

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

Attention: Prop 65 Coordinator, 1515 Clay Street, Suite 2000, Oakland, CA 94612

FORM JUS 1501
(03-01)

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

REPORT OF SETTLEMENT

Please print or type required information Original Filing Supplemental Filing Corrected Filing

PARTIES TO THE ACTION	PLAINTIFF(S) Shefa LMV LLC			
	DEFENDANT(S) INVOLVED IN SETTLEMENT Genesis Pharmaceutical, Inc.			
CASE INFO	COURT DOCKET NUMBER JCCP004765		COURT NAME Alameda County Superior Court	
	SHORT CASE NAME Proposition 65 Cocamide DEA Cases			
REPORT INFO	INJUNCTIVE RELIEF Reformulation			
	PAYMENT: CIVIL PENALTY \$2,500	PAYMENT: ATTORNEYS FEES \$10,500	PAYMENT: OTHER 0.00	
	WILL SETTLEMENT BE SUBMITTED TO COURT? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	IF YES, AFTER ENTRY OF JUDGMENT BY COURT, REPORT OF ENTRY OF JUDGMENT MUST BE SUBMITTED TO ATTORNEY GENERAL	DATE SETTLEMENT SIGNED 08 / 12 / 2015	
	COPY OF SETTLEMENT MUST BE ATTACHED			
FILER INFO	NAME OF CONTACT Daniel N. Greenbaum			
	ORGANIZATION Law Office of Daniel Greenbaum		TELEPHONE NUMBER (818) 809-2199	
	ADDRESS 7120 Hayvenhurst Ave., Suite 320		FAX NUMBER (424) 243-7698	
	CITY Van Nuys	STATE CA	ZIP 91406	E-MAIL ADDRESS dgreenbaum@greenbaumlawfirm.com

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 settlement 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.

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3 Van Nuys, CA 91406
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4 Facsimile: (424) 243-7689
5 Email: dgreenbaum@greenbaumlawfirm.com

6 Attorney for Plaintiff SHEFA LMV, LLC

7
8 Gary M. Roberts, Esq.
DENTONS US LLP
9 601 S. Figueroa Street, Suite 2500
Los Angeles CA 90017
10 Telephone: (213) 892-5005
Facsimile: (213)
11 Email: gary.roberts@dentons.com

12 Attorney for Defendant GENESIS PHARMACEUTICAL, INC.

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14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 FOR THE COUNTY OF ALAMEDA
16

17	Coordination Proceeding)	JUDICIAL COUNCIL COORDINATION
18	Special Title (Rule 3.350))	PROCEEDING NO: 4765
19)	
20	PROPOSITION 65 COCAMIDE DEA)	[<i>Shefa LMV, LLC v. House of Beauty, Inc., et</i>
21	CASES)	<i>al.</i> , Los Angeles County Superior Court No.
22)	BC561055]
23)	[PROPOSED] CONSENT JUDGMENT AS
24)	TO GENESIS PHARMACEUTICAL, INC.
25)	Judge: Hon. George C. Hernandez, Jr.
26)	Action filed: October 17, 2015
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1. INTRODUCTION

1.1 The parties to this Consent Judgment (“Parties”) are Shefa LMV, LLC (“Shefa”) and Genesis Pharmaceutical, Inc. (“Settling Defendant”). Shefa and Settling Defendant are referred to collectively as the “Parties.”

1.2 The Settling Defendant manufactures, distributes, and/or sells types of products identified on Exhibit A that contain Cocamide diethanolamine (“Cocamide DEA”) in the State of California or has done so in the past.

1.3 On the date identified on Exhibit A, Shefa served a 60-Day Notice of Violation under Proposition 65 (The Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.5, et seq.) (“Notices”) to Settling Defendant, 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.

1.4 The Notices allege violations of Proposition 65 with respect to the presence of Cocamide DEA in the types of products identified in Exhibit A.

1.5 On the date(s) identified on Exhibit A, Shefa filed the Complaint applicable to the Settling Defendant (“Complaint”) for the Proposition 65 Action identified in Exhibit A.

1.6 For purposes of this Consent Judgment only, the Parties stipulate that: (i) this Court has jurisdiction over the allegations of violations contained in the operative Complaint applicable to Settling Defendant and personal jurisdiction over Settling Defendant as to the acts alleged in the Complaint; (ii) venue is proper in the County of Alameda; and (iii) this Court has jurisdiction to enter this Consent Judgment.

