on 2/10/2026 2:19 PM
Reviewed By: B. Roman-Antunez

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BLUE JAY BEACH, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

KEEP AMERICA SAFE AND BEAUTIFUL, Plaintiff, v. BLUE JAY BEACH, INC.; and DOES 1-30, inclusive, Defendants.	Case No. 23CV427858 **[~~PROPOSED~~] CONSENT JUDGMENT** (Health & Safety Code § 25249.6 et seq. and Code of Civil Procedure § 664.6) Case Filed: December 14, 2023 Trial: Not set

1. INTRODUCTION

This Consent Judgment is entered by and between plaintiff Keep America Safe and Beautiful ("KASB") and defendant Blue Jay Beach, Inc. ("Blue Jay Beach"), with KASB and Blue Jay Beach each individually referred to as a "Party" and collectively, as the "Parties," to resolve the allegations in KASB's December 22, 2021, 60-Day Notice of Violation in compliance with the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6 *et seq.* ("Proposition 65").

1.1 The Parties

KASB is a California-based non-profit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure that chemicals known to the State of California to cause cancer and birth defects, or other reproductive harm are disclosed to consumers and end-users in California or eliminated from consumer products sold in California. Blue Jay Beach is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

1.2 Consumer Product Description

KASB alleges that Blue Jay Beach imports, sells, or distributes for sale in California bags, including clear monogram tote bags, with Vinyl/PVC components containing di(2-ethylhexyl) phthalate ("DEHP"), this Consent Judgment defines "Products" as, and specifically limits such Products to, the *Clear Monogram Tote Bag, Pink, SKU: JD-SWAG-CLRBG-PK, Clear Monogram Tote Bag, Gold, SKU: JD-SWAG-CLRBG-GD, and Clear Monogram Tote Bag, Off White, SKU: JD-SWAG-CLRBG-OW* identified in KASB's Notice. KASB further alleges Blue Jay Beach sold the subject Products without providing the clear and reasonable health hazard warning KASB alleges is required by California Health & Safety Code § 25249.5 *et seq.* ("Proposition 65"). DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cancer and birth defects or other reproductive harm.

1.3 Notice of Violation

On April 21, 2023, KASB served Blue Jay Beach, the Office of the California Attorney General ("OAG"), and all requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice"). In its Notice KASB alleges Blue Jay Beach violated Proposition 65 by failing to warn its

customers and consumers in California the Products can expose users to DEHP. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations set forth in the Notice.

1.4 Complaint

On December 14, 2023, KASB commenced the instant action ("Complaint"), naming Blue Jay Beach as a defendant for the alleged violations of Proposition 65 that are the subject of the Notice.

1.5 No Admission

Blue Jay Beach denies the material, factual and legal allegations contained in the Notice and Complaint and maintains that all products it sold or distributed for sale in California, including the Products, comply with all laws. Neither any term of this Consent Judgment nor Blue Jay Beach's compliance with its terms shall be deemed an admission by Blue Jay Beach of any fact, finding, legal issue or conclusion, or violation of law. This Section shall not, however, diminish or otherwise affect Blue Jay Beach's obligations, responsibilities, and duties under this Consent Judgment.

1.6 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Blue Jay Beach as to the allegations in the Complaint; that venue is proper in the Superior Court for the County of Santa Clara; and that the Court has jurisdiction pursuant to Code of Civil Procedure § 664.6 to retain jurisdiction to oversee and enforce the provisions of this Consent Judgment.

1.7 Effective Date

The term "Effective Date" means the date on which the Court enters an order approving this Consent Judgment and enters Judgment pursuant to its terms as contemplated by Section 10, below.

2. INJUNCTIVE RELIEF: REFORMULATION, WARNINGS AND NOTIFICATION

2.1 Reformulation Commitment

Commencing on the Effective Date and continuing thereafter, all Products Blue Jay Beach manufactures, imports, packages, sells, ships, provides, or distributes for sale in or into California, directly or through third-party customers Blue Jay Beach knows or reasonably should know offer the

Products for sale in or into California, shall either qualify as Reformulated Products, as defined by Section 2.2, or be accompanied by a clear and reasonable warning pursuant to Section 2.3.

