1	Josh Voorhees, State Bar No. 241436 Troy C. Bailey, State Bar No. 277424 VOORHEES & BAILEY, LLP 990 Amarillo Ave Palo Alto, CA 94303 Telephone: (650) 815-6022	
2		
3		
4	Facsimile: (650) 618-1606 josh@voorheesbailey.com	
5	troy@voorheesbailey.com	•
6	Attorneys for Plaintiff DENNIS JOHNSON	
7	DENING JOHNSON	
8	STIDEDTOD COLIDA OF	THE STATE OF CALIFORNIA
9	COUNTY OF SANTA CLARA	
10	UNLIMITED CIVIL JURISDICTION	
11	ONLIMITED CIVIL JURISDICTION	
12		
13	DENNIS JOHNSON,	Case No. 20CV368203
14	Plaintiff,	[PROPOSED] STIPULATED CONSENT
15	v.	JUDGMENT (H. 11) 0.5 C. 1. 0.25242 (
16 17	APPLE BEAUTY, INC.; BURLINGTON STORES, INC.; and DOES 1-150,	(Health & Safety Code § 25249.6 et seq. and Code of Civil Procedure § 664.6)
18	inclusive,	
19	Defendants.	
20		•
21		
22	·	
23		
24		
25		
26		
27		
28		
	1	

1. INTRODUCTION

1.1 Parties

This Stipulated Consent Judgment is entered into by and between plaintiff Dennis Johnson ("Johnson") and defendants Apple Beauty, Inc. ("Apple Beauty") and Burlington Stores, Inc ("Burlington"). Apple Beauty and Burlington shall be collectively referred to herein as "Defendants", with Johnson and Defendants each referred to individually as a "Party" and collectively as the "Parties."

1.2 Plaintiff

Johnson is a resident of the State of California who seeks to promote awareness of exposures to toxic chemicals, and to improve human health by reducing or eliminating harmful substances contained in consumer and commercial products.

1.3 Defendant

Both Apple Beauty and Burlington each employ ten or more persons and 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").

1.4 General Allegations

Johnson alleges that Defendants manufacture, import, sell, and/or distribute for sale in California, PVC toiletry bags containing the phthalate chemical Di(2-ethylhexyl) Phthalate ("DEHP"). DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects and other reproductive harm. Johnson alleges that Defendants failed to provide the health hazard warning required by Proposition 65 for exposures to DEHP.

1.5 Product Description

The products covered by this Stipulated Consent Judgment are the PVC toiletry bags containing DEHP commonly referred to as the "Marvel Spider Man Toiletry Bag" UPC: 8 15940 02336 7, that are manufactured, sold, or distributed for sale in California by Defendants (hereinafter referred to as the "Product").

1.6 Notice of Violation

On April 14, 2020, Johnson served Defendants and the requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice"), alleging that Defendants violated Proposition 65 when they failed to warn their customers and consumers in California of the health hazards associated with exposures to DEHP from the Product. No public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.7 Complaint

On July 9, 2020, Johnson commenced the instant action, naming Defendants for alleged violations of Proposition 65 that are the subject of the Notice.

1.8 No Admission

Defendants deny the material, factual, and legal allegations contained in the Notice and maintain that the Products sold and distributed in California have been, and are, in compliance with all laws. Nothing in this Stipulated Consent Judgment shall be construed as an admission by Defendants of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Stipulated Consent Judgment constitute or be construed as an admission by Defendants of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Defendants. This Section shall not, however, diminish or otherwise affect Defendants' obligations, responsibilities, and duties under this Stipulated Consent Judgment.