1.7 Nothing in this Consent Judgment is or shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law.

1.8 Nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any other legal proceeding.

1 1.9 This Consent Judgment is the product of negotiation and compromise and is
2 accepted by the Parties for purposes of settling, compromising, and resolving issues disputed in
3 this action.

4 2. **DEFINITIONS**

5 2.1 “Covered Products” means the types of products identified on the Exhibit A for
6 each Settling Defendant.

7 2.2 “Effective Date” means the date on which this Consent Judgment is entered by
8 the Court.

9 3. **INJUNCTIVE RELIEF**

10 3.1 **Reformulation of Covered Products.** As of the Effective Date, Settling
11 Defendant shall not manufacture, distribute, sell, or offer for sale any Covered Product that
12 contains Cocamide DEA and that will be sold or offered for sale to California consumers. For
13 purposes of this Consent Judgment, a product “contains Cocamide DEA” if Cocamide DEA is an
14 intentionally added ingredient in the product and/or intentionally added part of the product
15 formulation.

16 3.2 **Specification to Suppliers.** No more than thirty (30) days after the Effective
17 Date, Settling Defendant shall issue specifications to its supplier(s) of Covered Products
18 requiring that Covered Products not contain any Cocamide DEA, and shall instruct each supplier
19 to use reasonable efforts to eliminate Covered Products containing Cocamide DEA on a
20 nationwide basis.

21 3.3 **Action Regarding Specific Products.** On or before the Effective Date, Settling
22 Defendant shall cease selling the specific products (if any) identified as Section 3.3 Products on
23 the Exhibit A for such Settling Defendant (“Section 3.3 Products”) in California unless such
24 products have been reformulated such that they do not contain Cocamide DEA.

25 3.4 On or before the Effective Date, Settling Defendant shall also: (i) cease shipping
26 the Section 3.3 Products to any of its stores and/or customers that resell the Section 3.3 Products
27 in California; and (ii) for Section 3.3 Products that do not contain a Proposition 65 warning, send
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1 instructions to its stores and/or customers that resell such Section 3.3 Products in California
2 instructing them either to: (a) return all the Section 3.3 Products to Settling Defendant for
3 destruction, or (b) directly destroy the Section 3.3 Products.

4 3.5 The requirements of this Section apply only to those Section 3.3 Products that
5 contain Cocamide DEA.

6 3.6 Any destruction of Section 3.3 Products shall be in compliance with all applicable
7 laws.

8 4. ENFORCEMENT

9 4.1 Shefa may, by motion or application for an order to show cause before the
10 Superior Court of Alameda County, enforce the terms and conditions contained in this Consent
11 Judgment.

12 4.2 Prior to bringing any motion or application to enforce the requirements of Section
13 3 above, Shefa shall provide Settling Defendant with a Notice of Violation and proof of purchase
14 and a copy of any test results which purportedly support the Notice of Violation.

15 4.3 The Parties shall then meet and confer regarding the basis for the anticipated
16 motion or application in an attempt to resolve it informally, including providing Settling
17 Defendant(s) with a reasonable opportunity of at least thirty (30) days to cure any alleged
18 violation.

19 4.4 Should such attempts at informal resolution fail, Shefa may file an enforcement
20 motion or application.

21 4.5 This Consent Judgment may only be enforced by the Parties.

22 5. PAYMENTS

23 5.1 Within ten (10) business days of the Effective Date, Settling Defendant shall pay
24 the settlement payment identified for it on Exhibit A.

25 5.2 The total settlement amount for Settling Defendant shall be paid pursuant to the
26 instructions outlined in Exhibit A.

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1 5.3 The funds paid by Settling Defendant shall be allocated, as identified in Exhibit
2 A, between the following categories:

3 5.4 **Civil Penalty.** A civil penalty pursuant to Health & Safety Code § 25249.7(b),
4 with such money to be apportioned by Shefa as identified on the Exhibit A for the Settling
5 Defendant in accordance with Health & Safety Code § 25249.12 (25% to Shefa and 75% to the
6 State of California’s Office of Environmental Health Hazard Assessment).

7 5.5 **Attorney’s Fees and Costs.** A reimbursement of a portion of Shefa’s reasonable
8 attorney’s fees and costs.

