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

FORM JUS 1501 (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)

		\mathbf{r}	\sim	\sim $-$		
R F	:PO	IK I	OF	SETI	I	IENT
			\mathbf{v}	\circ		

<u>Plea</u> se		Original Filing Suppler	mental Filing D Cor	ected Filing	
	PLAINTIFF(S)				
	DEFENDANT(S) INVOLVED IN SETTLEMENT	T			
PARTIES TO THE ACTION					
	COURT DOCKET NUMBER		COURTNAME		
CASE					
ဦ≚	SHORT CASE NAME				
	INJUNCTIVE RELIEF				
REPORT INFO	SUBMITTED TO COURT? COURT, R Yes No MUST BE	PAYMENT: ATTORNEYS FEES TER ENTRY OF JUDGMENT BY EPORT OF ENTRY OF JUDGMENT SUBMITTED TO ATTORNEY GENERA CTTIEMENT MILS	·	Internal	
		ETTLEMENT MUS	I DE ALIAC	UED E	
FILER INFO	NAME OF CONTACT ORGANIZATION ADDRESS			TELEPHONE NUMBER () FAX NUMBER	
_				()	
	CITY	STATE ZIP 91406	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 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.

1 2 3 4 5 6 7 8 9		HE STATE OF CALIFORNIA LOS ANGELES
10	SHEFA LMV, INC.,	Case No: BC679143
11	Plaintiff,	Hon. Dennis J. Landin Dept. 51
12	v.	200.01
13 14	CALIFORNIA EXOTIC NOVELTIES, LLC, et al.,	[PROPOSED] CONSENT JUDGMENT
15	Defendants.	Action Filed: October 12, 2017 Trial Date: None Set
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
	[PROPOSED] CO	DNSENT JUDGMENT

US 166755543v1

1. <u>INTRODUCTION</u>

1.1 The Parties

The parties to this [Proposed] Consent Judgment ("Consent Judgment") are plaintiff Shefa LMV, Inc. ("Shefa" or "Plaintiff"), and the defendant retailers of adult novelties who execute this Consent Judgment. All defendants executing this consent judgment shall be referred to herein as a "Settling Retailer Defendant" and collectively as "Settling Retailer Defendants." Settling Retailer Defendants and Plaintiff are the "Parties" to this Consent Judgment. Each Settling Retailer Defendant is identified in an Exhibit A to this Consent Judgment.

1.2 Plaintiff

Plaintiff seeks to promote awareness of exposure to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.3 Settling Retailer Defendants

Each Settling Retailer Defendant employs ten or more persons, is a person in the course of doing business for purposes of Proposition 65, and has received a 60-Day Notice of Violation alleging that it manufactures, distributes, or offers Covered Products (as further defined in Section 2.2 below) for sale in the State of California containing one or more of the Listed Chemicals (as defined in Section 2.1 below), without the requisite health hazard warning, or has done so in the past.

1.4 General Allegations

Plaintiff alleges that each Settling Retailer Defendants violated the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code section 25249.5 et seq. ("Proposition 65") by exposing persons to one or more Listed Chemicals contained in certain adult novelties without first providing a clear and reasonable warning regarding the risk of cancer and/or reproductive harm from the Listed Chemicals.

1.5 Sixty-Day Notices of Violation

Commencing in late 2016 and 2017, 60-Day Notices of Violation were served on each Settling Retailer Defendant alleging that the entities named in those notices violated Proposition 65 by exposing persons to one of more Listed Chemicals contained in certain adult novelties,

without first providing a clear and reasonable warning regarding the risk of cancer and/or reproductive harm from the Listed Chemicals.

1.6 Complaint

On October 12, 2017, Plaintiff filed a complaint in the Superior Court of California for the County of Los Angeles and Amendments to the Complaint on March 16, 2018, naming each Settling Retailer Defendant and alleging Proposition 65 violations as to the Listed Chemicals contained in the Covered Products applicable to each Settling Retailer Defendant (hereinafter "Action" or "Complaint").

1.7 Product Description

The products covered by this Consent Judgment are "Covered Products" as defined in Sections 2.2 and 2.7 below.