1.9 Jurisdiction

For purposes of this Stipulated Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendants as to the allegations contained in the Complaint, that venue is proper in the County of Santa Clara, and that the Court has jurisdiction to enter and enforce the provisions of this Stipulated Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

1.10 Effective Date

For purposes of this Stipulated Consent Judgment, the term "Effective Date" shall mean the date Plaintiff provides notice to Defendants that the Court approved this Stipulated Consent

9 10

11 12

13

14 15

16

17

18 19

20 21

22

23

24

25

26

27

28

Judgment. Plaintiff may provide notice that the Court approved this Stipulated Consent Judgement via electronic mail to counsel for Defendants.

2. **INJUNCTIVE RELIEF: REFORMULATION/WARNINGS**

2.1 Reformulation Standard

"Reformulated Products" are defined as those products containing DEHP in concentrations less than 0.1 percent (1,000 parts per million) when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C, or any other methodologies utilized by federal or state agencies for the purpose of determining the DEHP content in a solid substance.

2.2 **Reformulation/Warning Commitment**

Defendants represent that the Product was a promotional item, and will not be sold again in California. However, in the event that Defendants do manufacture, import, distribute, sell or offer the Product for sale in California after the Effective Date, Defendants shall not do so unless the Product qualifies as a Reformulated Product pursuant to Section 2.1 or contain appropriate health hazard warnings pursuant to Section 2.3 below. Compliance with the terms of this Stipulated Consent Judgment shall constitute compliance with Proposition 65 with respect to exposures to DEHP from the Product, as set forth in the Notice.

2.3 **Product Warnings**

As of the Effective Date, any Product Defendants sell and/or distribute for sale in California that do not qualify as Reformulated Product, shall bear a clear and reasonable warning pursuant to this Section. Defendants further agrees that the warning will be prominently placed with such conspicuousness when compared with other words, statements, designs or devices as to render it likely to be read and understood by an ordinary individual under customary conditions of use. For purposes of this Stipulated Consent Judgment, a clear and reasonable warning for the Product shall consist of a warning affixed directly to the Product or Product packaging, label, or tag, for any Product sold in California and contain one of the following statements:

⚠ WARNING: Reproductive Harm- www.P65Warnings.ca.gov

OR

⚠ WARNING: This product can expose you to chemicals including DEHP, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov

In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting specific safe harbor warning text and/or methods of transmission different than those set forth above, Defendants shall be entitled to use, at their discretion, such other specific safe harbor warning text and/or methods of transmission without being deemed in breach of this Agreement.

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 or referred to in this Stipulated Consent Judgment, Defendants agree to pay \$2,000 in civil penalties within seven (7) business days of 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 Johnson and delivered to the address in Section 3.3 herein. On behalf of Defendants, and under the terms of an indemnity agreement with Burlington, Great American Beauty, Inc. (GAB) will provide payment in two checks as follows: (1) "OEHHA" in the amount of \$1,500; and (2) "Dennis Johnson" in the amount of \$500.

3.2 Attorneys' Fees and Costs

The Parties acknowledge that Johnson and his 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, Defendants expressed desire to resolve Johnson's fees and costs. The Parties reached an accord on the compensation due to Johnson and his 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, within seven (7) business days of the Effective Date, on behalf of Defendants GAB agrees to pay \$10,500,

15

16

17

18

19

20

21

22

23

24

25

26

27

28

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 Defendants' management, filing this action, and negotiating a settlement in the public interest, but exclusive of fees and costs on appeal, if any.

3.3 Payment Address

All payments under this Stipulated Consent Judgment shall be delivered to the following address:

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

4. CLAIMS COVERED AND RELEASED

4.1 Johnson's Release of Proposition 65 Claims

Johnson, acting on his own behalf and in the public interest, releases Defendants and their parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees. and attorneys ("Releasees") and each entity to whom Defendants directly or indirectly distribute or sell the Product including, but not limited to, their downstream distributors (including, GAB and Palm Beach Beaute' (and their parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, and attorneys), whether either company is characterized as a downstream distributor or an upstream distributor; collectively referred to as "Other Releasees"), wholesalers, customers, retailers (including, specifically, Burlington Stores, Inc.), franchisers, cooperative members, licensors and licensees, ("Downstream Releasees") from all claims for any violations arising under Proposition 65 for unwarned exposures to DEHP from the Product manufactured, imported, distributed or sold by Defendants prior to the Effective Date, as set forth in the Notice, regardless of the date any Releasee or Downstream Releasee distributes or sells the Product. The Parties further understand and agree that except for the Other Releasees, this Section 4.1 release shall not extend upstream to any entities that manufactured the Product or any component parts thereof, or any distributors or suppliers who sold the Product or any component parts thereof to Defendants.

