1	Laralei Schmohl Paras, State Bar No. 203319 SEVEN HILLS LLP		
2	4 Embarcadero Center, Suite 1400 San Francisco, CA 94111		
3	Telephone: (415) 926-7247 laralei@sevenhillsllp.com		
5	Attorneys for Plaintiff KEEP AMERICA SAFE AND BEAUTIFUL		
6 7	Thomas H. Cadden, State Bar No. 122299 Judy S. Hirahara, State Bar No. 177332 CADDEN & FULLER LLP		
8	2050 Main Street, Suite 260 Irvine, CA 92614		
9	Telephone: (949) 788-0827 Facsimile: (949) 450-0650		
10	11		
11	DUDA ENERGY LLC		
12			
13	SUPERIOR COURT OF THE STATE OF CALIFORNIA  COUNTY OF SAN FRANCISCO  UNLIMITED CIVIL JURISDICTION		
14			
15			
16	KEEP AMERICA SAFE AND BEAUTIFUL,	Case No. CGC-21-590176	
17	Plaintiff,		
18	v.	[PROPOSED] CONSENT JUDGMENT	
19	DUDA ENERGY LLC; and DOES 1-30,	(Health & Safety Code § 25249.6 et seq. and Code of Civil Procedure § 664.6)	
20	inclusive,		
21	Defendants.		
22			
23			
24			
25			
26			
27			
28			

CONSENT JUDGMENT

## 1. <u>INTRODUCTION</u>

This Consent Judgment is entered into by and between plaintiff Keep America Safe and Beautiful acting on behalf of itself and the public interest ("KASB") and defendant Duda Energy LLC ("Duda Energy"), with KASB and Duda Energy each individually referred to as a "Party" and collectively, as the "Parties," to resolve the allegations in the October 7, 2020 60-Day Notice of Violation in compliance with the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6 et seq. ("Proposition 65").

#### 1.1 The Parties

KASB is a California-based non-profit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure that chemicals known to the State of California to cause cancer, birth defects, or other reproductive harm are disclosed or eliminated from consumer products sold in California. Duda Energy is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

## 1.2 Consumer Product Description

KASB alleges that Duda Energy manufactures, imports, sells, or distributes for sale in California valves with vinyl/PVC grips containing di(2ethylhexyl) phthalate ("**DEHP**"), including but not limited to, 2PC Ball Valve WOG1000 Type III PTFE ¾", SUS304, 2PCBV3-F075, UPC 8 40194 10001 4, without providing the health hazard warning that KASB alleges is required by California Health & Safety Code § 25249.5 et seq. ("**Proposition 65**"). Valves with vinyl/PVC grips are referred to hereinafter as the "**Products**." DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects and other reproductive harm.

#### 1.3 Notice of Violation

On October 7, 2020, KASB served Duda Energy, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice"), alleging Duda Energy violated Proposition 65 by failing to warn its customers and consumers in California that the Products can expose users to DEHP. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations set forth in the Notice.

## 1.4 Complaint

On March 8, 2021, KASB, who is acting on its own behalf and in the interest of the general public in California, commenced the instant action ("Complaint"), naming Duda Energy as a defendant for the alleged violations of Proposition 65 that are the subject of the Notice.

#### 1.5 No Admission

Duda Energy denies the material, factual and legal allegations contained in the Notice and Complaint and maintains that all products it sold or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as, nor shall compliance with this Consent Judgment constitute or be construed as, an admission by Duda Energy of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect Duda Energy's obligations, responsibilities, and duties under this Consent Judgment.

#### 1.6 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Duda Energy as to the allegations contained in the Complaint; that venue is proper in San Francisco County; and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment, pursuant to Proposition 65 and Code of Civil Procedure § 664.6.

### 1.7 Execution Date

The term "Execution Date" means the date all parties have signed this Consent Judgment.

#### 1.8 Effective Date

The term "Effective Date" means the date on which the Court approves this Consent Judgment and enters Judgment pursuant to its terms.