2.2 Reformulation Standard

For purposes of this Consent Judgment, "Reformulated Products" are defined as Products containing DEHP in a maximum concentration of 0.1 percent (1,000 parts per million) in any "accessible component" (i.e., any component that may be touched during a reasonably foreseeable use) when analyzed by a laboratory accredited by the State of California, a federal agency, or a nationally recognized accrediting organization. For purposes of compliance with this reformulation standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission ("CPSC") methodology CPSC CH-C1001.09.4 and analyzed using U.S. Environmental Protection Agency methodology 8270D, or other methodologies utilized by federal or state government agencies to determine phthalate content in a solid substance.

2.3 Clear and Reasonable Warnings

Commencing on the Effective Date and continuing thereafter, for all Products that are not Reformulated Products as defined by Section 2.2, above, Blue Jay Beach shall provide clear and reasonable warnings in accordance with this Section and pursuant to Title 27 California Code of Regulations § 25600, et seq. Each warning shall 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 and shall be provided in a manner such that it is clearly associated with the specific Product to which the warning applies.

(a) Long-Form Warnings. The Warning shall consist of the following 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) Short-Form Warnings. Blue Jay Beach may, but is not required to, use the following short-form warnings as set forth in this subsection 2.3(b) ("Short-Form Warning"), subject to the additional requirements in Sections 2.4 and 2.5, below, as follows:

⚠**WARNING [**or] **CA WARNING [**or] **CALIFORNIA WARNING:** Risk of cancer and reproductive harm from exposure to di(2-ethylhexyl) phthalate (DEHP). See www.P65Warnings.ca.gov.

- Or -

⚠**WARNING** [or] **CA WARNING** [or] **CALIFORNIA WARNING:** Can expose you to di(2-ethylhexyl) phthalate (DEHP), a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.

- Or -

The following warning statement may be used on Products containing DEHP manufactured and labeled prior to January 1, 2028:

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

(c) Foreign Language Requirement. Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information in language(s) other than English, the warning must also be provided in the other language(s) in addition to English.

2.4 Product Warnings

Commencing on the Effective Date and continuing thereafter, for all Products sold and/or offered for sale in California that do not meet the definition of "Reformulated Products" established by Section 2.2, above. Blue Jay Beach shall affix a warning to the Product label, packaging, or otherwise directly on Products provided for sale to consumers in California and to customers Blue Jay Beach knows maintain retail outlets in California or engage in nationwide distribution. For purposes of this Agreement, "Product label" means any display of written, printed or graphic material printed on or affixed to a Product or its immediate container or packaging. A warning provided pursuant to section 2.3(a) or (b) must print the word "**WARNING:**" in all capital letters and in bold font. 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 if the labeling does not use yellow, the symbol may be in black and white. The entire warning shall appear in at least 6-point type and no smaller than the largest type size used for other consumer information on the Products.

2.5 Internet Warnings

If, after the Effective Date, Blue Jay Beach sells Products other than Reformulated Products via the internet, through its own website, an affiliates' website or a third-party website, to consumers located in California or to customers it knows have retail outlets in California, who sell online via the internet in or into California or maintain nationwide distribution, then Blue Jay Beach shall provide warnings for each Product both on the Product packaging in accordance with Section 2.4, and by prominently displaying, or requiring the warning to be prominently displayed to the consumer during the purchase of the Product without requiring customers to seek out the warning. However, Blue Jay Beach shall not assume any duty to monitor any third-party websites for compliance. The warning or a clearly marked hyperlink to the warning using the word "WARNING" given in conjunction with the sale of Products via the internet shall appear (a) on the same web page on which the Products are displayed; (b) via a clearly marked hyperlink using the word "WARNING" or the words "CA WARNING" or "CALIFORNIA WARNING" on the product display page that links to the warning; or (c) as an otherwise prominently displayed warning provided to the purchaser prior to completing the purchase (which does not include a warning in the general content section of the website). For third-party websites where Blue Jay Beach knows the Products will be sold, as a condition of sale, Blue Jay Beach shall notify such sellers the Products must be accompanied by a warning, prior to and as a condition of sale, in or into California, and shall supply the warning requirements, pursuant to this Section 2.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Blue Jay Beach agrees to pay a civil penalty of $1,500 within ten (10) days of the Effective Date. Blue Jay Beach's civil penalty payment will be allocated according to Health and Safety Code § 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) retained by KASB. Blue Jay Beach shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of $1,125; and (b) "Seven Hills LLP in trust for Keep America Safe and Beautiful" in the amount of $375. KASB's counsel shall deliver to OEHHA and KASB their respective portions of the penalty payment.

