

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)				
	DEFENDANT(S) INVOLVED IN SETTLEMENT				
<b>CASE INFO</b>	COURT DOCKET NUMBER		COURT NAME		
	SHORT CASE NAME				
<b>REPORT INFO</b>	INJUNCTIVE RELIEF				
	PAYMENT: CIVIL PENALTY		PAYMENT: ATTORNEYS FEES	PAYMENT: OTHER	
	WILL SETTLEMENT BE SUBMITTED TO COURT? <input 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 / /	For Internal Use Only
	<b>COPY OF SETTLEMENT MUST BE ATTACHED</b>				
<b>FILER INFO</b>	NAME OF CONTACT				
	ORGANIZATION		TELEPHONE NUMBER (    )		
	ADDRESS		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 LAW OFFICE OF DANIEL N. GREENBAUM  
Daniel N. Greenbaum, Esq. (SBN 268104)  
2 The Hathaway Building  
7120 Hayvenhurst Avenue, Suite 320  
3 Van Nuys, CA 91406  
4 Telephone: (818) 809-2199  
Facsimile: (424) 243-7689  
5 Email: dgreenbaum@greenbaumlawfirm.com

6 Attorney for Plaintiff SHEFA LMV, INC.  
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 COUNTY OF LOS ANGELES

10 SHEFA LMV, INC.,

) Case No. BC702616

11 )  
12 Plaintiff,

13 vs.

) **[PROPOSED] CONSENT JUDGMENT**  
) **AS TO I WORLD LLC**

14 I WORLD GLOBAL TRADING LLC;  
I WORLD LLC; NATIONAL STORES, INC.;  
15 FALLAS MANAGEMENT, INC.; and DOES 1  
through 100, Inclusive,

) Action Filed: April 16, 2018  
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16 Defendants.  
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1       **1. INTRODUCTION**

2               **1.1 Parties**

3               This consent judgment (“**Consent Judgment**”) is entered into by and between plaintiff  
4 Shefa LMV, Inc. (“**Shefa**” or “**Plaintiff**”) and I World LLC, I World Global Trading LLC and its  
5 affiliates, parents, subsidiaries, predecessors-in-interest, successors-in-interest (“**I World**”), National  
6 Stores, Inc., and its affiliates, parents, subsidiaries, predecessors-in-interest, and successors-in-interest  
7 (“**National**”), Fallas Management, Inc., and its affiliates, parents, subsidiaries, predecessors-in-  
8 interest, and successors-in-interest (“**Fallas**”) and all downstream retailers of I World, National and  
9 Fallas ( collectively “**Defendants,**” with Shefa and **Defendants** individually referred to as a  
10 “**Party**” and collectively as the “**Parties.**”)

11               **1.2 Plaintiff**

12               Shefa is a public benefit, non-profit corporation that seeks to promote awareness of  
13 exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous  
14 substances contained in consumer product.

15               **1.3 Settling Defendant**

16               Defendants each employ ten (10) or more persons and is a person in the course of doing  
17 business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and  
18 Safety Code §25249.6 *et seq.* (“**Proposition 65**”).

19               **1.4 Products Covered**

20               The products covered by this Consent Judgment are all earbud headphones with microphone  
21 products of all shapes, sizes, colors, models, and styles, including, but not limited to, Core Audio™  
22 Excel Earbuds with Mic; (CEEX-1080) UPC840824106355, and Atom Earbuds with Mic; (EAM-  
23 1021); UPC813566018408, that are manufactured, sold, or distributed for sale in California by any  
24 one or more Defendants that contain Diisononyl Phthalate (“**DINP**”) (collectively, the “**Covered**  
25 **Product**”).

26               **1.5 General Allegations**

27               Shefa alleges that Defendants manufacture, import, sell, or distribute, for sale in the state of  
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1 California, the Covered Product without first providing a clear and reasonable warning required by  
2 Proposition 65. DINP (CAS # 28553-12-0) is a chemical listed under Proposition 65 as a chemical  
3 known to the state to cause cancer.

4 **1.6 Notice of Violation**

5 On May 08, 2017, Shefa served Defendants and the requisite public enforcement agencies  
6 with a 60-Day Notice of Violation (the “**Notice**”) alleging that Defendants violated Proposition 65  
7 when it failed to warn its customers and consumers in California that the Covered Product expose  
8 users to DINP. To the best of the Parties’ knowledge, no public enforcer has commenced and is  
9 diligently prosecuting the allegations set forth in the Notice.

10 **1.7 Complaint**

11 On April 16, 2018, Shefa filed the instant complaint in the Superior Court in and for the  
12 County of Los Angeles against Defendants and DOES 1-100, alleging violations of California  
13 Health & Safety Code § 25249.6, based on exposures to DINP contained in the Covered Product  
14 sold in the State of California (the “**Complaint**”).