### 2. <u>INJUNCTIVE RELIEF: REFORMULATION, WARNINGS AND NOTIFICATION</u>

## 2.1 Reformulation Commitment

Commencing on the Effective Date and continuing thereafter, all Products Duda Energy manufactures, imports, sells, ships, or distributes for sale in or into California, directly or through one or more third party retailers or e-commerce marketplaces, shall meet the Reformulation Standard for Reformulated Products, as defined by Section 2.2. Alternatively, commencing on the Execution

Date, the Products Duda Energy manufactures, imports, sells, ships, or distributes for sale in or into California, directly or through one or more third party retailers or e-commerce marketplaces shall be accompanied by a clear and reasonable warnings pursuant to Section 2.3.

### 2.2 Reformulation Standard

For purposes of this Consent Judgment, "Reformulated Products" are defined as Products which, if they contain di(2-ethylhexyl) phthalate ("DEHP"), di-n-butyl phthalate ("DBP"), diisononyl phthalate ("DINP"), butyl benzyl phthalate ("BBP"), di-isodecyl phthalate ("DIDP") and di-n-hexyl phthalate ("DnHP"), contain any or all such chemicals each in a maximum concentration of less than 0.1 percent (1,000 parts per million) when analyzed by a laboratory accredited by the State of California, a federal agency, or a nationally recognized accrediting organization. For purposes of compliance with this reformulation standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission ("CPSC") methodology CPSC CH-C1001.09.3 and analyzed using U.S. Environmental Protection Agency methodology 8270D, or other methodologies utilized by federal or state government agencies to determine phthalate content in a solid substance.

# 2.3 Clear and Reasonable Warnings

Duda Energy shall provide clear and reasonable warnings for all Products provided for sale to customers in California in accordance with this Section pursuant to Title 27 California Code of Regulations § 25600, et seq. Each warning shall be prominently placed 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 before purchase or use and shall be provided in a manner such that it is clearly associated with the specific Product to which the warning applies.

(a) **DEHP Warnings**. The Warning for Products containing DEHP, a phthalate chemical known to cause cancer and birth defects or other reproductive harm, in excess of the Reformulation Standard for Reformulated Products set forth in Section 2.2 shall consist of the following statement:

▲ WARNING: This product can expose you to DEHP, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to <a href="https://www.P65Warnings.ca.gov">www.P65Warnings.ca.gov</a>.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

28

(b) Warnings for DEHP and DINP. The Warning for Products containing DEHP and the phthalate chemical only known to cause cancer, DINP, each in excess of the Reformulation Standard for Reformulated Products set forth in Section 2.2 shall consist of the following statement:

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

(c) Warnings for DEHP and one of the following phthalate chemicals: DIDP, DBP, BBP or DnHP. The Warning for Products containing DEHP and one of the phthalate chemicals known to cause birth defects or other reproductive harm – DIDP, DBP, BBP or DnHP – each in excess of the Reformulation Standard for Reformulated Products set forth in Section 2.2 shall consist of the following statement:

▲WARNING: This product can expose you to DEHP, which is known to the State of California to cause cancer and birth defects or other reproductive harm, and [DIDP], which is known to the State of California to cause birth defects or other reproductive harm. For more information go to <a href="www.P65Warnings.ca.gov">www.P65Warnings.ca.gov</a>.

The bracketed language in the preceding warnings may be changed to DBP, BBP or DnHP, as appropriate, at Affordable Tools' option.

(d) Warnings for DEHP and two or more of the following phthalate chemicals:

DIDP, DBP, BBP or DnHP. The Warning for Products containing DEHP and *two* or more of the phthalate chemicals – DIDP, DBP, BBP and DnHP – each in excess of the Reformulation Standard for Reformulated Products set forth in Section 2.2 shall consist of the following statement:

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

The bracketed language in the preceding warning may be changed to DBP, BBP, or DnHP, as appropriate, at Affordable Tools' option.

