State of California - Department of Justice - Attorney General's Office - Proposition 65 Enforcement Reporting

FORM JUS 1502 (03-01) Attention: Prop 65 Coordinator, 1515 Clay Street, Suite 2000, Oakland, CA 94612

PRIVATE ENFORCEMENT FILING - Health and Safety Code section 25249.7(e) and (f)

REPORT OF ENTRY OF JUDGMENT

Please	print or type required information	Original Filing Suppleme	ntal Filing	
	PLAINTIFF(S)			
l _	DEFENDANT(S) INVOLVED IN JUDGMENT			
PARTIES TO THE ACTION				
#0	COURT DOCKET NUMBER		COURTNAME	
CASE	SHORT CASE NAME			
	INJUNCTIVE RELIEF			
REPORT INFO	PAYMENT: CIVIL PENALTY	PAYMENT: ATTORNEYS FEES	PAYMENT: OTHER	Only
l K	DATE SUBMITTED TO COURT	IS JUDGMENT PURSUANT TO SETTLEMENT?	IF YES, DATE SETTLEMENT WAS REPORTED TO ATTORNEY GENER.	AL 8
<u>اين</u>	/ /	☐ Yes ☐ No	/ /	
38	СОРУ ОН	For Internal Use Only		
FILER INFO	NAME OF CONTACT			
	ORGANIZATION			TELEPHONE NUMBER
	ADDRESS			FAX NUMBER
	CITY	STATE ZIP	E-MAIL ADDRESS	

FILING INSTRUCTIONS: This form can be completed online and printed. If electronic filing is not available, mail the completed form with a copy of the judgment to the attention of the Prop 65 Coordinator at the address shown above. If you need additional space to complete this form please use an attachment.

1	Daniel N. Greenbaum, Esq. (SBN 268104) Thomas G. Adams, Esq., Of Counsel (SBN 2708	FILED Superior Court of California				
2	GREENBAUM LAW FIRM	County of Los Angeles				
3	7120 Hayvenhurst Ave., Suite 320	01/31/2025				
	Van Nuys CA 91406	David W. Slaγhor, Executive Officer / Clerk of Court				
4	Telephone: (310) 200-2631 Facsimile: (424) 243-7689	By: R. Alva Deputy				
5	Email: dgreenbaum@greenbaumlawfirm.com					
6	Attorneys for PLAINTIFF					
7	MONARCH, LLC	Stanley Mosk Courthouse				
8		111 North Hill Street				
	SUPERIOR COURT OF THE STATE OF CATH FORNIES, CA 90012					
9	COUNTY OF	LOS ANGELES				
10	MONARCH LLC,) CASE NO. 24STCV11972				
11	Plaintiff,)				
12	Traintin,) [PROPOSED] STIPULATED CONSENT				
13	vs.) JUDGMENT AS TO DEFENDANT MCC				
13	Maarrama) BRANDS, LLC				
14	MCC BRANDS, LLC,) Date Filed: May 13, 2024				
15	Defendant.) Date 1 fied. Way 13, 2024				
1.6		<i>)</i>)				
16 17		,				
18	Plaintiff MONARCH LLC ("Plaintiff"), a	and MCC BRANDS, LLC ("Defendant") hereby				
19	enter into this Stipulated Consent Judgment ("Co	nsent Judgment") as follows:				
20	WHEREAS, on or about October 9, 2023, Plaintiff, through Plaintiff's counsel, served a 60 Day Notice (the "Notice") on Defendant, the California Attorney General, the District Attorneys of					
21						
22	every County in the State of California, and the C	every County in the State of California, and the City Attorneys for every City in the State of				
23	California with a population greater than 750,000 (collectively, "Public Prosecutor(s)") alleging that					
24	Defendant violated California's Safe Drinking Water and Toxic Enforcement Act of 1986,					
25	California Health and Safety Code § 25249.6, et	seq., and its implementing regulations				
26	(collectively, "Proposition 65") and that Plaintiff intended to file an enforcement action in the					
27	public interest;					
28						