15 **1.8 No Admission**

16 Defendants deny the material, factual, and legal allegations contained in the Notice and  
17 Complaint and maintains that all the product it has manufactured, sold, or distributed for sale in  
18 California, including the Covered Product, have been, and are, in compliance with all laws.  
19 Nothing in this Consent Judgment shall be construed as an admission by Defendants of any fact,  
20 finding, conclusion of law, issue of law, or violation of law; nor shall compliance with this Consent  
21 Judgment constitute or be construed as an admission by Defendants of any fact, finding, conclusion  
22 of law, issue of law, or violation of law, the same being specifically denied by Defendants. This  
23 section shall not, however, diminish or otherwise affect Defendants’ obligations, responsibilities,  
24 and duties under this Consent Judgment.

25 **1.9 Consent to Jurisdiction**

26 For purposes of this Consent Judgment only, the Parties stipulate that this Court has  
27 jurisdiction over Defendants as to the allegations in the Complaint, that venue is proper in the  
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1 County of Alameda, the Defendants agree that they employ or have employed ten or more persons  
2 during time periods relevant to the Complaint and that this Court has jurisdiction over the Parties to  
3 enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65.

4 **1.10 Effective Date**

5 For purposes of this Consent Judgment, the term “**Effective Date**” shall mean the date the  
6 Consent Judgment is approved and entered by the Court.


7 **2. INJUNCTIVE RELIEF: COMPLIANT PRODUCT AND WARNINGS**

8 **2.1 Reformulation Standards**

9 As of the Effective Date, Defendants shall not manufacture for sale in California any  
10 Covered Product unless such Covered Product contain DINP in concentrations less than or equal to  
11 1000 parts per million (“ppm”) when analyzed pursuant to U.S. Environmental Protection Agency  
12 testing methodologies 3580A and 8270C or any other scientifically reliable methodology for  
13 determining the concentration of DINP in the Covered Product.

14 **2.2 Warning Standards**

15 Defendants agree, promise, and represent that, as of the Effective Date, to the extent they  
16 ship or sell Covered Product that do not meet the reformulation standards set forth above in Section  
17 2.1, Defendants will provide warnings on such Covered Product that comply with Proposition 65.  
18 The warnings shall be provided in a conspicuous and prominent manner such that they will be likely  
19 to be read or seen by the consumer prior to or at the time of the sale or purchase. The Parties agree  
20 that the warning set forth below shall constitute compliance with Proposition 65 with respect to any  
21 Covered Product that are not reformulated:

22 “ **WARNING:** This product can expose you to chemicals, including Diisononyl  
23 Phthalate (DINP), which are known to the State of California to cause cancer. For more  
24 information go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).”

1           **2.3 Covered Product in the Stream of Commerce.**

2           Any Covered Product that have been distributed, shipped, or sold by Defendants prior to the  
3 Effective Date, shall not be subject to the requirements of Section 2.1.

4           **3. MONETARY SETTLEMENT TERMS**

5           **3.1 Payment from Defendant.** I World shall make a total settlement payment of  
6 twenty-one thousand (\$21,000) dollars (the "Settlement Amount"). \$10,000 of the Settlement  
7 Amount shall be paid within ten (10) business days of the Effective Date (the "First Payment"). I  
8 World shall pay the remaining \$11,000 of the Settlement Amount within sixty (60) days of the  
9 initial payment (the "Final Payment"). .

10           **3.2 Allocation of Payments.** The Total Settlement Amount of \$21,000 shall be allocated  
11 as follows:

12                   **3.2.1 Civil Penalty.** Defendant shall pay \$4,000.00 of the Settlement  
13 Amount as a civil penalty pursuant to Health & Safety Code § 25249.7(b). The \$4,000 civil penalty  
14 shall be apportioned in accordance with Health & Safety Code § 25249.12 (25% to Shefa and 75%  
15 to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA")).  
16 Accordingly, the OEHHA portion of the \$4,000 civil penalty component of the Settlement Amount  
17 is \$3,000.00 payable to OEHHA and associated with taxpayer identification number 68-0284486.

18 This payment of \$3,000 shall be made as part of the First Payment and shall be delivered as follows:

19                   For United States Postal Service Delivery:

20                           Attn: Mike Gyurics  
21                           Fiscal Operations Branch Chief  
22                           Office of Environmental Health Hazard Assessment  
23                           P.O. Box 4010, MS #19B  
24                           Sacramento, CA 95812-4010

25                   For Non-United States Postal Service Delivery:

26                           Attn: Mike Gyurics  
27                           Fiscal Operations Branch Chief  
28                           Office of Environmental Health Hazard Assessment  
                              1001 I Street, MS #19B  
                              Sacramento, CA 95814

                  The Shefa portion of the \$4,000 civil penalty payment of \$1,000.00 of the Settlement

1 Amount is payable to Shefa LMV, Inc. and associated with taxpayer identification number 81-  
2 0907002. This payment of \$1,000 shall be made as part of the First Payment and shall  
3 be delivered to the Law Office of Daniel N. Greenbaum, 7120 Hayvenhurst Ave, Suite 320, Van  
4 Nuys, CA 91406.

