

**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

<b>PARTIES TO THE ACTION</b>	PLAINTIFF(S) <b>Shefa LMV Inc.</b>				
	DEFENDANT(S) INVOLVED IN SETTLEMENT <b>Pure Romance LLC</b>				
<b>CASE INFO</b>	COURT DOCKET NUMBER <b>n/a</b>		COURT NAME <b>n/a</b>		
	SHORT CASE NAME <b>n/a</b>				
<b>REPORT INFO</b>	INJUNCTIVE RELIEF <b>Reformulation and/or Warning label</b>				
	PAYMENT: CIVIL PENALTY <b>\$1,000</b>		PAYMENT: ATTORNEYS FEES <b>\$8,500</b>		PAYMENT: OTHER <b>0.00</b>
	WILL SETTLEMENT BE SUBMITTED TO COURT? <input type="radio"/> Yes <input checked="" type="radio"/> No	IF YES, AFTER ENTRY OF JUDGMENT BY COURT, REPORT OF ENTRY OF JUDGMENT MUST BE SUBMITTED TO ATTORNEY GENERAL		DATE SETTLEMENT SIGNED <b>9 19 2017</b>	
	<b>COPY OF SETTLEMENT MUST BE ATTACHED</b>				For Internal Use Only
<b>FILER INFO</b>	NAME OF CONTACT <b>Daniel N. Greenbaum</b>				
	ORGANIZATION <b>Law Office of Daniel Greenbaum</b>			TELEPHONE NUMBER ( <b>818</b> ) <b>809-2199</b>	
	ADDRESS <b>7120 Hayvenhurst Ave., Suite 320</b>			FAX NUMBER ( <b>424</b> ) <b>243-7698</b>	
	CITY <b>Van Nuys</b>	STATE <b>CA</b>	ZIP <b>91406</b>	E-MAIL ADDRESS <b>dgreenbaum@greenbaumlawfirm.com</b>	

**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.

# **SETTLEMENT AGREEMENT**

## **BETWEEN**

**SHEFA LMV, INC.**

## **AND**

**PURE ROMANCE LLC**

Shefa LMV, INC. ( “Shefa”) and Pure Romance LLC ( “Defendant”), (Shefa and Defendant collectively referred to as, the “Parties”) enter into this agreement (“Settlement Agreement”) for the purpose of avoiding prolonged and costly litigation to settle Shefa's allegations that Defendant violated the California Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code §25249.6 *et seq.* (“Proposition 65”). The effective date of this Settlement Agreement shall be the date upon which it is fully executed by all Parties hereto (the “Effective Date”).

### **1.0 Introduction**

1.1 Shefa is a California-based entity that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.

1.2 Shefa alleges that Defendant manufactures, imports, sells, or distributes for sale in the state of California plastic bondage tape products that contain Diisononyl Phthalate (“DINP”) without first providing a clear and reasonable warning as required by Proposition 65.

1.3 The products covered by this Settlement Agreement are plastic bondage tape products manufactured for, or distributed or sold by, Defendant to others, including, but not limited to, Tie Me Up Bondage Tape; UPC841956032116 (the “Covered Products”).

1.4 On December 20, 2013, the Governor of California added DINP to the list of chemicals known to the State to cause cancer.

1.5 This addition took place more than twelve (12) months before Shefa served its “60-Day Notice of Violation” which is further described below.

1.6 DINP is referred to hereafter as the “Listed Chemical”

1.7 On or about April 6, 2017, Shefa served Defendant, as well as certain relevant public enforcement agencies with a document entitled “60-Day Notice Of Violation” (“Notice”) advising of its intent to sue for violation of Proposition 65 relative to Covered Products containing the Listed Chemical.

1.8 The Notice alleged that Defendant violated Proposition 65 by failing to warn consumers in California that use of Covered Products exposes users to the Listed Chemical.

1.9 To the best of the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting the same allegations against Defendant.

1.10 Defendant denies the material, factual and legal allegations contained in the Notice.

1.11 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below concerning the Parties' and the Covered Products' compliance with Proposition 65 (the “Dispute”).

1.12 By execution of this Settlement Agreement, the Parties do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by any Party of any fact, conclusion of law, issue of law, or violation of law.