WHEREAS, Plaintiff alleges Defendant manufactured and/or distributed and/or sold vinyl/mesh art bag products, containing Di-(2-ethylhexyl) phthalate ("DEHP") (collectively the "Covered Products") that were sold or distributed for sale in California and further alleges that those Covered Products expose consumers in the State of California to DEHP, which is listed by the State of California pursuant to California Health and Safety Code \$ 25249.8;

WHEREAS, Plaintiff further alleges persons in the State of California were exposed to DEHP in 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, Defendant denies the allegations of the Notice, and denies it has violated Proposition 65 and expressly denies it has engaged in any wrongdoing whatsoever;

WHEREAS, Plaintiff seeks to provide the public with Proposition 65 warnings and believes this objective is achieved by the actions described in this Consent Judgment; and

WHEREAS, Plaintiff and Defendant wish to resolve their differences without the delay and expense of litigation.

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

1. INTRODUCTION

- 1.1 Parties. This consent judgment ("Consent Judgment") is entered into by and between plaintiff MONARCH, LLC ("MONARCH" or "Plaintiff") and MCC BRANDS, LLC ("MCC" or "Defendant"). MONARCH and Defendant are referred to individually as a "Party" and collectively as the "Parties.")
- 1.2 Plaintiff. MONARCH is a California limited liability corporation that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products.

- **1.3 Settling Defendant.** Defendant employs ten (10) or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code §25249.6 *et seq.* ("Proposition 65").
- 1.4 **Products Covered.** The products covered by this Consent Judgment are vinyl/mesh art bag products products, including, but not limited to, KINGART® 19" x 25" Vinyl/Mesh Bag with Handle, that are manufactured, sold, or distributed for sale in California by Defendant and contain Di-(2-ethylhexyl) phthalate ("DEHP"), (collectively, the "Covered Products").
- 1.5 General Allegations. MONARCH alleges that Defendant manufactures, imports, sells, or distributes, for sale in the state of California, the Covered Products without first providing a clear and reasonable warning required by Proposition 65. DEHP is a chemical listed under Proposition 65 as a chemical known to the state to cause birth defects and reproductive toxicity.
- 1.6 Notice of Violation. On October 9, 2023, MONARCH served Defendant and the requisite public enforcement agencies with a 60-Day Notice of Violation (the "Notice") alleging that Defendant violated Proposition 65 when it failed to warn its customers and consumers in California that the Covered Products expose users to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.
- 1.7 Complaint. On May 13, 2024, MONARCH filed the instant complaint in the Superior Court in and for the County of Los Angeles against Defendant and DOES 1-100, alleging violations of California Health & Safety Code § 25249.6, based on exposures to DEHP contained in the Covered Products sold in the State of California (the "Complaint").
- 1.8 No Admission. Defendant denies the material, factual, and legal allegations contained in the Notice and Complaint and maintains that all the products it has manufactured, sold, or distributed for sale in California, including the Covered Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission by Defendant of any fact, finding, conclusion of law, 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 of law, issue of law, or violation of law, the same being specifically

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denied by Defendant. This section shall not, however, diminish or otherwise affect Defendant's obligations, responsibilities, and duties under this Consent Judgment.

- 1.9 Consent to Jurisdiction. For purposes of this Consent Judgment only and subject to Section 1.8, the Parties stipulate that: this Court has jurisdiction over Defendant as to the allegations in the Complaint, venue is proper in the County of Los Angeles, the Defendant has employed ten or more persons during time periods relevant to the Complaint, and this Court has jurisdiction over the Parties to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65.
- **1.10 Effective Date.** For purposes of this Consent Judgment, the term "Effective Date" shall mean the date the Consent Judgment is approved and entered by the Court.

