Matthew S. Kenefick, Esq. (SBN 227298) JEFFER MANGELS BUTLER & 2 Embarcadero Center, 5TH Floor San Francisco, California 94111-3813 Tel: (415) 9849677; Fax: (310) 712-8594 Email: mkenefick@imbm.com Attorneys for Defendants, SIGNAL PRODUCTS, INC.; and SIGNAL BRANDS, LLC (Assigned for All Purposes to: Hon. Tara Desautels – Dept. 16) PROPOSED| AMENDED STIPULATEĎ CONSENT JUDGMENT; [PROPOSED] [California Health & Safety Code, March 27, 2023

hereby enter into this Amended Stipulated Consent Judgment (this "Consent Judgment") as follows:

WHEREAS, on or about September 02, 2022, CCPG served a Sixty-Day Notice of Intent to Sue for Violations of the Safe Drinking Water and Toxic Enforcement Act of 1986 upon SBI, SBL, Guess?, Inc., and Ross Stores, Inc., the California Attorney General, the District Attorneys of every County in the State of California, and the City Attorneys for every City in the State of California with a population greater than 750,000 (collectively, "Public Prosecutors") alleging that Defendants and other noticed parties violated California's Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code ("HSC") § 25249.5, et seq., and its implementing regulations (collectively, "Proposition 65") and that CCPG intended to file an enforcement action against Defendants and other noticed parties in the public interest (the "Notice");

WHEREAS, CCPG alleges that Defendants manufactured, imported, distributed, sold and/or offered for sale in California the following "Covered Products":

- Guess?, Inc. or "Guess" branded cosmetic bags sold, manufactured, imported or distributed by either of the Defendants ("Cosmetic Bags");
- Guess ?, Inc. or "Guess" branded clutches sold, manufactured, imported or distributed by either of the Defendants ("Clutches"); and
- 3. Guess?, Inc., "Guess" or "Nine West" branded wallets sold, manufactured, imported or distributed by either of the Defendants ("Wallets").

WHEREAS, CCPG alleged in the Notice that persons in the State of California were exposed to Diisononyl Phthalate ("DINP") in the Covered Products without being provided the Proposition 65 warning set out at California Health and Safety Code § 25249.6 and its implementing regulations ("Proposition 65 Warning");

WHEREAS, Defendants deny the allegations of the Notice, deny that they have violated Proposition 65, and deny that they have engaged in any wrongdoing whatsoever; WHEREAS, on March 27, 2023, 2023, Plaintiff (CCPG) filed a Complaint against

Defendants for civil penalties, injunctive relief and reimbursement of its reasonable attorneys' fees and costs (the "Complaint") in Alameda County Superior Court, pending as Case No. 23CV030099 (the "Action"). CCPG contends in the Complaint that Defendant knowingly and intentionally exposed California consumers to DINP, a substance known to cause cancer, through the sale of the Covered Products; and

WHEREAS, Plaintiff and Defendants wish to resolve their differences without the delay and expense of prolonged litigation in the Action.

NOW THEREFORE BE IT RESOLVED AND AGREED UPON AS BETWEEN PLAINTIFF ACTING IN THE PUBLIC INTEREST AND DEFENDANT AS FOLLOWS:

1. INTRODUCTION

- 1.1. On September 02, 2022, Plaintiff served Defendants and Public Prosecutors with the Notice alleging that Defendants and other noticed parties violated Proposition 65 when they failed to warn consumers that the Covered Products expose consumers to DINP in violation of Proposition 65.
 - 1.2. No Public Prosecutor commenced an enforcement action.
 - 1.3. Defendants each employ ten (10) or more persons.
- 1.4. <u>Consent to Jurisdiction</u>. For purposes of this Consent Judgment only, Plaintiff and Defendants (each a "Party, and collectively, the "Parties") stipulate that (1) this Court has jurisdiction over the allegations of violations contained in the Complaint, and personal jurisdiction over Defendants as to the acts alleged in the Complaint; (2) venue is proper in the Alameda County; and (3) 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 with respect to the Covered Products, and of all claims which were or could have been raised by any person or entity based on or arising from the facts alleged in the Notice or the Action with respect to Covered Products (collectively, "Proposition 65 Claims").

