

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Audrey Donaldson (“Donaldson”) and URBN US Retail LLC, as successor to Anthropologie, Inc. (“Anthropologie”), with Donaldson and Anthropologie each individually referred to as a “Party” and collectively as the “Parties.” Donaldson is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. Anthropologie is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code section 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Donaldson alleges that Anthropologie manufactures, sells, and distributes for sale in California, bronze drawer knobs containing lead. Lead (“Lead”) is listed pursuant to Proposition 65 as a chemical known to cause birth defects and other reproductive harm. Donaldson alleges that there was a failure to provide the health hazard warning required by Proposition 65 for exposures to Lead.

1.3 Product Description

The products covered by this Settlement Agreement are bronze drawer knobs containing Lead that are manufactured, sold, or distributed for sale in California by Anthropologie including, but not limited to, the “*Bronze Flower Drawer Knob ‘Designed by Collected Edition’*”; UPC 1 92347 06245 9 (hereinafter referred to as “Products”).

1.4 Notice of Violation

On May 20, 2019, Donaldson served Anthropologie and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”), alleging that Anthropologie violated Proposition 65 by failing to warn its customers and consumers in

California of the health hazards associated with exposures to lead from the Products. No public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

On behalf of itself and Nordstrom, Inc. (“Nordstrom”), Anthropologie denies the material, factual, and legal allegations contained in the Notice and maintains that all the products that it has sold and distributed in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Anthropologie or Nordstrom (collectively, the “Alleged Violators”) of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by the Alleged Violators of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied. This Section shall not, however, diminish or otherwise affect Anthropologie’s obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term “Effective Date” shall mean March 10, 2020.

2. INJUNCTIVE RELIEF: REFORMULATION/WARNINGS

2.1 Reformulation Standards

“Reformulated Products” are defined as those Products that: (a) contain no more than 90 parts per million (“ppm”) lead in any accessible component when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3050B and 6010B or equivalent methodologies utilized by federal or state agencies for the purpose of determining lead content in a solid substance; *and* (b) yield no more than 1.0 microgram of lead on any surface sampled and analyzed pursuant to the NIOSH 9100 testing protocol.


2.2 Reformulation Commitment

Within 90 days after the Effective Date, Anthropologie shall not manufacture, import, or otherwise acquire Products for sale in the State of California unless they are Reformulated Products or contain clear and reasonable warnings pursuant to sections 2.3 and 2.4 below.


2.3 Clear and Reasonable Warnings

To the extent that Products manufactured, imported, or otherwise acquired by Anthropologie within 90 days after the Effective Date do not meet the standard for Reformulated Products set forth in Section 2.1 above, Anthropologie shall label them with a clear and reasonable warning which shall consist of either the **Warning** or **Alternative Warning** described in sections 2.3(a) or (b), respectively:

(a) **Warning.** The “Warning” shall consist of the statement:

 **WARNING:** This product can expose you to chemicals including lead, which are known to the State of California to cause cancer and birth defects and other reproductive harm. For more information go to www.P65Warnings.ca.gov.

(b) **Alternative Warning:** Anthropologie may, but is not required to, use the alternative short-form warning as set forth in this § 2.3(b) (“**Alternative Warning**”) as follows:

 **WARNING:** Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

2.4 A **Warning** or **Alternative Warning** provided pursuant to section 2.3 must print the word “**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 Products 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 may be affixed to or printed on the Products’ packaging or labeling, or a product-specific warning may be provided on a posted sign, shelf tag, or

shelf sign, for the Product at each point of display of the Product, and 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.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payment

Pursuant to Health and Safety Code section 25249.7(b)(2), and in settlement of all claims alleged in the Notice and/or covered by this Settlement Agreement, on behalf of itself and Nordstrom, Anthropologie agrees to pay \$2,000 in civil penalties no later than the Effective Date. The penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty amount remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount paid to Donaldson and delivered to the address in Section 3.3 herein. Anthropologie will provide its payment in two checks as follows: (1) “OEHHA” in the amount of \$1,500; and (2) “Audrey Donaldson” in the amount of \$500.

3.2 Attorneys’ Fees and Costs

The Parties acknowledge that Donaldson and her counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been reached, Anthropologie expressed a desire to resolve Donaldson’s fees and costs. The Parties reached an accord on the compensation due to Donaldson’s counsel under general contract principles and the private attorney general doctrine codified at Code of Civil Procedure section 1021.5 for all work performed in this matter. Under these legal principles, on or before the Effective Date, on behalf of itself and Nordstrom, Anthropologie agrees to pay \$18,000,

in the form of a check made payable to “Voorhees & Bailey, LLP,” for all fees and costs incurred investigating, bringing this matter to the attention of Anthropologie and negotiating a settlement.