3.2 Reimbursement of Attorneys' Fees and Costs

After the Parties finalized all other material settlement terms, they negotiated Blue Jay Beach's reimbursement of a portion of KASB's attorneys' fees and costs under the private attorney general doctrine, codified at California Code of Civil Procedure § 1021.5. The negotiated reimbursement includes all work performed through the mutual execution and reporting of this Consent Judgment to the OAG and obtaining an entry of Judgment by the Court pursuant its terms, but exclusive of fees and costs on appeal, if any. Within ten (10) days of the Effective Date, Blue Jay Beach shall issue a check for $20,500, payable to "Seven Hills LLP" for all fees and costs incurred investigating, bringing this matter to Blue Jay Beach's attention, litigating, negotiating a settlement in the public interest, obtaining the Court's approval of its terms pursuant to Section 5, and reporting the Parties' settlement to the OAG.

3.3 Payments

All payments payable and due under this Consent Judgment shall be delivered to KASB's counsel at the following address:

Seven Hills LLP
Attn: Kimberly Gates Johnson, Esq.
4 Embarcadero Center, Suite 1400
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 KASB's Release of Proposition 65 Claims

This Consent Judgment is a full, final, and binding resolution of the claims that were or could have been asserted by KASB arising out of the allegations in the Notice and in the Complaint. KASB, acting on its own behalf, in the public interest, and on behalf of its past and current agents, representatives, attorneys, successors and assignees ("Releasors") releases Blue Jay Beach, its past and present parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Blue Jay Beach directly or indirectly distributes or sells the Products including, but not limited to, its downstream distributors, wholesalers, marketplace hosts, customers, retailers, franchisees, cooperative members, and licensees ("Releasees") based on the failure to provide a clear and reasonable warning under Proposition 65 about actual or alleged

exposures to DEHP in Products distributed, sold and/or offered for sale in California before the Effective Date, as set forth in the Notice and Complaint. The Parties further agree that compliance with Section 2 of this Consent Judgment shall be deemed compliance with Proposition 65 with respect to exposures to DEHP in the Products.

The Parties further understand and agree this Section 4.1 release shall not extend (i) upstream to any entity who supplied the Products or any component part thereof to Blue Jay Beach or (ii) downstream to any individual or entity instructed by Blue Jay Beach, pursuant to Section 2.3 through 2.5, above, to provide a warning for the Products and who fails to do so. Nothing in this Section 4.1 release shall affect KASB's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Blue Jay Beach's Products.

4.2 KASB's Individual Release of Claims

KASB, in its individual capacity as a nonprofit corporation only and not in its representative capacity, also hereby provides a release to Blue Jay Beach and the Releasees which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of actions, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of KASB of any nature, character, or kind arising out of alleged or actual exposures to DEHP in Products sold or distributed for sale in or into California by Blue Jay Beach prior to the Effective Date.

The Parties further understand and agree this Section 4.2 release shall not extend (i) upstream to any entity who supplied the Products, or any component part thereof, to Blue Jay Beach or (ii) downstream to any individual or entity instructed by Blue Jay Beach, pursuant to Section 2.3 through 2.5, above, to provide a warning for the Products and who fails to do so. Nothing in this Section 4.2 release shall affect KASB's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Blue Jay Beach's Products. Nothing in this Section 4.2 release shall affect KASB's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Blue Jay Beach's Products.