- 1.5. The Parties enter into this Consent Judgment as a full and final settlement of the Proposition 65 Claims, for the purpose of avoiding prolonged and costly litigation, and resolving the issues raised therein. By executing and agreeing to the terms of this Consent Judgment, the Parties do not admit any fact, conclusion of law, or violation of law, nor shall Defendants' compliance with this Consent Judgment be construed as an admission by Defendants of any fact, conclusion of law, or violation of law. Defendants deny the material, factual, and legal allegations in the Notice and the Complaint, and deny any wrongdoing whatsoever.
- 1.6. <u>No Effect on Future Proceedings</u>. Except as expressly set forth herein, nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument, claim or defense the Parties may have in any other or future legal proceedings which do not arise out of the Action.

2. CERTAIN DEFINITIONS

- 2.1. "Effective Date" shall mean the date the Consent Judgment has been approved and entered by the Court.
 - 2.2. Collectively, the "Covered Products" or each a "Covered Product" shall mean:
 - 2.2.1. Guess?, Inc. or "Guess" branded cosmetic bags sold, manufactured, imported or distributed by either of the Defendants ("Cosmetic Bags");
 - 2.2.2. Guess?, Inc. or "Guess" branded clutches sold, manufactured, imported or distributed by either of the Defendants ("Clutches"); and/or
 - 2.2.3. Guess?, Inc., "Guess" or "Nine West" branded wallets sold, manufactured, imported or distributed by either of the Defendants ("Wallets").

3. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS

3.1. <u>Reformulation of Covered Products</u>. As of the Effective Date, Covered Products that Defendants directly manufacture, import, distribute, sell, or offer for sale in California shall either: (a) be Reformulated Products pursuant to <u>Section 3.2</u>, below; or (b) be labeled with a clear and reasonable warning pursuant to <u>Sections 3.3</u> and <u>3.4</u>, below.

- 3.1.1 For purposes of this Consent Judgment, a "Reformulated Product(s)" is a Covered Product(s) that is/are in compliance with the standard set forth in <u>Section 3.2</u> below.
- 3.1.2 The warning requirement set forth in <u>Sections 3.3</u> and <u>3.4</u> shall not apply to any Reformulated Product(s).
- 3.2. <u>Reformulation Standard</u>. "Reformulated Product(s)" shall mean Covered Product(s) that contain concentrations less than or equal to 0.1% (1,000 parts per million (ppm)) of DINP 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. <u>Clear and Reasonable Warning</u>. As of the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this <u>Section 3.3</u> and <u>Section 3.4</u> must be provided for all Covered Product(s) that Defendants manufacturer, import, distribute, sell, or offer for sale in California that is not a Reformulated Product. There shall be no obligation for Defendants 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 <u>Sections 3.3(a) or (b)</u> below, respectively:
 - (a) Warning. The "Warning" shall consist of the statement:
 - WARNING: This product can expose you to chemicals including Diisononyl Phthalate (DINP), which are known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.
 - (b) Alternative Warning: Defendants may, but are not required to, use the alternative short-form warning as follows:

WARNING: Cancer - www.P65Warnings.ca.gov.

3.4. A Warning or Alternative Warning provided pursuant to <u>Section 3.3</u> 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 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.

