SM Beauty, 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, upstream suppliers, distributors, wholesalers, customers, licensors, licensees retailers, including but not limited to Burlington and its respective parents, subsidiaries, and affiliates, franchisees, and cooperative members ("Releasees"), of all claims for violations of Proposition 65 based on exposure to DEA from use of the Covered Products manufactured, distributed, or sold by SM Beauty prior to the Effective Date, or within 90 days of the Effective Date, as set forth in the Notice. 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 DEA from use of the Covered Products that was alleged in the Complaint, or that could have been brought pursuant to the Notice against SM Beauty and the Releasees ("Proposition 65 Claims"). SM Beauty's compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 by SM Beauty with regard to exposure to DEA from use of the Covered Products. The Release shall also cover any Covered

-.  Products that were in the stream of commerce or in inventory prior to the Effective Date or within ninety (90) days of the Effective Date.

5.2 In addition to the foregoing, Bell, on behalf of herself, her past and current agents, representatives, attorneys, and successors and 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 SM Beauty, Defendant Releasees, and 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 SM Beauty, Defendant Releasees or 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 SM Beauty 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 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.

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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

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

The terms of this Consent Judgment shall be governed by the laws of the State of

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:

Sedina L. Banks Sherry E. Jackman Greenberg Glusker LLP 2049 Century Park E., Ste. 2600 Los Angeles, CA 90067

And

For Bell:

Evan Smith Brodsky Smith 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 which all notices and other communications shall be sent.

# 9. COUNTERPARTS; FACSIMILE SIGNATURES

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

# 10. <u>COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)/COURT</u> APPROVAL

- 10.1 Bell agrees to comply with the requirements set forth in California Health & Safety Code § 25249.7(f) and to promptly bring a Motion for Approval of this Consent Judgment. Defendant agrees it shall support approval of such Motion.
- 10.2 This Consent Judgment shall not be effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved by the Court. In such case, the 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

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

#### 14. **AUTHORIZATION**

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.

AGREED TO:	AGREED TO:	
Date: 3 12 24  By: EMA BELL	Date: 2/25/2024  By: SM BEAUTY LLC	

IT IS SO ORDERED, ADJUDGED AND DECREED:

Dated:	4/20/24	Cely
	10.00	Judge of Superior Court
		RICHARD
		RICHARD ULMER

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