1 2 3 4 5 6 7 8	Evan Smith (Bar No. SBN 242352) BRODSKY & SMITH, LLC. 9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212 Tel: (877) 534-2590 Fax: (310) 247-0160  Attorneys for Plaintiff	
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	COUNTY OF ALAMEDA	
11	EMA BELL,	Case No.: RG17846621
12	Plaintiff,	CONSENT JUDGMENT
13	v.	Judge:
14	RITE AID CORP.,	Dept.:
15	Defendant.	Hearing Date:
16		Hearing Time:
17		Reservation #:
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### 1. INTRODUCTION

- 1.1 **The Parties.** This Consent Judgment is entered into by and between Ema Bell acting on behalf of the public interest (hereinafter "Bell") and Rite Aid Corp. ("Rite Aid" or "Defendant") on behalf of itself and the Defendant Releasees (defined in Paragraph 5.1 of this Consent Judgment). Bell and Defendant are collectively referred to as the "Parties" and each of them as a "Party." Bell is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Rite Aid is a person in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.
- 1.2 Allegations and Representations. Bell alleges that Defendant has exposed individuals to Diisononyl phthalate (DINP) from Rite Aid Earwax Removal Kits without providing clear and reasonable warnings under Proposition 65. DINP is listed under Proposition 65 as a chemical known to the State of California to cause cancer.
- 1.3 **Notices of Violation/Complaint.** On or about October 19, 2016, Bell served Rite Aid, and various public enforcement agencies with a document entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notice"), alleging that Defendant was in violation of Proposition 65 for failing to warn consumers and customers that Rite Aid Earwax Removal Kits exposed users in California to DINP. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice. On January 23, 2017, Bell filed a complaint (the "Complaint") in the matter.
- 1.4 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations contained in the Complaint filed in this matter, that venue is proper in the County of Alameda, and that 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 and/or in the Notice.

1.5 Defendant denies the material allegations contained in Bell's Notice and Complaint and maintains that it has not violated Proposition 65. Nothing in this Consent Judgment shall be construed as an admission by Defendant of any fact, finding, 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, issue of law, or violation of law, such being specifically denied by Defendant. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Defendant under this Consent Judgment.

### 2. **DEFINITIONS**

- 2.1 **Covered Products.** The term "Covered Products" means Rite Aid earwax removal kits, including but not limited to, UPC No. 0 11822 33711 3, that are manufactured, distributed and/or offered for sale in California.
- 2.2 **Effective Date.** The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.

## 3. <u>INJUNCTIVE RELIEF: WARNINGS</u>

3.1 Commencing ninety (90) days after the Effective Date, Rite Aid shall not manufacture, import, or purchase for sale in California any Covered Product that contains more than 1,000 parts per million DINP, Di(2-ethylhexyl) phthalate, Dibutyl phthalate, Benzyl butyl phthalate, Diisodecyl phthalate, Di-n-octyl phthalate, and/or Di-n-hexyl phthalate that Rite Aid knows will be or intends to be sold or offered for sale in California, unless the Covered Product is accompanied by either of the following warning(s):

**WARNING**: This product contains a chemical known to the State of California to cause cancer.

Or

**WARNING**: This product can expose you to chemicals including Diisononyl phthalate, which is known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.

3.2 The warning provided pursuant to Section 3.1 shall be affixed to or printed on the Covered Product's packaging or labeling. The warning shall be prominently affixed to or printed on the packaging or labeling and displayed with such conspicuousness, as compared with other

A copy of the check payable to OEHHA shall be mailed to Brodsky & Smith, LLC at the address set forth above as proof of payment to OEHHA.

- 4.2 **Attorney Fees.** Rite Aid shall pay \$29,000.00 to Brodsky & Smith, LLC ("Brodsky Smith") as complete reimbursement for Plaintiff Bell's attorneys' fees and costs incurred as a result of investigating, bringing this matter to Rite Aid's attention, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure section 1021.5. Payment shall be made within fourteen (14) business days of the Effective Date and sent to the address for Brodsky & Smith set forth in section 4.1.1, above.
- 4.3 Rite Aid shall pay the Civil Penalty and attorney fees identified in Sections 4.1 and 4.2 within fourteen (14) days of the Effective Date.

#### 5. RELEASE OF ALL CLAIMS

5.1 This Consent Judgment is a full, final, and binding resolution between Bell acting on her own behalf, and on behalf of the public and in the public interest, and Rite Aid, and its parents, shareholders, directors, officers, employees, representatives, agents, attorneys, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their predecessors, successors and assigns ("Defendant Releasees"), and all entities from whom they obtain and to whom they directly or indirectly distribute or sell Covered Products, including but not limited to manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees retailers, franchisees, and cooperative members ("Downstream Releasees"), of all claims for violations of Proposition 65, Business & Professions Code sections 17200 et seq., or any other statutory or common law claims that have been or could have been asserted in the Complaint against Rite Aid based on exposure to DINP, Diisodecyl phthalate, Di(2-ethylhexyl) phthalate, Dibutyl phthalate, Benzyl butyl phthalate, Di-n-octyl phthalate, and/or Di-n-hexyl phthalate from Covered Products as set forth in the Notice, with respect to any Covered Products manufactured, distributed, or sold by Rite Aid, Defendant Releasees or Downstream Releasees prior to the Effective Date, or any other claim based on the facts or conduct alleged in the Complaint, whether based on actions committed by Rite Aid, Defendant Releasees or Downstream Releasees. This Consent Judgment