(e) Warnings for DEHP and DINP and one of the following phthalate chemicals: DIDP, DBP, BBP or DnHP. The Warning for Products containing DEHP and DINP and one of the following chemicals – DIDP, DBP, BBP or DnHP – each in excess of the Reformulation Standard for Reformulated Products set forth in Section 2.2 shall consist of the following statement:

▲WARNING: This product can expose you to DEHP, which is known to the State of California to cause cancer and birth defects or other reproductive harm, DINP, which is known to the State of California to cause cancer, and [DIDP] 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.

The bracketed language in the preceding warnings may be changed to DBP, BBP and/or DnHP, as appropriate, at Affordable Tools' option.

(f) Warnings for DEHP and DINP and two or more of the following phthalate chemicals: DIDP, DBP, BBP or DnHP. The Warning for Products containing DEHP, DINP and *two* or more of the phthalate chemicals – DIDP, DBP, BBP or DnHP – each in excess of the Reformulation Standard for Reformulated Products set forth in Section 2.2 shall consist of the following statement:

▲WARNING: This product can expose you to DEHP, which is known to the State of California to cause cancer and birth defects or other reproductive harm, DINP, which is known to the State of California to cause cancer, and chemicals including [DIDP] which are known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

The bracketed language in the preceding warnings may be changed to DBP, BBP and/or DnHP, as appropriate, at Affordable Tools' option.

(g) Warnings for DIDP, DBP, BBP or DnHP. The Warning for Products containing DIDP, DBP, BBP or DnHP in excess of the Reformulation Standard for Reformulated Products set forth in Section 2.2 shall consist of the following statement:

▲ WARNING: This product can expose you to [DIDP], 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.

chemicals – DIDP, DBP, BBP or DnHP – each in excess of the Reformulation Standard for Reformulated Products set forth in Section 2.2 shall consist of the following statement:

▲WARNING: This product can expose you to DINP, which is known to the State of California to cause cancer, and chemicals including [DIDP] which are known to the State of California to cause birth defects or other reproductive harm. For more information go to <a href="https://www.P65Warnings.ca.gov">www.P65Warnings.ca.gov</a>.

The bracketed language in the preceding warnings may be changed to DBP, BBP and/or DnHP, as appropriate, at Affordable Tools' option.

(I) Short-Form Warning. As an alternative to the warnings set forth in subsections 2.3(a)-(k) above, Duda Energy may, but is not required to, use the following short-form warning ("Short-Form Warning"), subject to the additional requirements in Sections 2.5 and 2.6, as follows:

For DIDP, DBP, BBP or DnHP:

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

For DEHP or DINP and DEHP, DIDP, DBP, BBP or DnHP:

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

For DINP:

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

(m) Foreign Language Requirement. Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information, as that term is defined in Title 27 California Code of Regulations § 25600.1(c) ("Consumer Information"), in languages other than English, the warning must also be provided in those languages in addition to English.

### 2.4 Product Warnings

Duda Energy shall affix a warning to the Product label or otherwise directly on each Product provided for sale to consumers located in California and to customers with retail outlets in California or nationwide distribution. For the purpose of this Consent Judgment, "**Product label**" means a display of written, printed or graphic material that is printed on or affixed to each of a Product or its immediate container or wrapper. A warning provided pursuant to Section 2.3(a)-(l) must print the word "**WARNING**:" in all capital letters and in bold font. 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 labeling does not use the color yellow, then the symbol may be in black and white. The entire warning shall appear in a type size of at least 6-point type and no smaller than the largest type size used for other Consumer Information on the Products.

