1 2 3 4 5 6	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		
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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
10	COUNTY OF ALAMEDA		
11	GABRIEL ESPINOZA,	Case No.: RG19044576	
12	Plaintiff,	CONSENT JUDGMENT	
13	v.	Judge: Jeffrey Brand Dept.: 22	
14	SUN BUM, LLC,	Hearing Date: April 30, 2020 Hearing Time: 3:00 PM	
15	Defendant.	Reservation #: R-2169293	
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## 1. INTRODUCTION

- 1.1 The Parties. This Consent Judgment is entered into by and between Gabriel Espinoza acting on behalf of the public interest (hereinafter "Espinoza") and Sun Bum, LLC ("Sun Bum" or "Defendant") with Espinoza and Defendant collectively referred to as the "Parties" and each of them as a "Party." Espinoza is an individual residing in California that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Sun Bum is alleged to be 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. Espinoza alleges that Defendant has exposed individuals to diethanolamine (DEA) from its sales of Sun Bum sun lotions without providing a clear and reasonable exposure warning pursuant to Proposition 65. DEA is listed under Proposition 65 as a chemical known to the State of California to cause cancer.
- 1.3 **Notice of Violation/Complaint.** On or about May 10, 2019, Espinoza served Sun Bum, and various public enforcement agencies with documents entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notice"), alleging that Defendant violated Proposition 65 for failing to warn consumers and customers that use of Sun Bum sun lotions expose users in California to DEA. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice. On November 22, 2019, Espinoza 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 Espinoza'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 Sun Bum sun lotions, including but not limited to *Sun Bum Cool Down After Sun* lotions, that are manufactured, distributed and/or offered for sale in California by Sun Bum, and that expose users to DEA.
- 2.2 **Effective Date.** The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.

# 3. INJUNCTIVE RELIEF: COMMITMENT TO REFORMULATE OR WARN

- 3.1 **Reformulation or Labeling of Products.** Commencing within one year (365 days) after the Effective Date as defined in Section 3.2, and continuing thereafter, Sun Bum shall only ship, sell, or offer for sale in California, reformulated Product pursuant to Section 3.2 or Product that is labeled with a clear and reasonable warning pursuant to Section 3.3. For purposes of this Consent Judgment, "Reformulated Product" includes *Sun Bum Cool Down After Sun* lotions, as set forth in Section 2.1, that meet the Reformulation Standard set forth in Section 3.2.
- 3.2 **Reformulation Standard.** Reformulated Product shall meet or exceed the standards outlined in this section. Acceptable formulated and Reformulated Product is defined as Product which does not contain DEA in any accessible component (*i.e.*, any component that may be touched during a reasonably foreseeable use), when analyzed pursuant to any acceptable methodology used by any state or federal agency for determining DEA content in a substance.

- 3.3 Clear and Reasonable Warning. Within one year (365 days) of the Effective Date of this Consent Judgment, and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 3.3 and 3.4 must be provided for all Covered Products that Defendant manufacturers, imports, distributes, sells, or offers for sale in California that are not a Reformulated Product. There shall be no obligation for Defendant to provide a warning for Covered Products that enter the stream of commerce prior to one year (365 days) after the Effective Date of this Consent Judgment. The warning, if required, shall consist of either the Warning or Alternative Warning described in §§ 3.3(a) or (b), respectively:
  - (a) **Warning**. The "Warning" shall consist of the statement:
  - ⚠ WARNING: This product can expose you to chemicals including diethanolamine (DEA), which is known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.
- (b) **Alternative Warning**: Sun Bum may, but is not required to, use the alternative short-form warning as set forth in this § 3.4(b) ("**Alternative Warning**") as follows:

⚠ WARNING: Cancer - www.P65Warnings.ca.gov.

"WARNING:" in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word "WARNING:" must be a black exclamation point in a yellow equilateral triangle with a black outline, except that if the sign or label for the Covered Product does not use the color yellow, the symbol may be in black and white. The symbol must be in a size no smaller than the height of the word "WARNING:". The warning shall be affixed to or printed on the Covered Product's packaging or labeling, or on a placard, shelf tag, sign or electronic device or automatic process, providing that the warning is displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. A warning may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the Covered Product and shall be at least the same size as those other safety warnings.

If Sun Bum sells Covered Products that are not a Reformulated Product via an internet website to customers located in California, the warning requirements of this section shall be satisfied if the foregoing warning appears either: (a) on the same web page on which a Covered Product is displayed and/or described; (b) on the same page as the price for the Covered Product; or (c) on one or more web pages displayed to a purchaser prior to purchase during the checkout process. Alternatively, a symbol consisting of a black exclamation point in a yellow or white equilateral triangle may appear adjacent to or immediately following the display, description, price, or checkout listing of the Covered Product, if the warning statement appears elsewhere on the same web page in a manner that clearly associates it with the product(s) to which the warning applies.

