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6	BLACTIFUL	
7	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
8	COUNTY OF SAN FRANCISCO	
9	UNLIMITED CIVIL JURISDICTION	
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11	KEEP AMERICA SAFE AND BEAUTIFUL,	Case No. CGC-21-596161
12	Plaintiff,	
13	v.	[PROPOSED] CONSENT JUDGMENT
1415	THE HOUSE OF STAUNTON INC.; THE HOUSE OF STAUNTON INC. DBA WHOLESALE CHESS,	(Health & Safety Code § 25249.6 et seq. and Code of Civil Procedure § 664.6)
16	Defendant.	
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CONSENT JUDGMENT

1. <u>INTRODUCTION</u>

This Consent Judgment is entered into by and between plaintiff Keep America Safe and Beautiful ("KASB") and defendants The House of Staunton Inc. and The House of Staunton Inc. dba Wholesale Chess (collectively, "House of Staunton"), with KASB and House of Staunton each individually referred to as a "Party" and collectively, as the "Parties," to resolve the allegations in the 60-Day Notice of Violation issued to House of Staunton 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 in or eliminated from consumer products sold in California. House of Staunton 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 House of Staunton manufactures, imports, sells and distributes for sale into California chess mats containing di(2-ethylhexyl) phthalate ("DEHP") including, but not limited to, Archer Chess Set Combo - Green, Product No. 0551, UPC 8 53578 00522 5, without providing the health hazard warning that KASB alleges is required by Proposition 65. Chess mats (of all colors) 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 Notices of Violation

On January 29, 2021, KASB served Wholesale Chess, LLC, Amazon.com, Inc., the California Attorney General and the requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice"), alleging violations of Proposition 65 by failing to warn consumers in California that the Products can expose users to DEHP. On February 3, 2021, KASB served The House of Staunton Inc., The House of Staunton Inc. dba Wholesale Chess, Amazon.com, Inc., the California Attorney General and the requisite public enforcement agencies with an Amended 60-Day

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Notice of Violation ("Amended Notice"), alleging House of Staunton violated Proposition 65 by failing to warn their customers and consumers in California that the Products can expose users to DEHP. The Notice and Amended Notice are collectively referred to herein as the "Notices." No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations in the Notices.

1.4 Complaint

On October 18, 2021, KASB commenced the instant action ("Complaint"), naming House of Staunton as a defendant for the alleged violations of Proposition 65 that are the subject of the Notices.

1.5 No Admission

House of Staunton denies the material, factual, and legal allegations contained in the Notices, and maintains that all products it has 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 constitute or be construed as, nor shall compliance with this Consent Judgment constitute or be construed as, an admission by House of Staunton of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect House of Staunton's obligations, responsibilities, and duties under this Consent Judgment.

1.6 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate this Court has jurisdiction over House of Staunton as to the allegations contained in the Complaint, venue is proper in the County of San Francisco, and 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 Effective Date

For purposes of this Consent Judgment, "Effective Date" shall mean the date on which the Court approves this Consent Judgment and enters judgment pursuant to its terms.

2. <u>INJUNCTIVE RELIEF: REFORMULATION AND INTERIM WARNINGS</u>

2.1 Reformulation Commitment

Commencing on the Effective Date and continuing thereafter, all Products House of Staunton manufactures, imports or purchases for sale or resale 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. Commencing on the Effective Date and continuing thereafter, all Products, that are not Reformulated Products, House of Staunton 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 warning 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 CPSCCH-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 Interim Clear and Reasonable Warnings

Commencing on or before the Effective Date, House of Staunton shall provide clear and reasonable warnings for all Products that are not Reformulated Products provided for sale to consumers 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, 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.

- (a) Warning. The Warning shall consist of one of the following statements:
- ▲ WARNING: This product can expose you to DEHP, which is known to the State of California to cause birth defects and other reproductive harm. For more information go to www.P65Warnings.ca.gov.
- ▲ WARNING: This product can expose you to chemicals including Di(2-ethylhexyl)phthalate (DEHP), which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov
- (b) Short-Form Warning. House of Staunton may, but is not required to, use the following short-form warning as set forth in this subsection 2.3(b) ("Short-Form Warning"), and subject to the additional requirements in Section 2.5, as follows:
 - ▲ WARNING: Reproductive Harm www.P65Warnings.ca.gov.
- (c) Foreign Language Requirement. Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information in language(s) other than English, the warning must also be provided in the other language(s) in addition to English.

2.4 Product Warnings

House of Staunton shall affix a warning to the Product label or otherwise directly on Products that are not Reformulated Products provided for sale to consumers located in California and to customers with retail outlets in California or nationwide distribution. For the purposes of this Consent Judgment, "Product label" means a display of written, printed or graphic material printed on or affixed to each of the Products or its immediate container or wrapper. A warning provided pursuant to Sections 2.3(a) or (b) 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 if the labeling does not use the color yellow, the symbol may be in black and white. The entire warning shall appear in at least 6-point type and no smaller than the largest type size used for other consumer information on the Products.