3.3 Payment Address

All payments under this Settlement Agreement shall be delivered to the following address:

Voorhees & Bailey, LLP
990 Amarillo Avenue
Palo Alto, CA 94303

4. CLAIMS COVERED AND RELEASED

4.1 Donaldson’s Release of Proposition 65 Claims

Donaldson acting on her own behalf, and *not* on behalf of the public, releases the Alleged Violators, and each of its parents, subsidiaries, affiliated entities under common ownership, directors, officers, agents employees, attorneys, and each entity to whom it directly or indirectly distributes or sells Products, including, but not limited, to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, importers, and licensees (collectively, “Releasees”), from all claims for violations of Proposition 65 through 90 days after the Effective Date relating to unwarned exposures to Lead in the Products. The Parties further understand and agree that this Section 4.1 release shall not extend upstream to any entities that manufactured the Products or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to Anthropologie. Donaldson represents and warrants that she does not know of any other alleged violations by Anthropologie of California’s Proposition 65 that have not already been subject to a Proposition 65 Notice.

4.2 Donaldson’s Individual Release of Claims

Donaldson, in her individual capacity only, and *not* in her representative capacity, provides a release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses,

attorneys' fees, damages, losses, claims, liabilities, and demands of Donaldson of any nature, character, or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to Lead in the Products manufactured, imported, distributed, or sold by the Alleged Violators prior to June 10, 2020. The Parties further understand and agree that this Section 4.2 release shall not extend upstream to any entities that manufactured the Products, or any component parts thereof, or any distributors or suppliers who sold the Products, or any component parts thereof to Anthropologie. Nothing in this Section affects Donaldson's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Anthropologie's Products.

4.3 Anthropologie's Release of Donaldson

Anthropologie, on its own behalf and on behalf of Nordstrom, and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Donaldson and her attorneys and other representatives, for any and all actions taken or statements made by Donaldson and her attorneys and other representatives, whether in the course of investigating claims, seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

5. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

6. GOVERNING LAW

The terms of this Settlement Agreement 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 the Products, then Anthropologie may provide written notice to Donaldson of any asserted

change in the law and shall have no further injunctive obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Products are so affected.

7. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Anthropologie:

Anthropologie
5000 S. Broad Street
Philadelphia, PA 19112
Attn: General Counsel

For Donaldson:

Voorhees & Bailey, LLP
990 Amarillo Avenue
Palo Alto, CA 94303

And a copy to:

Brian Ledger, Esq.
Gordon Rees Scully Mansukhani, LLP
633 West Fifth Street; 52nd Floor
Los Angeles, CA 90071

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

8. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement 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)

Donaldson and her attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code section 25249.7(f).

10. MODIFICATION

This Settlement Agreement may be modified only by written agreement of the Parties.

11. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understand, and agreed to all of the terms and conditions of this Settlement Agreement.

12. CONFIDENTIALITY.

No Party shall make any public statement regarding the settlement or this Settlement Agreement. If specifically asked, the Parties shall respond “no comment.” The Parties shall treat the terms of this Settlement Agreement as confidential and shall not disclose its terms or conditions, or the negotiations by the Parties culminating in this Settlement Agreement, other than: (a) as required by law or by a court, governmental agency, legislative body, or other person with apparent jurisdiction to order disclosure including, but not limited to, the reporting requirements of California Health and Safety Code Section 25249.7; (b) to the Parties’ professional legal, financial, tax, estate planning and/or accounting advisors; and (c) as may be reasonably necessary to enforce its terms, in which case the Parties will make efforts to only reveal those portions of the Settlement Agreement as necessary to obtain enforcement and will keep the remainder of the Settlement Agreement confidential.

AGREED TO:

AGREED TO:

Date:

Date:

By: _____
AUDREY DONALDSON

URBN US RETAIL LLC

By: Denise Albright
Authorized Signatory

Denise Albright

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The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understand, and agreed to all of the terms and conditions of this Settlement Agreement.

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AGREED TO:

AGREED TO:

Date: 3-3-20

Date:

By: 

AUDREY DONALDSON

URBN US RETAIL LLC

By: _____
Authorized Signatory