9 6. **MODIFICATION**

10 6.1 **Written Consent.** This Consent Judgment may be modified from time to time by
11 express written agreement of the Parties with the approval of the Court, or by an order of this
12 Court upon motion and in accordance with law.

13 6.2 **Meet and Confer.** Any Party seeking to modify this Consent Judgment shall
14 attempt in good faith to meet and confer with all affected Parties prior to filing a motion to
15 modify the Consent Judgment.

16 7. **CLAIMS COVERED AND RELEASED**

17 7.1 This Consent Judgment is a full, final, and binding resolution between (i) Shefa
18 on behalf of itself and the public interest; and (ii) Settling Defendant and its affiliates, its former
19 affiliates (“affiliate” means a person or entity who directly or indirectly owns or controls, is
20 owned or controlled by, or is under common ownership or control with, Settling Defendant), and
21 their current and past directors, officers, employees and attorneys (“Defendant Releasees”), and
22 each entity to whom any of them directly or indirectly distribute or sell Covered Products,
23 including but not limited to distributors, wholesalers, customers, retailers, franchisees,
24 cooperative members, licensors, and licensees (“Downstream Defendant Releasees”); of any
25 violation of Proposition 65 that was or could have been asserted in the Complaint against
26 Settling Defendant, Defendant Releasees, and Downstream Defendant Releasees, based on
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1 failure to warn about alleged exposure to Cocamide DEA contained in Covered Products that
2 were sold by Settling Defendant prior to the Effective Date.

3 7.2 Compliance with the terms of this Consent Judgment by Settling Defendant and
4 Defendant Releasees shall constitute compliance with Proposition 65 by Settling Defendant,
5 Defendant Releasees, and Downstream Defendant Releasees with respect to any alleged failure
6 to warn about Cocamide DEA in Covered Products manufactured, distributed, or sold by Settling
7 Defendants after the Effective Date.

8 7.3 Nothing in this Section 7 affects Shefa's right to commence or prosecute an
9 action under Proposition 65 against any person other than Settling Defendant, Defendant
10 Releasees, or Downstream Defendant Releasees.

11 8. NOTICE

12 8.1 When Shefa is entitled to receive any notice under this Consent Judgment, the
13 notice shall be sent by first class and electronic mail to:

14 Daniel N. Greenbaum
15 Law Office of Daniel N. Greenbaum
16 7120 Hayvenhurst Ave., Suite 320
17 Van Nuys CA 91406
dgreenbaum@greenbaumlawfirm.com

18 8.2 When Settling Defendant is entitled to receive any notice under this Consent
19 Judgment, the notice shall be sent by first class and electronic mail to the persons identified on
20 the Exhibit A for Settling Defendant.

21 8.3 Any Party may modify the person and address to whom the notice is to be sent by
22 sending the other Party notice by first class and electronic mail.

23 9. COURT APPROVAL

24 9.1 This Consent Judgment shall become effective upon entry by the Court.

25 9.2 Shefa shall prepare and file a Motion for Approval of this Consent Judgment and
26 Settling Defendant shall support entry of this Consent Judgment.

1 9.3 If this Consent Judgment is not entered by the Court, it shall be of no force or
2 effect and shall never be introduced into evidence or otherwise used in any proceeding for any
3 purpose other than to allow the Court to determine if there was a material breach of Section 9.1.

4 **10. ATTORNEYS' FEES**

5 10.1 Should Shefa prevail on any motion, application for an order to show cause, or
6 other proceeding to enforce a violation of this Consent Judgment, Shefa shall be entitled to its
7 reasonable attorneys' fees and costs incurred as a result of such motion or application.

8 10.2 Should Settling Defendant prevail on any motion application for an order to show
9 cause or other proceeding, that Settling Defendant may be awarded its reasonable attorneys' fees
10 and costs against Shefa as a result of such motion or application upon a finding by the Court that
11 Shefa's prosecution of the motion or application lacked substantial justification.

12 10.3 For purposes of this Consent Judgment, the term substantial justification shall
13 carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure §§
14 2016, et seq.

15 10.4 Except as otherwise provided in this Consent Judgment, each Party shall bear its
16 own attorneys' fees and costs.

17 10.5 Nothing in this Section 10 shall preclude a Party from seeking an award of
18 sanctions pursuant to law.

19 **11. OTHER TERMS**

20 11.1 The terms of this Consent Judgment shall be governed by the laws of the State of
21 California.