2. INJUNCTIVE RELIEF: COMPLIANT PRODUCTS AND WARNINGS

- 2.1 Warning Standards on Covered Products.
- (a) Defendant agrees, promises, and represents that, as of the Effective Date, to the extent it ships or sells Covered Products into California, Defendant will either:
 - 1) provide the Section 2.1(b) warning on each Covered Product.
 - 2) cease offering the Covered Products without a Section 2.1(b) warning for sale in California unless such Covered Products contain DEHP in concentrations less than or equal to 1000 parts per million ("ppm") when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or any other scientifically reliable methodology for determining the concentration of DEHP in the Covered Products.
- (b) The warnings required by Section 2.1(a) shall be provided in a conspicuous and prominent manner such that they will be likely to be read or seen by the consumer prior to or at the time of the sale or purchase. The warning set forth below shall be required for each Covered Product:
 - the text, "WARNING: This product can expose you to chemicals, including Di-(2-ethylhexyl) phthalate (DEHP), which are 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." accompanied by and placed to the right of a

symbol consisting of a black exclamation point in a yellow equilateral triangle
with a bold black outline sized to be no smaller than the word, "WARNING" as
provided by regulations adopted on or about August 30, 2016;

2) the text, "WARNING: Cancer and/or Reproductive Harm – www.P65Warnings.ca.gov." accompanied by and placed to the right of a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline sized to be no smaller than the word, "WARNING" as provided by regulations adopted on or about August 30, 2016.

The triangular warning symbol specified in Section 2.1(b)(1) and 2.1(b)(2) shall be in yellow with a black exclamation mark; *provided however*, the symbol may be printed in black and white if the Covered Product label is not printed using the color yellow.

- 2.2 Internet Warnings. For any Covered Product sold over the internet by Defendant, the Warning shall appear prior to check-out on the primary product page, or as a popup when a California address is input into the shipping instructions, or on the check-out page when a California delivery address is indicated for any purchase of any Covered Product. The Warning may be provided with a conspicuous hyperlink stating "WARNING" in all capital and bold letters so long as the hyperlink goes directly to a page prominently displaying the Warning without content that detracts from the Warning. Defendant will instruct any third-party website sellers to provide Warnings as a condition of selling the Covered Product.
- **2.3** Language Other Than English Warnings. If the consumer information on the product is in a language other than English, the required Warning Label will also be included in that same language.
- <u>2.4</u> Covered Products in the Stream of Commerce. Any Covered Products that have been distributed, shipped, or sold by Defendant prior to the Effective Date, shall not be subject to the requirements of Sections 2.1-2.4.

3. MONETARY RELIEF

3.1 Payment from Defendant. Within ten (10) business days of the Effective Date, Defendant shall make the Total Settlement Payment of \$22,500.00.

- **3.2 Allocation of Payments.** The Total Settlement Payment shall be paid in three (3) separate checks made payable and allocated as follows:
- 3.2.1 Civil Penalty. Defendant shall pay \$4,000.00 as a civil penalty pursuant to Health & Safety Code § 25249.7(b). The civil penalty shall be apportioned in accordance with Health & Safety Code § 25249.12 (25% to MONARCH and 75% to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of the civil penalty payment in the amount of \$3,000.00 shall be made payable to OEHHA and associated with taxpayer identification number 68-0284486. This payment with Form 1099 shall be delivered as follows:

For United States Postal Service Delivery:

Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment P.O. Box 4010, MS #19B Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 1001 I Street, MS #19B Sacramento, CA 95814

The MONARCH portion of the civil penalty payment in the amount of \$1,000.00 shall be made payable to MONARCH, LLC and associated with taxpayer identification number 88-0835494. This payment shall be delivered with Form 1099 to MONARCH, 573 N Olive Street, Ventura, CA 93001.

3.2.2 Attorney's Fees and Costs. A reimbursement of MONARCH's attorney's fees and costs in the amount of \$18,500.00 payable to "Greenbaum Law Firm," and associated with taxpayer identification number 46-4580172. This payment shall be delivered, with Form 1099, to the Greenbaum Law Firm, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406.