- 3.5 Compliance with Warning Regulations. Defendant shall be deemed to be in compliance with this Consent Judgment by (1) adhering to §§ 3.3 and 3.4 of this Consent Judgment; (2) complying with warning requirements adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") after the Effective Date; or (3) refraining from manufacturing, distributing, and/or offering for sale in California products that expose users to DEA, *i.e.*, by only shipping, selling, or offering for sale in California, Reformulated Product. Nothing in this Consent Judgment requires Sun Bum to include any Proposition 65 warnings on Reformulated Products, or any products that do not contain chemicals listed under Proposition 65, or on any products which contain such chemicals in concentrations at or below Proposition 65 "No Significant Risk Levels" and/or "Maximum Allowable Dose Levels."
- 3.6 **Formulated/Reformulation Commitment.** As of one year (365 days) after the Effective Date, Sun Bum shall not knowingly manufacture, import, distribute, sell, or offer the Covered Products in the State of California unless it is a Reformulated Product pursuant to Section 3.2 or unless it contains a clear and reasonable warning pursuant to Sections 3.3 and 3.4.

### 4. MONETARY TERMS

4.1 **Civil Penalty.** Sun Bum shall pay \$3,000.00 as a Civil Penalty pursuant to Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health &

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## 5. RELEASE OF ALL CLAIMS

- This Consent Judgment is a full, final, and binding resolution between Espinoza 5.1 acting on his own behalf, and on behalf of the public interest, and Sun Bum, and its parents, shareholders, members, directors, officers, managers, 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, licensees retailers, franchisees, and cooperative members ("Downstream Releasees"), of all claims for violations of Proposition 65 based on exposure to DEA from Covered Products as set forth in the Notice, with respect to any Covered Products manufactured, distributed, or sold by Sun Bum prior to the Effective Date. 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 Sun Bum and/or the Downstream Releasees of the Covered Products ("Proposition 65 Claims"). Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with regard to the Covered Products.
- 5.2 In addition to the foregoing, Espinoza, on behalf of himself, his past and current agents, representatives, attorneys, and successors and/or assignees, and <u>not</u> in his representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Sun Bum, 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 related to or arising from Covered Products manufactured, distributed, or sold by Sun Bum, Defendant Releasees or Downstream

Releasees. With respect to the foregoing waivers and releases in this paragraph, Espinoza hereby specifically waives any and all rights and benefits which he now has, or in the future may have, conferred by virtue of the provisions of § 1542 of the California Civil Code, which provides as follows:

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

5.3 Sun Bum waives any and all claims against Espinoza, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Espinoza and his 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. INTEGRATION

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-

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2	class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party				
	by the other party at the following addresses:				
3	For Defendant:				
4	Caitlin C. Blanche				
5	K&L Gates LLP 1 Park Plaza				
-6-	Twelfth Floor Irvine, CA 92614				
7	And				
8	For Espinoza:				
9	·				
10	Evan Smith Brodsky & Smith, LLC				
11	9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212				
12	Any party, from time to time, may specify in writing to the other party a change of address to				
13	which all notices and other communications shall be sent.				
14	9. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>				
15	9.1 This Consent Judgment may be executed in counterparts and by facsimile, each of				
16	which shall be deemed an original, and all of which, when taken together, shall constitute one and				
17	the same document.				
18	10. <u>COMPLIANCE WITH HEALTH &amp; SAFETY CODE § 25249.7(f)/COURT</u>				
19	APPROVAL				
20	10.1 Espinoza agrees to comply with the requirements set forth in California Health &				
21	Safety Code § 25249.7(f) and to promptly bring a Motion for Approval of this Consent Judgment.				
22	Defendant agrees it shall support approval of such Motion.				
23	10.2 This Consent Judgment shall not be effective until it is approved and entered by the				
24	Court and shall be null and void if, for any reason, it is not approved by the Court. In such case, the				
25	Parties agree to meet and confer on how to proceed and if such agreement is not reached within 30				
26	days, the case shall proceed on its normal course.				
27	10.3 If the Court approves this Consent Judgment and is reversed or vacated by an				
28	appellate court, the Parties shall meet and confer as to whether to modify the terms of this Consent				

Judgment. If the Parties do not jointly agree on a course of action to take, the case shall proceed on its normal course on the trial court's calendar.

## 11. MODIFICATION

11.1 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.

### 12. ATTORNEY'S FEES

- 12.1 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.
- 12.2 Nothing in this Section shall preclude a Party from seeking an award of sanctions pursuant to law.

# 13. <u>RETENTION OF JURISDICTION</u>

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

## 14. <u>AUTHORIZATION</u>

14.1 The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this document and certify 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	<b>)</b> :
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AGREED TO:

Date:	2/24	12020	Date:	01/21/2020	
By:	fallet	,'	Ву:	grithia Harriera	
GAB	MEL ESPINOZA		SUN	BUM, LLC	

IT IS SO ORDERED, ADJUDGED AND DECREED:

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