- 3.5. <u>Internet Sales</u>. In addition to affixing the warning or alternative warning as provided for above, to the Covered Product's packaging or labeling, the warning or alternative warning shall be posted on websites where Defendants offer 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. For purposes of this subsection, a warning is not "prominently displayed" if the purchaser must search for it in the general content of the website.
- 3.6 <u>Language Other than English</u>. Where the label or packaging of the Covered Product(s) used to provide a warning includes consumer information about the Covered Product(s) in a language other than English, the warning must also be provided in that language in addition to English.
- 3.7 <u>Compliance with Warning Regulations</u>. Defendants shall be deemed to be in compliance with the warning requirements of this Consent Judgment by either adhering to <u>Section 3.3</u>, <u>Section 3.4</u>, and <u>Section 3.5</u>, as applicable, of this Consent Judgment or by complying with any of the safe harbor warning requirements applicable to the Covered Products and chemical at issue as set forth in the regulations of the State of California's Office

of Environmental Health Hazard Assessment ("OEHHA") and in effect after the Effective Date.

4. MONETARY RELIEF

- 4.1. <u>Total Amount of Settlement</u>. In full satisfaction of all civil penalties and CCPG's attorney's fees, expert fees and all other costs and expenses incurred, including, without limitation, pursuant to California Code of Civil Procedure § 1021.5, with respect to the Action and the Covered Products, Defendants shall jointly and severally pay the total settlement amount of Sixty-Six Thousand Dollars (\$66,000), apportioned as follows.
 - 4.1.1 <u>Civil Penalty</u>. Of the settlement amount, Defendants shall pay Twenty Thousand Dollars (\$18,000) as a civil penalty pursuant to HSC § 25249.7(b), to be apportioned in accordance with HSC § 25192, with 75% of these funds (\$13,500) payable to OEHHA and the remaining 25% of the funds (\$4,500) payable to Khansari Law Corporation Trust Account in trust for CCPG as provided by HSC § 25249.12(d).
 - 4.1.2 Attorneys' Fees and Costs. Of the settlement amount, Defendants shall pay Forty-Eight Thousand Dollars (\$48,000) as reimbursement of CCPG's attorney's fees and costs incurred in the Action and with respect to the Notice payable to Khansari Law Corporation Trust Account.
- 4.2. <u>Delivery of Settlement Payments</u>. The Settlement payments called for in <u>Section</u>
 4.1 shall be made within ten (10) days of the Effective Date as follows:
 - 4.2.1. Defendants payment of the civil penalty to OEHHA shall be delivered by United States Mail directly to OEHHA (with an electronic copy emailed to andre@khansarilaw.com) at the following address or such other address as updated by OEHHA at the time of payment:

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

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4.2.2. Defendants' payment of the civil penalty to CCPG and for CCPG's attorney's fees and costs shall be delivered via electronic wire (wire instructions to be provided by CCPG upon request by either of the Defendants), or check via tracked overnight mail, or to the following address:

Andre A. Khansari, Esq. KHANSARI LAW CORPORATION 16133 Ventura Blvd., Suite 1200 Encino, CA 91364

5. CLAIMS COVERED AND RELEASE

5.1. This Consent Judgment is a full, final, and binding resolution between Plaintiff, on behalf of itself, and acting in the public interest, and each of the Defendants, and all of the Defendants parent companies, as well as all of Defendants' officers, directors, members, shareholders, employees, attorneys, agents, parent companies, subsidiaries, divisions, affiliates, suppliers, franchisees, licensors, licensees, and retailers, their parent and all subsidiaries, and affiliates, thereof including without limitation SBNW LLC, their respective employees, agents and assigns, as well as all other upstream and downstream entities in the distribution chain for any of the Covered Products (including without limitation, Guess?, Inc. and Ross Stores, Inc.), and the predecessors, successors, and assigns of any of them (collectively, the "Released Parties"), for any alleged violation of Proposition 65, and its implementing regulations, for failure to provide Proposition 65 warnings for the Covered Products with respect to DINP, and fully resolves all claims that have been brought, or which could have been brought in the Action up to and including the Effective Date. Plaintiff on behalf of itself, and in the public interest, hereby discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs and expenses asserted, or that could have been asserted, with respect to any alleged violation of Proposition 65 arising from the failure to provide Proposition 65 warnings about exposures to DINP for the Covered Products, through and including the Effective Date.