1.13 Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission or evidence of fault, wrongdoing, or liability by Defendant, its officers, directors, employees, or parents, subsidiaries or affiliated corporations, in any administrative or judicial proceeding or litigation in any court, agency, or forum.

1.14 Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that Shefa or Defendant may have against one another in any other pending legal proceeding as to allegations unrelated to the Dispute or claims released herein.

## **2.0 Release**

2.1 This Settlement Agreement is a full, final, and binding resolution between Shefa, acting in its individual capacity only, and not its representative capacity, on the one hand, and (a) Defendant, and its owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, members, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively the “Releasees”), and (b) all entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Products only, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, independent contractors, and licensees, (“Downstream Releasees”), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has been, could have been or may in the future be asserted against the Releasees and/or Downstream Releasees regarding exposing persons to the Listed Chemical and the failure to warn about exposure to the Listed Chemical arising only in connection with the Covered Products manufactured, shipped, and/or otherwise distributed prior to the Effective Date, even if

sold by Downstream Releasees after the Effective Date.

2.2 The Covered Products are limited to those sold by Defendant and Downstream Releasees.

2.3 Shefa, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases with respect to the Covered Products all rights to institute or participate in, directly or indirectly, any form of legal action, 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) (collectively the "Claims"), against Releasees and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in respect of any Covered Products sold by Defendant up to the Effective Date, or sold by Downstream Releasees after the Effective Date, including without limitation to the extent that such claims relate to Releasees', and/or Downstream Releasees' alleged exposure of persons to the Listed Chemical contained in the Covered Products or any failure by Releasees and/or Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Products.

2.4 Shefa acknowledges that it is familiar with Section 1542 of 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 OR

## HER SETTLEMENT WITH THE DEBTOR.

Shefa, its past and current agents, representatives, attorneys, successors, and/or assignees, in its individual and not representative capacity, expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of Civil Code § 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters.

### **3.0 Defendant's Duties**

3.1 Commencing on the Effective Date, Defendant shall only sell or offer for sale in California Covered Products with warnings that comply with Proposition 65 ("Compliant Warning").

3.2 The clear and reasonable warning required under Section 3.1 for the Covered Product offered for sale in the State of California shall state the warning described in Section 3.3 in such a conspicuous and prominent manner as to be likely to be read and understood by the consumer prior to or at the time of the sale or purchase.

3.3 The Parties agree that the following warning shall constitute a Compliant Warning for the Listed Chemical in the Covered Products:

(a) the text, **"WARNING: This product contains a chemical known to the State of California to cause cancer."**

3.4 The Parties agree that the specifications for Compliant Warnings in this Settlement Agreement are consistent with Proposition 65 and its regulations as of the date of this Settlement Agreement.

3.5 If modifications or amendments to Proposition 65 or its regulations after the Effective Date are inconsistent with, or provide warning specifications or options different from, the specifications in this Settlement Agreement, Defendant shall modify the content and delivery methods of its warnings to conform to the modified or amended provisions of Proposition 65 or its regulations.

#### **4.0 Payments**

**4.1 Payment from Defendant.** Within thirty (30) days of the Effective Date, Defendant shall make the Total Settlement Payment of \$9,500.00.

**4.2 Allocation of Payments.** The Total Settlement Payment shall be paid in three (3) separate checks made payable and allocated as follows:

**4.2.1 Civil Penalty.** Defendant shall pay \$1,000.00 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 Shefa 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 \$750.00 shall be made payable to OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be delivered to the Law Office of Daniel N. Greenbaum, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406.
- The Shefa portion of the civil penalty payment in the amount of \$250.00 shall be made payable to Shefa LMV, Inc. and associated with taxpayer identification number 81-0907002. This payment shall be delivered to the Law Office

of Daniel N. Greenbaum, 7120 Hayvenhurst Ave, Suite 320,  
Van Nuys, CA 91406.

**4.2.2 Attorneys' fees and Costs.** A reimbursement of Shefa's attorney's fees and costs in the amount of \$8,500.00 payable to the "Law Office of Daniel N. Greenbaum," and associated with taxpayer identification number 46-4580172. This payment shall be delivered to the Law Office of Daniel N. Greenbaum, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406.