1.8 No Admission

Nothing in this Consent Judgment is or shall be construed as an admission by Settling Retailer Defendants 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 Settling Retailer Defendants of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument or defense of Settling Retailer Defendants may have in any other legal proceeding. This Consent Judgment is the product of negotiation and compromise and is accepted by the Parties for purposes of settling, compromising and resolving claims that are disputed in this Action.

1.9 Consent to Jurisdiction

For purposes of this Consent Judgment only, Settling Retailer Defendants stipulate that this Court has jurisdiction over them as to the allegations contained in the Complaint, that venue is proper in the County of Los Angeles, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date on which this Consent Judgment is entered by the Court as to each Settling Retailer Defendant.

2. **DEFINITIONS**

- 2.1 "Accessible Component" means any accessible part of the Covered Product that can be mouthed, handled, or touches the body ("Accessible Component") during the ordinary and customary conditions of purchase or use of the Covered Product.
- 2.2 "Covered Products" means any Adult Novelty Product (as defined in Section 2.7 below) that contains one or more of the Listed Chemicals and is manufactured, distributed or sold by a Settling Retailer Defendant (as defined in Section 2.5 below).
- 2.3 "Listed Chemicals" means the following listed chemicals: Di[2-Ethylhexyl]

 Phthalate (DEHP), Diisononyl Phthalate (DINP), Di-n-butyl Phthalate (DBP), Di-isodecyl

 Phthalate (DIDP), Benzyl Butyl Phthalate (BBP), and Di-n-hexyl Phthalate (DnHP) each of which is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer, birth defects, and/or other reproductive harm.
- 2.4 "Phthalate Free" shall mean that each Accessible Component of each Covered Product contains less than or equal to 1,000 parts per million (ppm) of DEHP, DINP, DBP, DIDP, BBP, and DnHP when analyzed pursuant to U.S. EPA testing methodology 3580A and 8270C or similar methodologies utilized by federal or state agencies for the purpose of determining phthalate content in a solid substance.
- 2.5 "Settling Retailer Defendant" means a defendant that executes this Consent Judgment and is listed in Exhibit A to this Consent Judgment.
- 2.6 "Knowingly" in reference to the sale of, or offering for sale of a Covered Product shall mean when the Settling Retailer Defendant:
 - A. Sells or offers for sale the Covered Product under a brand or trademark that is owned or licensed by the Settling Retailer Defendant, or;
 - B. Introduces a Listed Chemical into the Covered Product or causes a Listed Chemical to be created in the Covered Product, or;
 - C. Obscures or alters warnings on the packaging of the Covered Product, or;
 - D. Has specific knowledge from a reliable source, including from a notice of violation of Proposition 65, that an exposure to a Listed Chemical results from the

 use or handling of a Covered Product, and sells that Covered Product more than 5 business days after acquiring the specific knowledge of the exposure.

2.7 "Adult Novelty Product" shall mean any article, including apparel or other items that may be worn on or attached to the body, produced or marketed primarily for romantic, sexual or erotic gratification, enhancement, stimulation, play, role playing, or related activities.

3. INJUNCTIVE RELIEF

3.1 Reformulation Commitment

After the Effective Date, Settling Retailer Defendants shall not Knowingly offer Covered Products for sale in California unless such Covered Products are Phthalate Free, or comply with the warning provisions set forth in Section 3.3 below. Settling Defendants may rely on their suppliers' test results in order to determine whether Covered Products are Phthalate Free.

3.2 Vendor Notification

No more than thirty (30) days after a Settling Retailer Defendant executes this Consent Judgment, that Settling Retailer Defendant shall provide the Phthalate Free concentration standards of Section 2.4 to its then-current vendors of Covered Products that will be sold or offered for sale to California consumers and shall instruct each vendor to use reasonable efforts to provide Covered Products that are Phthalate Free. In addressing the obligation set forth in the preceding sentence, Settling Retailer Defendants shall not employ statements that will encourage a vendor to delay compliance with the Phthalate Free standard. Upon request, each Settling Retailer Defendant shall provide Plaintiff with copies of such vendor notification and Plaintiff shall regard such copies as confidential business information.