5.2. It is possible that other claims not known to the Parties arising out of the facts contained in the Notice or alleged in the Complaint relating to the Covered Products will hereafter be discovered. Plaintiff, on behalf of itself only, on the one hand, and Defendants, on the other hand, acknowledge that this Consent Judgment is expressly intended to cover and include all such claims through and including the Effective Date, including all rights of action thereon. Plaintiff and Defendants acknowledge that the claims released in Sections 5.1 and 5.2 may include unknown claims, and nevertheless intend to release such claims, and in doing so waive California Civil Code § 1542 which reads 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. Plaintiff understands and acknowledges that the significance and consequence of this waiver of California Civil Code § 1542 is that even if Plaintiff suffers future damages arising out of, resulting from, or related to the Covered Products, Plaintiff will not be able to make any claim for those damages against any of the Released Parties except as permitted under this Consent Judgment.
- 5.4. Compliance by Defendants with the terms of this Consent Judgment shall constitute compliance with Proposition 65 with respect to exposure to DINP in the Covered Products as set forth in the Notice and/or the Complaint.
- 5.5. Defendants waive any and all claims against Plaintiff, its attorneys, and representatives, for any and all actions taken, or statements made (or those that could have been taken or made) by Plaintiff and its attorneys and other representatives, whether in the course of investigating claims or

1	otherwise seeking enforcement of Proposition 65 arising out of or related to the Notice and/or the		
2	Action.		
3	6. COMPLIANCE WITH HEALTH AND SAFETY CODE SECTION 25249.7(f)		
4	6.1. Plaintiff and its attorneys agree to comply with the reporting form requirements		
5	referenced in California Health and Safety Code § 25249.7(f).		
6	7. NOTICE		
7	7.1. When any Party is entitled to receive any notice or writing under this Consent		
8	Judgment, the notice or writing shall be sent by first class certified mail with return receipt		
9	requested, or by electronic mail, as follows:		
10	To <u>Defendants</u> :		
11	Matthew S. Kenefick		
12	Jeffer Mangels Butler & Mitchell LLP Two Embarcadero Center, Fifth Floor		
13	San Francisco, CA 94111		
14	msk@jmbm.com		
15	To <u>Plaintiff</u> :		
16	Andre A. Khansari, Esq.		
17	KHANSARI LAW CORP., APC 16133 Ventura Blvd., Suite 1200		
18	Encino, California 91436		
19	Email: Andre@Khansarilaw.com		
20	7.2. Any party may modify the person and address to whom the notice is to be sent		
21	by sending the other Party notice that is transmitted in the manner set forth in Section 7.1		
22	above.		
23	8. COURT APPROVAL		
24	8.1. Upon execution of his Consent Judgment by all Parties, the Parties shall prepare		
25	and file a Motion for Approval of this Consent Judgment, and any related or required ancillary		
26	documents. This Consent Judgment shall not become effective until approved and entered by		
27	the Court. If this Consent Judgment is not entered by the Court, it shall be of no force or		
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effect, and shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

9. GOVERNING LAW AND CONSTRUCTION

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

10. ENTIRE AGREEMENT

- 10.1. This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby incorporated into this Consent Judgment.
- 10.2. There are no warranties, representations, or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by the Parties.
- 10.3. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties. Any agreements specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties only to the extent that they are expressly incorporated herein.
- 10.4. No supplementation, modification, waiver, or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound and approved and ordered by the Court.
- 10.5. No waiver of any of the provisions of this Consent Judgment shall be deemed to constitute a waiver of any of the other provisions of this Consent Judgement whether or not similar, nor shall such waiver constitute a continuing waiver.