4.3 Blue Jay Beach's Release of KASB

Blue Jay Beach, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives all claims against KASB and its attorneys and

other representatives, for any actions taken or statements made (or those that could have been taken or made) by KASB and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the Products.

5. COURT APPROVAL

Pursuant to California Health and Safety Code § 25249.7(f)(4), KASB shall file a noticed motion for judicial approval of this Consent Judgment. The Parties agree to mutually employ their best efforts, and those of their counsel, to support the entry of a judgment pursuant to the terms of this Consent Judgment, and to judicial approval of their settlement in a timely manner. For purposes of this section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to any third-party objection, and appearing at the hearing before the Court if so requested.

6. SEVERABILITY

If, subsequent to the Court's approval and entry of this Consent Judgment as a judgment, any provision of this Consent Judgment is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within California. If Proposition 65 is repealed, preempted, or otherwise rendered inapplicable by reason of law generally, or as to the Products, then Blue Jay Beach may seek to modify this Consent Judgment pursuant to Section 12, below.

8. NOTICE

Unless specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) first-class registered or certified mail, return receipt requested; or (ii) a recognized overnight courier to any Party by the other at the following addresses:

For Blue Jay Beach:

Grace Lee, CEO
Blue Jay Beach, Inc.
210 E. Olympic Blvd., Unit #300B
Los Angeles, CA 90015

For KASB:

Kimberly Gates Johnson, Esq.
Seven Hills LLP
4 Embarcadero Center, Suite 1400
San Francisco, CA 94111

With a copy to:

Alex Swanson, Esq.
Rutan & Tucker, LLP
18575 Jamboree Road, 9th Floor
Irvine, CA 92612

Any Party may, from time to time, specify in writing to the other Party a change of address to which all notices and other communications shall be sent.

9. COUNTERPARTS AND ELECTRONIC SIGNATURES

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

10. COMPLIANCE WITH REPORTING REQUIREMENTS

KASB and its counsel agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

11. ENTIRE AGREEMENT

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, if any, are hereby merged. No warranty, representation or other agreement between the Parties exists except as expressly set forth herein. No representation, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party. No other agreement not specifically contained herein, shall be deemed to exist or to bind either of the Parties hereto.

12. MODIFICATION

This Consent Judgment may be modified only by: (i) a written agreement of the Parties and the entry of a modified Consent Judgment by the Court thereon; or (ii) upon a successful motion of any Party and the entry of a modified Consent Judgment by the Court thereon. No Party shall seek modification of this Consent Judgment without first providing written notice to the other Party of the basis for the modification sought, and meeting and conferring in good faith for a period of not less than thirty (30) days prior to moving the Court for an order modifying the Consent Judgment. In the

event the Parties or either Party seek(s) modification of this Consent Judgment by written agreement or on noticed motion by the Court, the Party or Parties shall provide the OAG with no less than 45 days' notice of their intended revision(s) to the Consent Judgment prior to any hearing by the Court on a motion for approval of such modification.

13. AUTHORIZATION

The undersigned are authorized to execute this Consent Judgment on behalf of their respective Party and have read, understand, and agree to all the terms and conditions of this Consent Judgment.

AGREED TO:

Date: 7/3/2025

By: _____

Lance Nguyen, CEO
KEEP AMERICA SAFE AND BEAUTIFUL

AGREED TO:

Date: _____

By: 7/2/25

Grace Lee, CEO
BLUE JAY BEACH, INC.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to California Health & Safety Code § 25249.7(f)(4) and California Code of Civil Procedure § 664.6, Judgment is entered in accordance with the terms of the Consent Judgment. By stipulation of the parties, the Court will retain jurisdiction to enforce the settlement under Code of Civil Procedure § 664.6.

IT IS SO ORDERED.

Dated: 2/27/2026

Hon. Nahal Iravani-Sani
JUDGE OF THE SUPERIOR COURT