3.3 Warnings

Covered Products manufactured after the Effective Date that are not Phthalate Free shall only Knowingly be sold by Retailer Defendants with either the following warning on the label, or after the following warning has been provided to internet purchasers who designate a shipping address in California:

⚠ WARNING: Cancer and Reproductive Harm-www.P65warnings.ca.gov

In lieu of the preceding warning, Settling Retailer Defendants may use any warning language and

method that complies with Title 27, California Code of Regulations, section 25600 et seq., as amended August 30, 2016 and subsequently thereafter.

3.4 Covered Products in the Stream of Commerce

The reformulation and warning requirements of Sections 3.1 and 3.3 do not apply to any Covered Products in the stream of commerce as of the Effective Date.

4. <u>SETTLING RETAILER DEFENDANTS' MONETARY PAYMENTS</u>

4.1 Payments by Settling Retailer Defendants

Settling Retailer Defendants shall collectively pay \$32,541.00, which shall be divided as follows: (i) \$5,250.00 as a civil penalty; and (ii) \$27,291.00 as reimbursement of Plaintiff's attorney's fees and costs.

4.2 Payment Procedures

The settlement funds shall be made payable by checks, as follows: (a) "OEHHA" in an amount equal to 75% of the civil penalty; (b) "Shefa LMV" in an amount equal to 25% of the civil penalty; and (c) "Law Office of Daniel Greenbaum" in the amount set forth in section 4.1 for reimbursement of Plaintiff's attorneys' fees and costs. The settlement checks shall be delivered to Plaintiff's counsel at the address set forth in Section 10 within ten (10) business days after receipt of Notice of Entry of the Consent Judgment.

5. RELEASE OF ALL CLAIMS

5.1 Shefa's Release of Settling Retailer Defendants

Plaintiff, on behalf of itself and in the public interest, and Settling Retailer Defendants, their parents, subsidiaries, and affiliated entities that are under common ownership, directors, officers, shareholders, members, employees, and attorneys ("Defendant Releasees"), and each entity to whom they directly or indirectly distribute or sell or in the past have distributed or sold Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Downstream Defendant Releasees") of any violation of Proposition 65 that was or could have been asserted in the Complaint against Settling Retailer Defendants, their Defendant Releasees, and Downstream Defendant Releasees, based on

the failure to warn about alleged exposure to Listed Chemicals contained in the Covered Products that were sold by each Settling Retailer Defendant prior to the Effective Date.

5.1.2 In further consideration of the promises and agreements herein contained, the injunctive relief commitments set forth in Section 3, and for the payments to be made pursuant to Section 4, Plaintiff on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, and in the public interest, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) of any nature whatsoever (collectively "claims"), against Settling Retailer Defendants, each of their Defendant Releasees, and each of their Downstream Defendant Releasees. This release is limited to those claims that arise under Proposition 65 with respect to Listed Chemicals in the Covered Products manufactured, distributed or sold by each Settling Defendant, as such claims relate to the alleged failure to warn under California Health & Safety Code section 25249.6 as to the Listed Chemicals in each Settling Defendant's Covered Products.

5.1.3 Plaintiff also, in its individual capacity only and *not* in its representative capacity, provides a release herein on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, which shall be effective as a full and final accord and satisfaction, and as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of any nature, character or kind, known or unknown, suspected or unsuspected, arising out of alleged or actual exposure to the Listed Chemicals in the Covered Products manufactured, distributed or sold by each Settling Defendant, each of its Defendant Releasees, and, to the extent sold by any of them, each of its Downstream Defendant Releasees.

5.1.4 Compliance with the terms of this Consent Judgment by each Settling Retailer Defendant constitutes compliance with Proposition 65 with respect to Listed Chemicals in each Settling Retailer Defendant's Covered Products. Only Parties to this Consent Judgment may

enforce its terms. Any Defendant Releasee or Downstream Defendant Releasee may enforce and assert as a defense any waiver, release, or agreement to dismiss provided by and upon entry of this Consent Judgment.