**4.3 Tax Forms:** Additionally, two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of \$750.00. The second 1099 shall be issued in the amount of \$250.00 to Shefa and delivered to: Daniel N. Greenbaum, 7120 Hayvenhurst Avenue, Suite 320, Van Nuys, CA 91406.

**5.0 Authority to Enter Into Settlement Agreement**

5.1 Shefa represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Shefa to this Settlement Agreement.

5.2 Defendant represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Defendant to this Settlement Agreement.

**6.0 Report of the Settlement Agreement to the Office of the Attorney General**

6.1 Shefa shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' execution of this Settlement Agreement.

**7.0 Execution in Counterparts and Facsimile**

7.1 This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document.

7.2 A facsimile or portable document format (PDF) signature shall be as valid as the original.

## **8.0 Entire Agreement**

8.1 This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments, and understandings.

8.2 No other agreements, oral or otherwise, exist to bind any of the Parties.

## **9.0 Modification of Settlement Agreement**

9.1 Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

## **10.0 Application of Settlement Agreement**

10.1 This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, Shefa and the Releasees and/or Downstream Releasees identified in Section 2 above.

## **11.0 Enforcement of Settlement Agreement**

11.1 Any party may file suit before the Superior Court of the County of Alameda, consistent with the terms and conditions set forth in paragraphs 11.2 and 11.3 of this Settlement Agreement, to enforce the terms and conditions contained in this Settlement Agreement.

11.2 No action to enforce this Settlement Agreement may be commenced or maintained, and no notice of violation related to the Covered Products may be served or filed against Defendant by Shefa, unless the party seeking enforcement or alleging violation notifies the other party of the specific acts alleged to breach this Settlement Agreement at least 90 days

before serving or filing any action or Notice of Violation and the entity receiving the notice fails to comply with the requirements set forth in Section 11.3 below. Any notice to Defendant must contain (a) the name of the product, (b) specific dates when the product was sold by Defendant after the Effective Date in California without warnings, (c) the store or other place at which the product was available for sale to consumers, and (d) evidence that a warning was not provided, and (e) any other evidence or other support for the allegations in the notice.

11.3 Within 30 days of receiving the notice described in Section 11.2, Defendant shall either (1) send the store or other place at which the product was available for sale to the public a letter directing that the offending product be immediately removed from inventory and returned to Defendant, or (2) refute the information provided under Section 11.2. Should the parties be unable to resolve the dispute, any party may seek relief under Section 11.1.

## **12.0 Notification Requirements**

12.1 Any notice required or permitted hereunder shall be effective only if given in writing and delivered in person, certified or registered mail return receipt requested, or traceable overnight delivery service, to the following designees:

For Shefa:

Daniel N. Greenbaum, Esq.  
Law Office of Daniel N. Greenbaum  
7120 Hayvenhurst Avenue, Suite 320  
Van Nuys, CA 91406

For Pure Romance

Devin A. Barry  
Thompson Hine LLP  
3900 Key Center, 127 Public Square  
Cleveland, Ohio 44114

Any party may change its designee(s) for purposes of notification by providing written

notice of such change pursuant to this section.

### **13.0 SEVERABILITY**

13.1 If subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

### **14.0 GOVERNING LAW**

14.1 The Terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California.

14.2 In the event that Proposition 65 is repealed, preempted or otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, then Defendant shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, any Covered Products that are so affected.

14.3 This Settlement Agreement shall apply to and be binding upon Shefa and Defendant and their respective divisions, subdivisions, and subsidiaries, successors and assigns.

14.4 The Parties, including their counsel, have participated in the preparation of this Settlement Agreement and this Settlement Agreement is the result of the joint efforts of the Parties.

14.5 This Settlement Agreement 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.

14.6 Each Party to this Settlement Agreement 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 Settlement Agreement and, in this regard, the Parties hereby waive California Civil Code § 1654.

## 15.0 AUTHORIZATION

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

15.2 The undersigned have read, understand and agree to all of the terms and conditions of this Settlement Agreement.


15.3 Except as explicitly provided herein, each Party is to bear its own fees and costs.

AGREED TO:

Dated: 9/19/2017

SHEFA LMV, INC.

By:




Dated:

9/18/17

PURE ROMANCE LLC

By:



VICTORIA Chestce  
CFO & General Counsel