5

4.2 Johnson's Individual Release of Claims

The Parties further understand and agree that except for the Other Releasees, this Section 4.2 release shall not extend upstream to any entities that manufactured the Product, or any component parts thereof, or any distributors or suppliers who sold the Product, or any component parts thereof to Defendants. Nothing in this Section affects Johnson's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve the Product.

4.3 Defendants' Release of Johnson

Defendants and the Other Releasees, on their own behalf and on behalf of their past and current agents, representatives, attorneys, successors and/or assignees, hereby waive any and all claims against Johnson and his attorneys and other representatives, for any and all actions taken or statements made by Johnson and his 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 Product.

5. COURT APPROVAL

This Stipulated Consent Judgment shall be null and void if, for any reason, it is not approved and entered by the Court within one year after it has been fully executed by all Parties. Johnson and Defendants agree to support the entry of this agreement as a judgment, and to obtain the Court's approval of their settlement within thirty (30) days of its full execution by the Parties. The Parties acknowledge that, pursuant to California Health and Safety Code section 25249.7, subdivision (f)(4), a noticed motion is required for judicial approval of this Stipulated Consent Judgment, which motion Johnson shall draft and file and Defendants shall support, appearing at the hearing if so requested. If any third-party objection to the motion is filed, Johnson and Defendants agree to work together to file a reply and appear at any hearing. This provision is a material component of the Stipulated Consent Judgment and shall be treated as such in the event of a breach.

6. **SEVERABILITY**

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

7. GOVERNING LAW

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

23

24

25

26

This Stipulated 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 the Product, then Defendants may provide written notice to Johnson of any asserted change in the law and shall have no further injunctive obligations pursuant to this Stipulated Consent Judgment with respect to, and to the extent that, the Product is so affected.

8. NOTICE

Unless specified herein, all correspondence and notice required to be provided under this Stipulated Consent Judgment 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 Apple Beauty:

Michael E. Vergara Somach Simmons & Dunn 500 Capitol Mall, Suit 1000 Sacramento, CA 95814 (916) 446-7979 mvergara@somachlaw.com

For Burlington Stores, Inc.:

Lindsay R. Goldstein
Director, Managing Counsel - Litigation
Burlington Stores, Inc.
1830 Route 130 North
Burlington, NJ 08016

Direct: 609-387-7800 Ext. 53675 lindsay.goldstein@burlington.com

For Johnson:

Voorhees & Bailey, LLP Proposition 65 Coordinator 990 Amarillo Avenue Palo Alto, CA 94303 (617) 669-6960 troy@voorheesbailey.com

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.

27

9. <u>COUNTERPARTS; FACSIMILE AND PDF SIGNATURES</u>

This Stipulated 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.

10. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7, SUBD. (f)(1)

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

11. <u>MODIFICATION</u>

This Stipulated Consent Judgment may be modified only by: (i) a written agreement of the Parties and the entry of a modified Stipulated Consent Judgment by the Court thereon; or (ii) upon a successful motion of any party and the entry of a modified Stipulated Consent Judgment by the Court thereon.

12. <u>AUTHORIZATION</u>

AGREED TO:

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

AGREED TO:

Date: 10/1/2020

Date: 10/1/2020

By: APPLE BEAUTY, INC., AND BURLINGTON STORES, INC.

Mchae E. Verguro