## 2.5 Mail Order Catalog Warnings

In the event, after the Effective Date, Duda Energy prints new catalogs and sells Products through such catalogs to customers in, or with retail outlets located in, California, Duda Energy shall provide a warning for each Product both on the Product label in accordance with Section 2.4, and in the catalog in a manner that clearly associates the warning with the specific Product being purchased. Any warning provided in a mail order catalog shall be in the same type size or larger than other consumer information provided for the Products within the catalog and shall be provided on the same page and in the same location as the display and/or description of each of the Products. The catalog warning may use the Short-Form Warning content described in Section 2.3(1) if the warning provided on the Product label also uses the Short-Form Warning content.

# 2.6 Internet Warnings

If, after the Effective Date, Duda Energy sells Products via the internet directly, or indirectly through customers with nationwide distribution or e-commerce websites, to customers located in California, Duda Energy shall provide warnings for each Product both on the Product label in accordance with Section 2.4, and by including either the warning or a clearly marked hyperlink using the word "WARNING" on the product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase and without requiring the purchaser to search for the warning in the general content of the website. If Duda Energy sells Products directly to consumers with e-commerce websites, Duda Energy shall inform those customers in writing of their obligation to provide online warnings consistent with Title 27 California Code of Regulations § 25602(b). The internet warning may use the Short-Form Warning content described in Section 2.3(l) if the warning provided on the Product label also uses the Short-Form Warning content.

#### 2.7 Customer Notification for Products Sold

No later than the Effective Date, Duda Energy shall send a letter, electronic or otherwise ("Notification Letter") to: (1) each customer in California to which it sold Products between March 8, 2020 and October 9, 2020; and (2) any retailer or distributor Duda Energy reasonably understands or believes has any inventory of Products, which Duda Energy supplied between October 7, 2019 and October 9, 2020, for sale to consumers in California. The Notification Letter shall advise the recipient that the Products contain DEHP, a chemical known to the State of California to cause birth defects or other reproductive harm. The Notification letter shall inform the recipient (1) all Products must have a label attached to the packaging of each Product expressly referring to the Product, which contains one of the warning statements in Section 2.3(a), before it is sold in the California market or to a customer in California, and (2) each warning must be prominently placed with such conspicuousness as 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 before purchase or use and shall be provided in a manner such that it is clearly associated with the specific Product to which the warning applies.

## 3. MONETARY SETTLEMENT TERMS

#### 3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Duda Energy agrees to pay a civil penalty of \$3,500 within five (5) days of the Effective Date. Duda Energy's civil penalty payment will be allocated according to Health and Safety Code § 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) retained by KASB. Duda Energy shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of \$2,625; and (b) "Keep America Safe & Beautiful" in the amount of \$875. KASB's counsel shall deliver to OEHHA and KASB their respective portions of the penalty payment.

## 3.2 Reimbursement of Attorneys' Fees and Costs

KASB and its counsel offered to resolve the allegations in the Notice and Complaint without reaching terms on the amount of reimbursement of attorneys' fees and costs. Shortly after the

Parties finalized the other material settlement terms, they negotiated and reached an accord on the amount of reimbursement to be paid to KASB's counsel, under general contract principles and the private attorney general doctrine, codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution and reporting of this Consent Judgment to the Office of the California Attorney General and entry of Judgment pursuant its terms, but exclusive of fees and costs on appeal, if any. Within five (5) days of the Effective Date, Duda Energy shall issue two check for a total amount of \$28,500, with one check in the amount of \$555 payable to "Seven Hills LLP in trust for Keep America Safe & Beautiful" for case costs and a second check in the amount of \$27,945 payable to "Seven Hills LLP" for all fees and other costs incurred investigating, bringing this matter to Duda Energy's attention, litigating, negotiating a settlement in the public interest, obtaining the Court's approval of its terms pursuant to Section 5, and reporting to the California Attorney General.

# 3.3 Payments

All payments payable and due under this Consent Judgment shall be delivered to KASB's counsel at the following address:

Seven Hills LLP Attn: Laralei Paras 4 Embarcadero Center, Suite 1400 San Francisco, CA 94111

### 4. CLAIMS COVERED AND RELEASED

#### 4.1 KASB's Release of Proposition 65 Claims

This Consent Judgment is a full, final, and binding resolution of the claims that were or could have been asserted by KASB arising out of the allegations in the Notice and in the Complaint.

