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A CALIFORNIA GENERAL PARTNERSHIP

**FILED**
Superior Court of California
County of Sacramento
05/20/2026
L. Homsanith, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO - UNLIMITED CIVIL JURISDICTION

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| CENTER FOR ADVANCED PUBLIC AWARENESS,<br><br>Plaintiff,<br><br>v.<br><br>AMERICAN INTERNATIONAL INDUSTRIES, A CALIFORNIA GENERAL PARTNERSHIP; and DOES 1-30, inclusive,<br><br>Defendants. | Case No. 24cv001142<br><br>~~[PROPOSED]~~<br>**CONSENT JUDGMENT**<br><br>(Health & Safety Code § 25249.6 et seq. and Code of Civil Procedure § 664.6) |

## 1. INTRODUCTION

This Consent Judgment is entered into by and between plaintiff Center for Advanced Public Awareness ("**CAPA**") and defendant American International Industries, a California General Partnership ("**AII**"), with CAPA and AII each individually referred to as a "**Party**" and collectively, as the "**Parties**," to resolve the allegations in the September 19, 2022 and May 22, 2023 60-Day Notices of Violation in compliance with the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6 *et seq.* ("**Proposition 65**").

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### 1.1 The Parties

CAPA 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, birth defects, or other reproductive harm are disclosed or eliminated from consumer products sold in California. AII is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

### 1.2 Consumer Product Description

CAPA alleges that AII manufactures, imports, sells, or distributes for sale in California glass bottles with exterior decoration containing the heavy metal, Lead, including but not limited to, *China Glaze Nail Lacquer with Hardeners, 1749 Tangerine Heat, #85001, UPC 0 19965 85001 8,* without providing the health hazard warning that CAPA alleges is required by California Health & Safety Code § 25249.5 *et seq.* ("**Proposition 65**"). Glass bottles with exterior decoration are referred to hereinafter as the "**Products**." Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm. AII denies the material, factual and legal allegations in the Notices and maintains that all of the products it has sold and/or distributed for sale in California, including Products, have been and are in compliance with all applicable laws, rules and regulations.

### 1.3 Notices of Violation

On September 19, 2022 and May 22, 2023, CAPA served AII, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation ("**Notices**"), alleging AII violated Proposition 65 by failing to warn its customers and consumers in California that the Products can expose users to Lead. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations set forth in the Notices.

### 1.4 Complaint

On January 23, 2024, CAPA commenced the instant action ("**Complaint**"), naming AII as a defendant for the alleged violations of Proposition 65 that are the subject of the Notices.

### 1.5 No Admission

AII denies the material, factual and legal allegations contained in the Notices and Complaint and maintains that all products it sold or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as, nor shall compliance with this Consent Judgment constitute or be construed as, an admission by AII of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect AII'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 AII as to the allegations contained in the Complaint; that venue is proper in Sacramento County; and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment, pursuant to Proposition 65 and Code of Civil Procedure § 664.6.

### 1.7 Effective Date

The term "Effective Date" means the date on which the Court approves this Consent Judgment and enters Judgment pursuant to its terms.

## 2. INJUNCTIVE RELIEF: REFORMULATION

### 2.1 Reformulation Commitment

Commencing on the Effective Date and continuing thereafter, all Products AII manufactures, imports, sells, ships, or distributes for sale in or into California, directly or through one or more third party retailers or e-commerce marketplaces, shall meet the Reformulation Standard for Reformulated Products, as defined by Section 2.2.

### 2.2 Reformulation Standard

For purposes of this Agreement, "Reformulated Products" are defined as those Products complying with the Reformulation Standard below:

(a) containing no more than 0.009% or 90 parts per million ("ppm") Lead in any decoration, description, artwork and/or design on the exterior surface when analyzed pursuant to U.S. Environmental Protection Agency ("EPA") testing methodologies 3050B and 6020A or equivalent

methodologies utilized by federal or state agencies for the purpose of determining Lead content in a solid substance by a laboratory certified or accredited by the State of California, the United States Food and Drug Administration/Environmental Protection Agency, the National Environmental Laboratory Accreditation Program, or a member accreditation body of the International Laboratory Accreditation Cooperation ("ILAC"); and

(b) yielding a test result of no more than 1.0 microgram of Lead on any exterior surface covered with a decoration, description, artwork and/or design when sampled pursuant to the NIOSH 9100 testing protocol and analyzed pursuant to EPA 3050B and 6020A.

If the decoration is tested after it is affixed to the Product, the percentage of the Lead by weight must relate only to the decorating materials and must not include any quantity of the non-decorating material (e.g., glass substrate).