5 **3.2.2 Attorney's Fees and Costs.** A reimbursement of Shefa's attorney's  
6 fees and costs in the amount of \$17,000.00 of the Settlement Amount is payable to the "Law Office  
7 of Daniel N. Greenbaum," and associated with taxpayer identification number 46-4580172. This  
8 \$17,000 payment of the Settlement Amount shall be delivered to the Law Office of Daniel N.  
9 Greenbaum, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406 in two separate payments.  
10 The \$17,000 of the Settlement Amount comprising attorneys' fees shall be paid as follows: The  
11 initial \$6,000 payment shall be made as part of the First Payment. The remaining \$11,000 shall be  
12 made as the Final Payment.

#### 13 **4. CLAIMS COVERED AND RELEASED**

##### 14 **4.1 Public Release**

15 This Consent Judgment is a full, final, and binding resolution between Shefa and Defendants  
16 of any violation of Proposition 65 that was or could have been asserted by Shefa, acting on behalf of  
17 itself and in a representative capacity in the public interest under Health & Safety Code § 25249.7,  
18 against Defendants, their parents, subsidiaries, affiliated entities, manufacturers, suppliers, directors,  
19 officers, employees, attorneys, and the predecessors, successors, or assigns of each of them, and  
20 each entity to whom Defendants directly or indirectly export, distribute or sell the Covered Product,  
21 including, without limitation, distributors, wholesalers, customers, retailers, franchisees, cooperative  
22 members, and licensees, including but not limited to National, Fallas, and all other downstream  
23 retailers ("**Releasees**"), based on failure to warn of alleged exposures to DINP from Covered  
24 Product manufactured, sold, or distributed for sale in California by Defendants prior to the Effective  
25 Date. The release in this Section 4.1 applies to all Covered Product that Defendants manufactured,  
26 distributed, or sold prior to the Effective Date, regardless of the date any other Releasee distributes  
27 or sells the Covered Product.

1 Compliance with the terms of this Consent Judgment shall constitute compliance with  
2 Proposition 65 by Defendants and the Releasees with respect to DINP in Covered Product  
3 manufactured, sold, or distributed on and after the Effective Date.

4 **4.2 Shefa's Individual Release of Claims**

5 In further consideration of the promises and agreements herein contained, Shefa, on its own  
6 behalf and on behalf of its past and current agents, representatives, attorneys, successors, and/or  
7 assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of  
8 legal action, and releases all claims that it may have against Defendants and Releasees, including,  
9 without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages,  
10 costs, fines, penalties, losses, or expenses, including, without limitation, investigation fees, expert  
11 fees, and attorneys' fees arising under Proposition 65 for unwarned exposures to DINP from  
12 Covered Product manufactured, sold, or distributed for sale by Defendants prior to the Effective  
13 Date. The releases in Section 4.2 are provided in Shefa's individual capacity and are not releases on  
14 behalf of the public.

15 **4.3 Defendants' Release of Shefa**

16 I World, on its own behalf and on behalf of its past and current agents, representatives,  
17 attorneys, successors, and assignees, hereby waives any and all claims that it may have against  
18 Shefa and its attorneys and other representatives, for any and all actions taken or statements made  
19 by Shefa and its attorneys and other representatives in the course of investigating the claims set  
20 forth in the Complaint or otherwise seeking to enforce Proposition 65 against it in this matter.

21 **4.4 Release of Unknown Claims**

22 It is possible that other claims not known to the Parties arising out of the facts contained in  
23 the Notice, or alleged in the Complaint, relating to the Covered Product, will hereafter be  
24 discovered or developed. Shefa, on behalf of itself only, acknowledges that this Consent Judgment  
25 is expressly intended to cover and include all such claims through and including the Effective Date,  
26 including all rights of action therefor. Shefa acknowledges that the claims released in Sections 4.1  
27 and 4.2 may include unknown claims, and nevertheless Shefa intends to release such claims, and in  
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1 doing so waives California Civil Code § 1542, which reads as follows:

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

7 Shefa understands and acknowledges that the significance and consequence of this waiver of  
8 California Civil Code § 1542 is that, even if Shefa suffers future damages arising out of or resulting  
9 from, or related directly or indirectly to, in whole or in part, the Covered Product, including but not  
10 limited to any exposure to, or failure to warn with respect to exposure to, the Covered Product,  
11 Shefa will not be able to make any claim for those damages against Defendant or any of the  
12 Releasees.