KASB, acting on its own behalf and in the public interest, and on behalf of its past and current agents, representatives, attorneys, successors and assignees ("Releasors") releases Duda Energy, its past and present parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Duda Energy directly or indirectly distributes or sells the Products including, but not limited to, Amazon.com, Inc., its downstream distributors, wholesalers, marketplace hosts, customers, retailers, franchisees, cooperative members, and licensees ("Releasees") of all claims arising out of the alleged violations of Proposition 65 for

1 | 1 | 1 | 2 | 1 | 3 | 1 | 4 | 6

failure to provide a clear and reasonable warning about alleged exposures to DEHP contained in the Products that were manufactured, processed, distributed, sold and/or offered for sale in California before the Effective Date, as set forth in the Notice and Complaint. The Parties further agree that compliance with Section 2 of this Consent Judgment shall be deemed compliance with Proposition 65 with respect to alleged exposures to DEHP in the Products.

In addition to the foregoing, Releasors hereby waive all rights to institute or participate in, directly or indirectly, any form of legal action and releases Releasees from any and all manner of actions, causes of action, claims, demands, rights, suites, 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 the Products sold in or into California prior to the Effective Date. With the exception of the limitations set forth in Section 4.1, KASB on its own behalf, on one hand, and Duda Energy, on the other hand, hereby specifically waive any and all rights and benefits which either Party now has, or in the future may have, conferred by virtue of the provisions of California *Civil Code* § 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT A CREDITOR OR RELEASING PARTY DOES NOT KNOWN 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.

# 4.2 Duda Energy's Release of KASB

Duda Energy, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against KASB and its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by KASB and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against him in this matter with respect to the Products.

Nothing in these Section 4 releases shall affect KASB's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Duda Energy's Products.

## 5. <u>COURT APPROVAL</u>

Pursuant to California Health and Safety Code § 25249.7(f)(4), KASB shall file a noticed motion for judicial approval of this Consent Judgment. The Parties agree to mutually employ their best efforts, and those of their counsel, to support the entry of a judgment pursuant to the terms of this Consent Judgment, and to judicial approval of their settlement in a timely manner. For purposes of this section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to any third-party objection, and appearing at the hearing before the Court if so requested.

### 6. <u>SEVERABILITY</u>

If, subsequent to the Court's approval and entry of this Consent Judgment as a judgment, any provision of this Consent Judgment is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

### 7. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Duda Energy may provide KASB with written notice of any asserted change in the law, and shall have no further injunctive obligations pursuant to this Consent Judgment, with respect to, and to the extent that, the Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Duda Energy from its obligation to comply with any pertinent state or federal law or regulation.

## 8. NOTICE

Unless specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) first-class registered or certified mail, return receipt requested; or (ii) a recognized overnight courier to any Party by the other at the following addresses:

5 || For Duda Energy:

For KASB:

Thomas H. Cadden
Judy S. Hirahara
CADDEN & FULLER LLP
2050 Main Street, Suite 260
Irvine, CA 92614

Laralei Paras, Partner SEVEN HILLS LLP 4 Embarcadero Center, Suite 1400 San Francisco, CA 94111

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.

# 9. <u>COUNTERPARTS, FACSIMILE AND PDF SIGNATURES</u>

This Consent Judgment may be executed in counterparts and by 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. <u>COMPLIANCE WITH REPORTING REQUIREMENTS</u>

KASB and its counsel agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

#### 11. ENTIRE AGREEMENT

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

# 12. MODIFICATION

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

# 13. <u>AUTHORIZATION</u>

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

9	
10	AGREED TO:

Date: 07/04/2022

By: Ngoc-Bich Hoang Vo, CEO
Keep America Safe and Beautiful

By:
Brian Duda, Owner
Duda Energy LLC