**2.3 Certification of Compliance with Reformulation Standard**

On or before the thirtieth ($30^{th}$) day after the Effective Date, an officer of AII shall provide Seven Hills LLP with a written attested declaration stating, as of the Effective Date, and continuing thereafter, any and all Products manufactured or imported by AII for sale to (a) consumers in California directly including through its own website, affiliated websites or a third party website, to consumers located in California, and (b) customers with nationwide distribution and e-commerce websites, are Reformulated Products as defined by Section 2.2. Along with its attested declaration, AII shall provide a recent test result performed after the date of the Notices, showing the Products were tested and analyzed according to the parameters set forth in Section 2.2 and are Reformulated Products. Failure to comply with this section shall render this Agreement null and void.

**2.4 Compliance with Regulations**

The Parties agree that AII's compliance with Section 2.1 and Section 2.2 of this Consent Judgment shall be deemed compliance with Proposition 65. If AII seeks to otherwise comply with regulations and/or safe harbor levels adopted by the California Office of Environmental Health Hazard Assessment applicable to the Product and the exposure at issue, it may seek a modification of this Consent Judgment pursuant to Section 13 below.

## 3. MONETARY SETTLEMENT TERMS

### 3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), AII agrees to pay a civil penalty of $10,500 within twenty-one (21) days of the Effective Date. AII'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 CAPA. AII shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of $7,875; and (b) "Center for Advanced Public Awareness" in the amount of $2,625. CAPA's counsel shall be responsible for delivery to OEHHA and CAPA their respective portions of the penalty payment.

### 3.2 Additional Settlement Payments

AII shall pay $7,500 as an Additional Settlement Payment ("ASP"), payable to "Center for Advanced Public Awareness," pursuant to the guidelines and requirements set forth in Health & Safety Code § 25249.7(b) and California Code of Regulation, Title 11, § 3204. In accordance with California Code of Regulations § 3204(b)(6), the following paragraphs detail the utilization and documentation of the ASP.

#### (a) Payment Recipient

CAPA, a tax-exempt, California-based, nonprofit organization, shall be the sole recipient of any payment under this Section 3.2 and shall be fully accountable, utilizing the allocated ASP according to the foregoing designated purposes. No individual or entity, other than CAPA, has an economic interest in any part of the payment described in this Section.

#### (b) Nexus Between Harm Alleged and Usage of Payment

CAPA will utilize the ASP to address the same harm as alleged in the Notices, Complaint, and this Consent Judgment, namely the elimination or reduction of Lead and other chemicals known to the State of California to cause cancer and birth defects or other reproductive harm ("Listed Chemicals") found in consumer products, such as glass bottles with exterior decorations, in the State of California. CAPA's stated mission is: to educate consumers about toxins in consumer goods; to protect California citizens from exposures to harmful chemicals; and to hold companies accountable

for such exposures, through advocacy and, where necessary, litigation, to effectuate change and reduce the potential for future harm. To create a safer environment and a more knowledgeable citizenry, CAPA actively pursues enforcement of laws designed to protect California citizens from the health hazards arising as a result of the manufacturing of consumer goods containing harmful chemicals, such as Lead, while educating consumers about the health effects such chemicals pose.

**(c) Payment-Funded Activities**

There is a direct nexus between the ASP and the harm alleged: the Notices, Complaint and this Consent Judgment all seek to remedy allegations involving Lead, known to cause cancer and birth defects or other reproductive harm, in glass bottles with exterior decoration in California, and CAPA will utilize the ASP to fund actions focused on the reduction of Lead and other Listed Chemicals in consumer goods. Specifically, CAPA will designate the funds according to the following activities: (1) ENFORCEMENT (70-80%): investigating, obtaining, analyzing, and testing similar products containing Listed Chemicals; consulting with experts regarding new Listed Chemical exposures, based on initial product assessments; continued monitoring and enforcement of settlements to ensure compliance with required settlement terms and obligations, namely elimination or reduction of Listed Chemicals, with a specific emphasis on the category of consumer products covered by this Consent Judgment; (2) PUBLIC OUTREACH (10-15%): Maintenance of the organization's website, available at www.capasafe.org, to include updated information related to Lead and other Listed Chemicals, including reformatory efforts of note, supplementary chemicals of interest, articles explaining the impact and effect of Lead and other Listed Chemicals, and other information as it relates to California consumers; (3) SPECIAL PROJECTS (5-10%): projects involving consultation with experts not specific to any one consumer product but to a category of products to determine and assess consumer exposure probabilities to Lead and other Listed Chemicals under differing scenarios to consider viability of enforcement initiatives; (4) PRODUCT DATABASE (5-10%): maintenance of CAPA's product database, including past enforcement actions, ongoing compliance initiatives and new products sold to consumers in California.

**(d) Documentation of Payment Usage**

CAPA will maintain documentation, in the form of business records, detailing how the ASP

was allocated and disbursed, consistent with the description above, and shall, upon request by the Attorney General, provide documentation of such activities and distributions, within thirty (30) days of such request. CAPA shall only utilize the ASP according to its intended purposes, pursuant to California Code of Regulations § 3204(b).