5.2 Settling Retailer Defendants' Release of Shefa

Settling Retailer Defendants waive any and all claims against Shefa, its attorneys and other representatives, for any and all actions taken, or statements made (or those that could have been taken or made), by Shefa and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against Settling Retailer Defendants in this matter, and/or with respect to the Covered Products.

6. POST SETTLEMENT ACTIVITIES AND COURT APPROVAL

- 6.1 The Parties acknowledge that, pursuant to California Health & Safety Code section 25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment. As part of the noticed motion, Plaintiff will seek approval of those fees and costs to be paid pursuant to this Consent Judgment, representing a portion of the total fees and costs incurred by Shefa's counsel with respect to the investigation, litigation, and enforcement of the coordinated maters, including the fees and costs previously incurred in this action that have not otherwise been recovered. In furtherance of obtaining such approval, the Parties and their respective counsel agree to mutually employ their best efforts to support the entry of this Consent Judgment and obtain approval of the Consent Judgment by the Court in a timely manner.
- 6.2 If this Consent Judgment is not approved by the Court in its entirety, the Parties shall meet and confer to determine whether to modify the terms of the Consent Judgment and to resubmit it for approval. In meeting and conferring, the Parties agree to undertake any actions reasonably necessary to amend and/or modify this Consent Judgment in order to further the mutual intention of the Parties in entering into this Consent Judgment.
- 6.3 If this Consent Judgment is not entered by the Court within one year of the date it has been signed by the Parties, it shall be of no force or effect and shall never be introduced into evidence or otherwise used in any proceeding for any purpose other than to determine the rights or obligations of a Party as a result of the fact that the Consent Judgment was not approved.

7. GOVERNING LAW

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, preempted or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, any Settling Retailer Defendant may provide written notice to Shefa of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Settling Retailer Defendants from any obligation to comply with any pertinent state or federal toxics control laws.

8. COUNTERPARTS; FACSIMILE SIGNATURES

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

9. COMPLIANCE WITH CALIFORNIA HEALTH & SAFETY CODE § 25249.7(f)

Shefa agrees to comply with reporting form requirements referenced in California Health & Safety Code section 25249.7(f) to the extent that they apply to this Consent Judgement.

10. NOTICES

When any Party is entitled to receive any notice under this Consent Judgment, the notice shall be sent by certified mail or electronic mail to the following:

For Settling Retailer Defendants:

See Exhibit A.

For Shefa:

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

The Parties may modify the person and address to whom the notice is to be sent by sending the other Party notice by certified mail and/or other verifiable form of written communication.

This Consent Judgment may be modified or amended only: (1) by written agreement of the Parties and upon entry of a Stipulation and Order by the Court thereon; or (2) upon a successful motion or application of any party which motion or application shall not be unreasonably opposed unless a material term affecting the opposing party is at issue.

12. ATTORNEYS' FEES

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

13. OTHER TERMS

- 13.1 This Consent Judgment shall apply to and be binding upon Plaintiff and Settling Retailer Defendants, and their respective divisions, subdivisions, and subsidiaries, and the successors or assigns of any of them.
- 13.2 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter set forth in this Consent Judgment, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are deemed merged. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party with respect to the subject matter of this Consent Judgment. No other agreements not specifically contained or referenced in this Consent Judgment, oral or otherwise, shall be deemed to exist or to bind any of the Parties with respect to the subject matter of this Consent Judgment. No supplementation, modification, waiver, or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions whether or not similar, nor shall such waiver constitute a continuing waiver.
- 13.3 Nothing in this Consent Judgment shall release, or in any way affect any rights that Settling Retailer Defendants might have against any other party.
- 13.4 The Parties, including their counsel, have participated in the preparation of this

 Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This

Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. 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. 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 section 1654.