2.5 Internet Warnings

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If, after the Effective Date, House of Staunton sells Products that are not Reformulated Products via the internet, through its own website, affiliated websites or a third party website, to consumers located in California or to customers with nationwide distribution and e-commerce websites, House of Staunton shall provide warnings for each Product both on the Product label in accordance with Section 2.4, and by prominently displaying, or requiring the warning to be prominently displayed on affiliated websites, third party websites or by retail customers, to the consumer during the purchase of the Products without requiring customers to seek out the warning. The warning or a clearly marked hyperlink to the warning using the word "WARNING" given in conjunction with the sale of the Products via the internet shall appear either: (a) on the same web page on which the Products are displayed; (b) on the same web page as the virtual cart displaying the Products; (c) on the same page as the price for the Products; or (d) on one or more web pages displayed to a purchaser during the checkout process. The warning shall appear in any of the above instances adjacent to or immediately following the display, description or price of the Products for which it is given in the same type size or larger than other consumer information provided for the Products. The internet warning may use the Short-Form Warning content described in Section 2.3(b) if the warning provided on the Product label also uses the Short-Form Warning content.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), House of Staunton agrees to pay a civil penalty of \$2,500 within five (5) business days of the Effective Date. House of Staunton'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. House of Staunton shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of \$1,875; and (b) "Keep America Safe & Beautiful" in the amount of \$625. KASB's counsel shall deliver to OEHHA and KASB their respective portion of the penalty payment.

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3.2 Reimbursement of Attorneys' Fees and Costs

KASB and its counsel offered to resolve the allegations in the Notices 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. Within five (5) days of the Effective Date, House of Staunton agrees to issue a check in the amount of \$25,000 payable to "Seven Hills LLP" for all fees and costs incurred investigating, bringing this matter to House of Staunton's attention, negotiating a settlement in the public interest, and reporting its terms to the Office of the California Attorney General pursuant to Section 9.

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. ENFORCEMENT OF CONSENT JUDGMENT

KASB may, by motion or application for an order to show cause, attempt to enforce the terms and conditions contained in this Consent Judgment. Prior to bringing any motion or application to enforce, KASB shall meet and confer regarding the basis for KASB's anticipated motion or application in an attempt to resolve it informally, including providing House of Staunton a reasonable opportunity of at least thirty (30) days to cure any alleged violation. Should such attempts at informal resolution fail, KASB may file its enforcement motion or application. The prevailing party on any motion to enforce this Consent Judgment shall be entitled to its reasonable attorneys' fees and costs incurred as a result of such motion or application. This Consent Judgment may only be enforced by the Parties or by an appropriate public enforcer.

5. <u>CLAIMS COVERED AND RELEASED</u>

5.1 KASB's Release of Proposition 65 Claims

KASB acting on its own behalf and in the public interest, and on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby releases, acquits and forever discharges House of Staunton, together with its past and present parents, subsidiaries, affiliated entities under common ownership, members, directors, officers, employees, attorneys, and each entity to whom House of Staunton directly or indirectly distributes or sells Products through, including, but not limited to, Amazon.com, Inc., downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "Releasees"), for all claims for violations of Proposition 65 up through the Effective Date based on exposure to DEHP from the Products manufactured, distributed, sold and/or offered for sale by House of Staunton in California as set forth in the Notices. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DEHP from the Products as set forth in the Notices.

5.2 KASB's Individual Release of Claims

KASB, in its individual capacity only and *not* in its representative capacity, also provides a release to House of Staunton and Releasees 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 KASB of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to DEHP, DBP, DINP, BBP, DIDP and DnHP in Products manufactured, distributed, sold and/or offered for sale by House of Staunton prior to the Effective Date.

The Parties further understand and agree these Sections 5.1 and 5.2 releases 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 House of Staunton. Nothing in this Section affects KASB's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve House of Staunton's Products.

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5.3 House of Staunton's Release of KASB

House of Staunton, 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 it in this matter with respect to the Products.

6. <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 this agreement as a judgment, and to obtain 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.

7. <u>SEVERABILITY</u>

If, subsequent to the execution of this Consent 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.

8. 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 House of Staunton 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 House of Staunton from its obligation to comply with any pertinent state or federal law or regulation.

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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:

For House of Staunton:

For KASB:

Walter A. Dodgen Maynard Cooper & Gale 655 Gallatin Street SW Huntsville, AL 35801

Laralei Paras 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.

10. COUNTERPARTS, FACSIMILE AND PDF SIGNATURES

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.

11. <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).

12. ENTIRE AGREEMENT

This Consent Judgment contains the sole and entire Consent Judgment 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 Consent Judgments 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 Consent Judgments not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

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13. 1 **MODIFICATION** This Consent Judgment may be modified only by a written Consent Judgment of the Parties. 2 14. **AUTHORIZATION** The undersigned are authorized to execute this Consent Judgment on behalf of their 4 respective Parties and have read, understood, and agreed to all of the terms and conditions of this Consent Judgment. AGREED TO: Date: 11/15/2021 By: Ngoc-Bich Hoang Vo, CEO Keep America Safe and Beautiful

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AGREED TO:

12/8/2021 Date:

By: Shawn Sullivan, CEO

The House of Staunton Inc.