**3.3 Reimbursement of Attorneys' Fees and Costs**

CAPA and its counsel offered to resolve the allegations in the Notices and Complaint without reaching terms on the amount of reimbursement of attorneys' fees and costs. Shortly after the Parties finalized the other material settlement terms, they negotiated and reached an accord on the amount of reimbursement to be paid to CAPA's counsel, under general contract principles and the private attorney general doctrine, codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution and reporting of this Consent Judgment to the Office of the California Attorney General and entry of Judgment pursuant its terms, but exclusive of fees and costs on appeal, if any. Within twenty-one (21) days of the Effective Date, AII shall issue a check in the amount of $32,000 and made payable to "Seven Hills LLP" for all fees and other costs incurred investigating, bringing this matter to AII's attention, litigating, negotiating a settlement in the public interest, obtaining the Court's approval of its terms pursuant to Section 5, and reporting to the California Attorney General.

**3.3 Payments**

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

Seven Hills LLP
Attn: Laralei Paras
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111

## 4. CLAIMS COVERED AND RELEASED

**4.1 CAPA's Release of Proposition 65 Claims**

CAPA acting on its own behalf and in the public interest releases AII, its past and present directors, officers, partners, members, employees, attorneys, and each entity to whom AII directly or indirectly distributes or sells the Products including, but not limited to, its downstream distributors,

wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("**Releasees**") from all claims for violations of Proposition 65 up through the Effective Date based on exposure to Lead from glass bottles with exterior decoration as set forth in the Notices. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to Lead from the Products as set forth in the Notices.

The Parties understand and agree this Section 4.1 release shall not extend upstream to any entities that sold, supplied, or manufactured the Products or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to AII.

**4.2 CAPA's Individual Release of Claims**

CAPA, in its individual capacity only and not in its representative capacity, also hereby provides a release to AII 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 CAPA of any nature, character, or kind arising out of alleged or actual exposures to Lead in Products manufactured, imported, sold or distributed for sale, in or into the State of California, by AII prior to the Effective Date, as alleged in the Notices and Complaint. The Parties understand and agree that this Section 4.2 release shall neither extend upstream to any entities that sold, supplied, or manufactured the Products or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to AII nor extend to Releasees who have been instructed by AII to provide a warning on Products that are not Reformulated Products and have failed to do so. Nothing in this section shall affect CAPA's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve AII's Products.

**4.3 AII's Release of CAPA**

AII, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against CAPA and its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by CAPA 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.

### 4.4 Mutual Waiver of Rights Under Section 1542

CAPA, in its individual capacity only and not in its representative capacity, and AII expressly understand and acknowledge that it is possible that unknown losses or claims exist or that present losses may have been underestimated in amount or severity. Consequently, CAPA, in its individual capacity only and not in its representative capacity, and AII expressly waive all rights under California Civil Code section 1542, which provides that:

> 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. COURT APPROVAL

Pursuant to California Health and Safety Code § 25249.7(f)(4), CAPA 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. ENFORCEMENT

Prior to filing an action to enforce the terms of this Consent Judgment, CAPA shall provide a written letter stating the basis for its allegations of non-compliance, and the Parties shall meet and confer for a period of no less than sixty (60) days in an attempt to informally resolve such dispute.

## 8. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within California. Nothing in this Consent Judgment shall be interpreted to relieve AII from its obligation to comply with any pertinent state or federal law or regulation.

## 9. NOTICE

Unless specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by email and either: (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 AII: | For CAPA: |
|---|---|
| Kim Sim Sandell<br>Thompson Hine LLP<br>2049 Century Park East, Suite 3500<br>Los Angeles, CA 90067<br>Kim.Sandell@ThompsonHine.com | Laralei Paras<br>Seven Hills LLP<br>1 Embarcadero Center, Suite 1200<br>San Francisco, CA 94111<br>Laralei@SevenHillsLLP.com |

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.

## 10. COUNTERPARTS AND PDF SIGNATURES

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

## 11. COMPLIANCE WITH REPORTING REQUIREMENTS

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

Docusign Envelope ID: 00F5B4D7-0D87-4D62-B62D-9FA61C77D37B

**12. 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 related thereto, if any, are hereby merged herein and therein. 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 any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

**13. 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.

**14. AUTHORIZATION**

The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understood, and agreed to all of the terms and conditions of this Consent Judgment.

**AGREED TO:**

Date: January 1, 2025

By: _____
Linda DeRose-Droubay, Executive Director
Center for Advanced Public Awareness

**AGREED TO:**

Date: January 20, 2026

By: _____
Theresa Cooper, Executive Vice President
American International Industries, a
California General Partnership

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: 05/20/2026

JUDGE OF THE SUPERIOR COURT
Julie G. Yap, Judge