14. <u>AUTHORITY TO EXECUTE</u>

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

AGREED TO:	AGREED TO:
Date: 11/14/2019	Date: 10/23/19
By: SHEFA LMV, INC.	By: Mall

Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. 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. 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 section 1654. 14. **AUTHORITY TO EXECUTE** Each signatory to this Consent Judgment certifies that he or she is fully authorized by the Party he or she represents to stipulate to this Consent Judgment, to enter into and execute the Consent Judgment on behalf of the Party represented, and to legally bind that Party. AGREED TO: AGREED TO 11/14/2019 Date: The Pleasure Chest, Ltd.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1	Consent Judgment was subject to revision and modification by the Parties and has been accepted					
2	and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or					
3	ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result					
4	of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment					
5	agrees that any statute or rule of construction providing that ambiguities are to be resolved against					
6	the drafting Party should not be employed in the interpretation of this Consent Judgment and, in					
7	this regard, the Parties hereby waive California Civil Code section 1654.					
8	14. <u>AUTHORITY TO EXECUTE</u>					
9	Each signatory to this Consent Judgment certifies that he or she is fully authorized by the					
10	Party he or she represents to stipulate to this Consent Judgment, to enter into and execute the					
11	Consent Judgment on behalf of the Party represented, and to legally bind that Party.					
12	ACREED TO					
13	AGREED TO: AGREED TO: Date: 9/20/19					
14	Date.					
15	Romantix, Inc. dba Romantix.com By: VIAA					
16	By:					
17	Title: CFO					
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
	[PROPOSED] CONSENT JUDGMENT					

1	EXHIBIT A	
2	I. Name of Settling Defendant	
3	PHE, Inc.	
4		
5	II. Person(s) to receive notices pursuant to the Consent Judgment	
6	Chad Davis	
7	Name	
8	Marketing Director	
9	Title	
10	PHE, Inc.	
11	Company	
12	302 Meadowlands Drive Address, Line 1	
13	Hillsborough, NC 27278	
14	Address, Line 2	
15	cdavis@pheinc.com	
16	Email	
17		
18	Jade Jurdi Name	
19		
20	Attorney Title	
21	Scali Rasmuseen P.C.	
22	Company	
23	800 Wilshire Blvd., Suite 400Address, Line 1	
24		
25	Los Angeles, CA 90036 Address, Line 2	
26	jjurdi@scalilaw.com	
27	Email	
28	12	
	[PROPOSED] CONSENT JUDGMENT	

EXHIBIT A

1	
2	I. Name of Settling Defendant
3	The Pleasure Chest, Ltd.
4	
5	II. Person(s) to receive notices pursuant to the Consent Judgment
6	D. C. a. D. C. C. a.
7	Brian Robinson Name
8	
9	Owner Title
	The Pleasure Chest, Ltd.
10	Company
11	7733 Santa Monica Blvd.
12	Address, Line 1
13	West Hollywood, CA, 90046
14	Address, Line 2
15	brian@pleasurechest.com
16	Email
17	With a Copy to:
18	Ann Grimaldi and Jennifer K. Singh
19	Name
20	Title
21	Grimaldi Law Offices
22	Company
23	535 Mission Street, 14th Floor
24	Address, Line 1
25	San Francisco, CA 94105
26	Address, Line 2 jennifer@grimaldilawoffices.com
27	ann.grimaldi@grimaldilawoffices.com Email
28	

12

		EXHIBIT	<u>A</u>		
I. Nan	ne of Settling Defendant				
Romantix	Inc. dba Romantix.com				
- Romanux,	mo. dou remainment				
II. Pers	son(s) to receive notices p	ursuant to the	Consent Judg	ment	
Mark Labe	ertew				
Name					
CFO					
Title					
Progressiv	ve Retail Management, Inc.				
Company					
4655 N. (Colorado Blvd.				
Address, L					
Denver, (CO 80216				
Address, L					
mlabertew	@romantixexchange.com				
Email		¥			
Robert S.	Goldstein				
Name	Gorastoni				
Title					
Faegre Ba	ker Daniels LLP				
Company					
1144 15th	Street, Suite 3400				
Address, I					
Denver. C	CO 80202				
Address, I		-			
rob.goldst	ein@faegrebd.com				
Email		-			
	rnn/	POSED] CONSE	IT II IDGMENT		

US 166755543v1