11. RETENTION OF JURISDICTION; ENFORCEMENT OF CONSENT JUDGMENT

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

- 11.2. Only after it complies with <u>Section 11.4</u> below may any Party, by motion or application for an order to show cause filed with this Court, enforce the terms and conditions contained in this Consent Judgment.
- 11.3. If Defendants distribute for sale in the State of California, or directly sell in the State of California a Covered Product without a Proposition 65 warning in the future, and subsequently CCPG alleges that any such product fails to qualify as a Reformulated Covered Product (for which CCPG alleges that no warning has been provided), then CCPG shall inform Defendants in a reasonably prompt manner of CCPG's test results. Defendants shall, within thirty (30) days following such notice, provide CCPG with testing information, from an independent third-party laboratory demonstrating Defendants compliance with this Consent Judgment. The Parties shall first attempt to resolve the matter prior to taking any further legal action with the Court.
- any Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet in person or by telephone and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand. In the event an action or motion is filed, however, the prevailing party may seek to recover costs and reasonable attorneys' fees for each violation. As used in the preceding sentence, the term "prevailing party" means a party who is successful in obtaining relief more favorable to it than the relief that the other party was amenable to providing during the parties' good faith attempt to resolve the dispute that is the subject of the Action.

12. NO EFFECT ON OTHER SETTLEMENTS

12.1. Nothing in this Consent Judgment shall preclude Plaintiff from resolving any claim against another entity on terms that are different from those contained in this Consent Judgment.

13. **EXECUTION IN COUNTERPARTS**

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13.1. This Consent Judgment may be executed in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute the same document. Execution of the Consent Judgment by e-mail, facsimile, or other electronic means, shall constitute legal and binding execution and delivery. Any photocopy of the executed Consent Judgment shall have the same force and effect as the original.

AUTHORIZATION 14.

- 14.1. The undersigned are authorized to stipulate to, enter into, and 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 Consent Judgment.
- 15. **DRAFTING.** The terms of this Consent Judgment have been reviewed by the respective counsel for each Party to this settlement prior to its signing, and each Party has had an opportunity to fully discuss the terms with counsel. The Parties agree that, in any subsequent interpretation and construction of this Consent Judgment entered thereon, the terms and provisions shall not be construed against any Party.
- 16. MODIFICATION. This Consent Judgment may be modified only by further written stipulation of the Parties and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

17. ATTORNEY'S FEES

- Except as explicitly provided herein each Party is to bear its own fees and costs with respect to the Action. A Party, however, who unsuccessfully brings or contests an action or proceeding arising out of this Consent Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs.
- 17.2 Nothing in this Section 17 shall preclude a Party from seeking an award of sanctions pursuant to law.

1	18. SEVERABILITY. If subsequent to Court approval of this Consent Judgment. any part		
2	or provision is declared by a Court to be invalid, void, or unenforceable, the remaining		
3	portions or provisions shall continue in full force and effect.		
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5	IT IS SO STIPULATED AND AGREED I	O:	
6	1	CA CITIZEN PROTECTION GROUP, LLC	
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8	Dated: February 20, 2024	By: Tal Ohana	
9		Name: Tal Ohana Its: Manager	
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11	2 (20 (2024	SIGNAL PRODUCTS, INC.	
12	2/20/2024	DocuSigned by	
13	Dated: February, 2024	By: Jason Rimoku	
14		Name: CEO	
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17	2/20/2024	SIGNAL BRANDS, LLC	
18	Dated: February, 2024	Jason Rimoble	
19		By: DASAN PREMIER	
20		Its: CEO	
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AMENDED STIPULATED CONSENT JUDGMENT

ORDER AND JUDGMENT

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to Health & Safety Code § 25249.7(f)(4) and Code of Civil Procedure § 664.6, and based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is approved, and Judgment is hereby entered according to its terms.

05/14/202 Dated:	South & Claster
	Judge of the Superior Court

Somnath Raj Chatterjee / Judge