13 **5. COURT APPROVAL**

This Consent Judgment is not effective until it is approved and entered by the Court.

14 **6. GOVERNING LAW**

15 The terms of this Consent Judgment shall be governed by the laws of the State of California  
16 and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise  
17 rendered inapplicable by reason of law generally, or as to the Covered Product, then Defendants  
18 may provide written notice to Shefa of any asserted change in the law, and with the exception of  
19 Sections 3.1 and 3.2 above, have no further obligations pursuant to this Consent Judgment, with  
20 respect to, and to the extent that, the Covered Product are so affected. None of the terms of this  
21 Consent Judgment shall have any application to Covered Product sold outside of the State of  
22 California.

23 **7. NOTICE**

24 Unless specified herein, all correspondence and notices required to be provided pursuant to  
25 this Consent Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class,  
26 registered or certified mail, return receipt requested; or (iii) a recognized overnight courier on any  
27 Party by the other at the following addresses:  
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To I World:

Ryan W. Lawler, Esq.  
MINTZ & GOLD LLP  
600 Third Ave, 25<sup>th</sup> Floor  
New York NY 10016

To Shefa:

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

Any Party may, from time to time, specify in writing to the other Party a change of address to which all notices and other communications shall be sent.

**8. COUNTERPARTS; FACSIMILE AND PDF SIGNATURES**

This Consent Judgment may be executed in counterparts, and by facsimile or portable document format (PDF) signature, 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 HEALTH & SAFETY CODE § 25249.7(f)**

Plaintiff agrees to comply with the reporting form requirements referenced in California Health & Safety Code § 25249.7(f).

**10. POST EXECUTION ACTIVITIES**

The Parties acknowledge that, pursuant to California Health & Safety Code § 25249.7(f), Shefa is obligated to file a noticed motion to obtain judicial approval of this Consent Judgment. Upon the Parties' execution of this Consent Judgment, Shefa promptly shall proceed to submit this Consent Judgment to the Court with a motion seeking Court approval.

**11. MODIFICATION**

This Consent Judgment may only be modified by a written instrument executed by the Party or Parties to be bound thereby, and after approval by the Court upon a noticed motion. Any motion to modify shall be served on all Parties and the Office of the Attorney General.

**12. DISPUTE RESOLUTION**

If Shefa determines at a future date that a violation of this Consent Judgment has occurred, Shefa shall provide notice to Defendants. Prior to bringing any action to enforce any requirement of this Consent Judgment, the party alleging a violation of this Consent Judgment shall provide the other party with written notice of the grounds for such allegation together with all supporting

1 information as well as a complete demand for the relief sought. The Parties shall then meet and  
2 confer regarding the basis for the allegation to resolve the matter informally, including providing  
3 the party alleged to be in violation with a reasonable opportunity of at least thirty (30) days to cure  
4 any alleged violation. Should such attempt at informal resolution fail, the party alleging a violation  
5 may file its lawsuit seeking the proposed relief.

6 **13. AUTHORIZATION**

7 The undersigned are authorized to execute this Consent Judgment on behalf of their  
8 respective Parties and have read, understood, and agree to all of the terms and conditions of this  
9 Consent Judgment.


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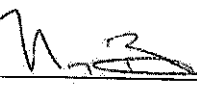
AGREED TO:

AGREED TO:

Date: July 30, 2018

Date: July 24, 2018

By:   
SHEFA LMV, INC.

By:   
DEFENDANT: I WORLD LLC  
And I WORLD GLOBAL TRADING LLC

1 **[PROPOSED] JUDGMENT**

2 Please note that on \_\_\_\_\_, 2018 at a.m., Plaintiff Shefa LMV Inc.’s (“Plaintiff”) Motion  
3 for Court Approval of Settlement Agreement and Entry of Consent Judgment as to I WORLD LLC and  
4 I World Global Trading LLC (collectively, “I World”) came for hearing before this Court in  
5 Department 32 , the Honorable Daniel S. Murphy presiding. Counsel for Plaintiff did [not] appear;  
6 counsel for I World did [not] appear.

7 After full consideration of the points and authorities and related pleadings submitted, the Court  
8 GRANTED Plaintiff’s Motion pursuant to and in accordance with Health & Safety Code  
9 §25249.7(f)(4). The Court reviewed the above Settlement Agreement and makes the following  
10 findings pursuant to Health & Safety Code § 25249.7(f)(4):

- 11 a. The injunctive relief required by the Settlement Agreement complies with Health &  
12 Safety Code § 25249.7;
- 13 b. The reimbursement of fees and costs to be paid pursuant to the Settlement  
14 Agreement is reasonable under California law; and
- 15 c. The civil penalty amount to be paid pursuant to Settlement Agreement is reasonable.
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19 \_\_\_\_\_  
20 Date

\_\_\_\_\_  
Judge of the Superior Court