shall have preclusive effect such that no other person or entity, whether purporting to act in his, her, or its interests or the public interest shall be permitted to pursue and/or take any action with respect to any violation of Proposition 65 that was alleged in the Complaint, or that could have been brought pursuant to the Notice against Rite Aid, Defendant Releasees or Downstream Releasees.

- 5.2 Compliance with the terms of this Consent Judgment resolves any issue now, in the past, and in the future concerning compliance by Rite Aid, Defendant Releasees and Downstream Releasees, with the requirements of Proposition 65, Business & Professions Code sections 17200 *et seq.*, or any other statutory or common law claims with regard to the Covered Products.
- 5.3 In any action brought by the Attorney General or another enforcer alleging subsequent violations of Proposition 65, Business & Professions Code sections 17200 *et seq.*, or any other statutory or common law claims, Rite Aid, Defendant Releasees and/or Downstream Releasees may assert any and all defenses that are available, including the *res judicata* or collateral estoppel effect of this Consent Judgment.
- 5.4 In addition to the foregoing, Bell, on behalf of herself, her past and current agents, representatives, attorneys, and successors and/or assignees, and <u>not</u> in her representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases any Rite Aid, Defendant Releasees, and Downstream Releasees from any and all manner of actions, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, now or in the future, with respect to any alleged violations of Proposition 65, Business & Professions Code sections 17200 *et seq.*, or any other statutory or common law claims related to or arising from Covered Products manufactured distributed or sold by Rite Aid, Defendant Releasees or Downstream Releasees. With respect to the foregoing waivers and releases in this paragraph, Bell hereby specifically waives any and all rights and benefits which she now has, or in the future may

have, conferred by virtue of the provisions of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

5.5 Rite Aid waives any and all claims against Bell, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Bell and her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to Covered Products.

#### 6. <u>INTEGRATION</u>

6.1 This Consent Judgment contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

#### 7. GOVERNING LAW

7.1 The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to Covered Products, then Defendant shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, Covered Products are so affected.

#### 8. NOTICES

8.1 Unless specified herein, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

For Defendant:

1 Sean Meenan Winston & Strawn LLP 101 California St., 35<sup>th</sup> Fl. 2 San Francisco, CA 94111-5802 3 And 4 For Bell: 5 Evan Smith Brodsky & Smith, LLC 6 9595 Wilshire Blvd., Ste. 900 7 Beverly Hills, CA 90212 Any party, from time to time, may specify in writing to the other party a change of address to 8 which all notices and other communications shall be sent. 9 COUNTERPARTS; FACSIMILE SIGNATURES 9. 10 This Consent Judgment may be executed in counterparts and by facsimile, each of 9.1 11 which shall be deemed an original, and all of which, when taken together, shall constitute one and 12 the same document. 13 COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)/COURT 10. 14 APPROVAL 15 Bell agrees to comply with the requirements set forth in California Health & Safety 10.1 16 Code §25249.7(f) and to promptly bring a Motion for Approval of this Consent Judgment and 17 Defendant agrees it shall support approval of such Motion. 18 This Consent Judgment shall not be effective until it is approved and entered by the 10.2 19 Court and shall be null and void if, for any reason, it is not approved by the Court. In such case, 2.0 the Parties agree to meet and confer on how to proceed and if such agreement is not reached within 21 30 days, the case shall proceed on its normal course. 22 If the Court approves this Consent Judgment and is reversed or vacated by an 10.3 23 appellate court, the Parties shall meet and confer as to whether to modify the terms of this Consent 24 Judgment. If the Parties do not jointly agree on a course of action to take, the case shall proceed on 25 its normal course on the trial court's calendar. 26 27 28

This Consent Judgment may be modified only by further stipulation of the Parties and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

- A party who unsuccessfully brings or contests an action arising out of this Consent Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs unless the unsuccessful party has acted with substantial justification. For purposes of this Consent Judgment, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure Section 2016, et seg.
- Nothing in this Section shall preclude a Party from seeking an award of sanctions

This Court shall retain jurisdiction of this matter to implement or modify the

# AUTHORIZATION 14. The undersigned are authorized to execute this Consent Judgment on behalf of their 14.1 respective Parties and have read, understood and agree to all of the terms and conditions of this document and certifies that he or she is fully authorized by the Party he or she represents to execute the Consent Judgment on behalf of the Party represented and legally bind that Party. Except as explicitly provided herein each Party is to bear its own fees and costs. AGREED TO: AGREED TO: IT IS SO ORDERED, ADJUDGED AND DECREED: Dated: Judge of Superior Court