22 11.2 This Consent Judgment shall apply to and be binding upon Shefa, Settling
23 Defendant, its affiliates, and successors or assigns of any of them.

24 11.3 This Consent Judgment contains the sole and entire agreement and understanding
25 of the Parties with respect to the entire subject matter hereof, and any and all prior discussions,
26 negotiations, commitments, or understandings related thereto, if any, are hereby merged herein
27 and therein.

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1 11.4 There are no warranties, representations, or other agreements between the Parties
2 except as expressly set forth herein.

3 11.5 No representations, oral or otherwise, express or implied, other than those
4 specifically referred to in this Consent Judgment have been made by any Party hereto.

5 11.6 No other agreements not specifically contained or referenced herein, oral or
6 otherwise, shall be deemed to exist or to bind any of the Parties hereto.

7 11.7 No supplementation, modification, waiver, or termination of this Consent
8 Judgment shall be binding unless executed in writing by the Party to be bound thereby.

9 11.8 No waiver of any of the provisions of this Consent Judgment shall be deemed or
10 shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall
11 such waiver constitute a continuing waiver.

12 11.9 Nothing in this Consent Judgment shall release, or in any way affect any rights
13 Settling Defendant might have against any other party, whether or not that party is a Settling
14 Defendant.

15 11.10 This Court shall retain jurisdiction of this matter to implement or modify the
16 Consent Judgment.

17 11.11 The stipulations to this Consent Judgment may be executed in counterparts and
18 by means of facsimile or portable document format (pdf), which taken together shall be deemed
19 to constitute one document.

20 11.12 Each signatory to this Consent Judgment certifies that he or she is fully
21 authorized by the Party he or she represents to stipulate to this Consent Judgment and to enter
22 into and execute the Consent Judgment on behalf of the Party represented and legally to bind
23 that Party.

24 11.13 The Parties, including their counsel, have participated in the preparation of this
25 Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties.

26 11.14 This Consent Judgment was subject to revision and modification by the Parties
27 and has been accepted and approved as to its final form by all Parties and their counsel.

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11.15 Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment.


11.16 Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code § 1654.

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AGREED TO:


Dated: 08/24/2015

SHEFA LMV, LLC

By: 

Dated: August 24, 2015

GENESIS PHARMACEUTICAL, INC.

By: 
Laurent-Emanuel SARRÉ

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ORDER AND JUDGMENT

Based upon the stipulated Consent Judgment between Shefa LMV, LLC and Genesis Pharmaceutical, Inc., the settlement is approved and the clerk is directed to enter judgment in accordance with the terms herein.

Dated: _____

Judge of the Superior Court

EXHIBIT A

1. Name of Settling Defendant: Genesis Pharmaceutical, Inc.
2. Name of Plaintiff: Shefa LMV, LLC
3. Person(s) to Receive Notices (Pursuant to Section 8.3):

Gary M. Roberts, Esq. DENTONS US LLP 601 S. Figueroa Street, Suite 2500 Los Angeles CA 90017 Email: gary.roberts@dentons.com	Chief Executive Officer Genesis Pharmaceutical, Inc. 8 Campus Drive Parsippany, NJ 07054
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4. Date of 60-Day Notice of Violation (Pursuant to Section 1.3): August 6, 2014
5. Complaint Naming Settling Defendant (Pursuant to Section 1.4): *Shefa LMV, LLC v. House Of Beauty, Inc., et al.*, Los Angeles County Superior Court No. BC561055
 - a. Date Complaint Filed: October 17, 2014
6. Covered Products Applicable to Defendant (Pursuant to Sections 1.2, 1.3, 2.1, 3.1, 3.2, 7.1, and 7.2):
x Soaps
7. Defendant's Section 3.3 Product(s) (Pursuant to Sections 3.3.1, 3.3.2, and 3.3.3):
Glytone acne self foaming cleanser; UPC: 364760001715
8. Defendant's Settlement Payment and Allocation (Pursuant to Section 5.1):

Total Settlement Payment: \$13,000.00
Civil Penalty (payable to Shefa LMV, LLC): \$2,500.00
Payment in Lieu of Civil Penalty (PILP): \$ N/A
Shefa Fees and Costs (payable to the Law Office of Daniel N. Greenbaum): \$10,500.00

Checks payable to "Shefa LMV, LLC" or the "Law Office of Daniel N. Greenbaum" shall be delivered to counsel for Shefa as set forth in Section 8.1.