4. CLAIMS COVERED AND RELEASED

4.1 **Public Release.** This Consent Judgment is a full, final, and binding resolution between MONARCH and Defendant of any violation of Proposition 65 that was or could have been

asserted by MONARCH, acting on behalf of itself and in a representative capacity in the public				
interest under Health & Safety Code § 25249.7, against Defendant, its parents, subsidiaries, affiliated				
entities, manufacturers, suppliers, directors, officers, employees, attorneys, and the predecessors,				
successors, or assigns of each of them, and each entity to whom Defendant directly or indirectly				
exports, distributes or sells the Covered Products, including, without limitation, distributors,				
wholesalers, customers, retailers, franchisees, cooperative members, and licensees, including but not				
limited to Walmart, ("Releasees"), based on failure to warn of alleged exposures to DEHP from				
Covered Products manufactured, sold, or distributed for sale in California by Defendant prior to the				
Effective Date. The release in this Section applies to all Covered Products that Defendant				
manufactured, distributed, or sold prior to the Effective Date, regardless of the date any other				
Releasee distributes or sells the Covered Products.				

Compliance with the terms of this Consent Judgment shall constitute compliance with Proposition 65 by Defendant and the Releasees with respect to DEHP in Covered Products manufactured, sold, or distributed on and after the Effective Date.

- 5. MONARCH's Individual Release of Claims. In further consideration of the promises and agreements herein contained, MONARCH, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims that it may have against Defendant and Releasees, including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses, including, without limitation, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 for unwarned exposures to DEHP from Covered Products manufactured, sold, or distributed for sale by Defendant prior to the Effective Date. The releases in Section 4.1 are provided in MONARCH's individual capacity and are not releases on behalf of the public.
- 6. **Defendant's Release of MONARCH.** Defendant, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims that it may have against MONARCH and its attorneys and other representatives, for any and all actions taken, or statements made by MONARCH and its attorneys and other representatives in

this Consent Judgment, with respect to, and to the extent that, the Covered Products are so affected.

1	1 15. DISPUTE RESOLUTION. If MONARCH	15. DISPUTE RESOLUTION. If MONARCH determines at a future date that a violation of				
2	this Consent Judgment has occurred, MONARCH shall provide notice to Defendant. Prior to					
3	bringing any action to enforce any requirement of this Consent Judgment, the party alleging a					
4	violation of this Consent Judgment shall provide the other party with written notice of the grounds					
5	for such allegation together with all supporting information as well as a complete demand for the					
6	relief sought. The Parties shall then meet and confer regarding the basis for the allegation to resolve					
7	the matter informally, including providing the party alleged to be in violation with a reasonable					
8	opportunity of at least thirty (30) days to cure any alleged violation. Should such attempt at information					
9	resolution fail, the party alleging a violation may file its lawsuit seeking the proposed relief.					
10	16. AUTHORIZATION. The undersigned are authorized to execute this Consent Judgment on					
11	behalf of their respective Parties and have read, understood, and agree to all of the terms and					
12	2 conditions of this Consent Judgment.					
13	3					
14	4 AGREED TO: AC	GREED TO:				
15	5	. 1.1				
16	6 Date: Da	ite: 10 4 2024				
17	7					
18						
19	9 By: Sayward Halling Sayward Halling (Oct 5, 2024 09-42 PDT) By	: Ut Sto				
20	MONARCH, LLC	MCC BRANDS, LLC				
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[PROPOSED] JUDGMENT

Please note that on Rep ÁF, 2024 at JIKEÁM, Plaintiff MONARCH, LLC's ("Plaintiff") Motion for Court Approval of Settlement Agreement and Entry of consent Judgment as to Defendant MCC Brands, LLC. came for a hearing before this Court in Department 38, the Honorable Maureen Duffy-Lewis presiding. Counsel for Plaintiff did [not] appear; counsel for Defendant did [not] appear.

After full consideration of the points and authorities and related pleadings submitted, the Court GRANTED Plaintiff's Motion pursuant to and in accordance with Health and Safety Code §25249.7(f)(4).

The Court reviewed the above Settlement Agreement and makes the following findings pursuant to Health & Safety Code § 25249.7(f)(4):

- a. The injunctive relief required by the Settlement Agreement complies with Health & Safety Code § 25249.7;
- b. The reimbursement of fees and costs to be paid pursuant to the Settlement Agreement is reasonable under California law; and
 - c. The civil penalty amount to be paid pursuant to Settlement Agreement is reasonable.

Ræ) *æ'^ÁHFÉÆŒŒ Date



Maureen Duffy-Lewis

Judge of the Superior Court

Maureen Duffy-Lewis / Judge