1 2 3 4 5	Lucas Novak (SBN 257484) LAW OFFICES OF LUCAS T. NOVAK 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069 Telephone: (323) 337-9015 Email: lucas.nvk@gmail.com Attorney for Plaintiff, APS&EE, LLC	
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7	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
8	FOR THE COUNTY OF LOS ANGELES	
9	ADCREE LLC - limited lightlifty commons )	CASE NO. 21STCV17020
10	APS&EE, LLC, a limited liability company, )	CASE NO. 21STCV17928
11	Plaintiff, ')	[PROPOSED] CONSENT JUDGMENT
12	V. )  JO-ANN STORES, LLC, a limited liability )	Judge: Hon. Michael L. Stern Dept.: 62
13	company, and DOES 1 through 100, inclusive,	Compl. Filed: May 13, 2021
14	Defendants. )	Unlimited Jurisdiction
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#### 1. <u>RECITALS</u>

#### 1.1 The Parties

- 1.1.1 This Consent Judgment is entered into by and between APS&EE, LLC ("Plaintiff" or "APS&EE") and Jo-Ann Stores, LLC ("Defendant" or "Jo-Ann"), with Plaintiff and Defendant each referred to individually as a "Party" and collectively as the "Parties".
- 1.1.2 Plaintiff is an organization based in California with an interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes promoting awareness of exposure to toxic chemicals and reducing exposure to hazardous substances found in consumer products.
- **1.1.3** Plaintiff alleges that Defendant is a company in the course of doing business as the term is defined in California *Health & Safety Code* section 25249.6 et seq. ("Proposition 65").

#### 1.2 Allegations

- 1.2.1 Plaintiff alleges that Jo-Ann sold the 15oz coffee mug, 1709-6421, 9-332663-036111, described as black with different colored beans decoration (hereinafter the "Products") in the State of California causing users in California to be exposed to unsafe levels of Lead without providing "clear and reasonable warnings", in violation of Proposition 65. Lead is potentially subject to Proposition 65 warning requirements because it is listed by the State of California as known to cause cancer and birth defects or other reproductive harm.
- 1.2.2 On March 1, 2021, Plaintiff provided a Sixty-Day Notice of Violation (the "Notice"), along with a Certificate of Merit, to Jo-Ann and the various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Products. On May 13, 2021, Plaintiff, acting in the public interest, filed the instant action (the "Complaint") in the Superior Court for the County of Los Angeles, alleging violations of Proposition 65.

#### 1.3 No Admissions

Jo-Ann denies all allegations in Plaintiff's Notice and Complaint and maintains that the Products have been, and are, in compliance with all laws, and that Jo-Ann has not violated Proposition 65. This Consent Judgment shall not be construed as an admission of liability by Jo-

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Ann but to the contrary as a compromise of claims that are expressly contested and denied.

However, nothing in this section shall affect the Parties' obligations, duties, and responsibilities.

However, nothing in this section shall affect the Parties' obligations, duties, and responsibilities under this Consent Judgment.

#### 1.4 Compromise

The Parties enter into this Consent Judgment in order to resolve the controversy described above in a manner consistent with prior Proposition 65 settlements and consent judgments that were entered in the public interest and to avoid prolonged and costly litigation between them.

#### 1.5 Jurisdiction and Venue

For purposes of this Consent Judgment only, the Parties stipulate that the above-entitled Court has jurisdiction over Defendant as to the allegations in the Complaint, that venue is proper in Los Angeles County, and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to California Code of Civil Procedure Section 664.6 and Proposition 65.

#### 1.6 Effective Date

The "Effective Date" shall be the date this Consent Judgment is approved and entered by the Court.

#### 2. <u>INJUNCTIVE RELIEF AND REFORMULATION</u>

#### 2.1 Reformulation

As of sixty (60) days of the Effective Date, Jo-Ann shall not sell or cause to have the Products sold in California unless (a) the Product contains no more than 1.0 microgram of lead per 100 square centimeter area (1.0 µg/100 cm²) based on a wipe sample collected using NIOSH Method 9100 from the part of the Product that contains the Exterior Decorations, or (b) the Product is accompanied by a clear and reasonable warning as described below in Section 2.2. "Exterior Decorations" is defined as all colored artwork, designs and/or markings on the exterior surface of the Products.

#### 2.2 Clear And Reasonable Warnings

**2.2.1** When a warning is required for Products pursuant to Section 2.1, such

Products shall be accompanied by a clear and reasonable warning. Jo-Ann shall provide a warning substantially similar to either the following long-form or short-form warning:

**WARNING:** This product can expose you to lead, 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.

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

The warning shall be accompanied by a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. Where the label for the product is not printed using the color yellow, the symbol may be printed in black and white. The symbol shall be placed to the left of the text of the warning, in a size no smaller than the height of the word "WARNING".

The Products shall carry said warning directly on each unit, label, labeling, package, shelf tag or sign with such conspicuousness as compared with other words, statements or designs as to render it likely to be read and understood by an ordinary consumer prior to purchase. However, if Jo-Ann opts to use the short-form warning, such warning shall be provided on each Product or its label or package. A Product that is sold by Jo-Ann on the internet to persons located in California shall also provide the warning message by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the Product.

**2.2.2** Jo-Ann shall be deemed to be in compliance with the warning requirements of this Consent Judgment by adhering either to Sections 2.1 and 2.2.1 above or to the warning provisions in any regulations adopted by the California Office of Environmental Health Hazard Assessment ("OEHHA") after the Effective Date that pertain to the Products.

#### 2.3 Sell-Through For Existing Inventory

The warning and reformulation requirements of this Section 2 shall not apply to Products that Jo-Ann places into the stream of commerce within sixty (60) days of the Effective Date, including but not limited to Products in distribution centers, in inventory, or at retail locations.

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Any such products placed into the stream of commerce within sixty (60) days of the Effective Date shall be subject to the releases provided in Section 4.1.

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#### 3. <u>PAYMENTS</u>

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## 3.1 Civil Penalty Pursuant To Proposition 65

In settlement of all claims referred to in this Consent Judgment, Defendant shall pay a total civil penalty of two thousand dollars (\$2,000) to be apportioned in accordance with *Health* and *Safety Code* section 25249.12(c)(1) and (d), with 75% (\$1,500) for OEHHA, and the remaining 25% (\$500) for Plaintiff.

Defendant shall issue two (2) checks for the civil penalty: (1) a check or money order made payable to "OEHHA" in the amount of \$1,500; and (2) a check or money order made payable to "Law Offices of Lucas T. Novak" in the amount of \$500. Defendant shall remit the payments within ten (10) business days of the Effective Date, to:

Lucas T. Novak, Esq. LAW OFFICES OF LUCAS T. NOVAK 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069

#### 3.2 Reimbursement Of Plaintiff's Fees And Costs

Defendant shall reimburse Plaintiff's reasonable experts' and attorney's fees and costs incurred in prosecuting the instant action, for all work performed through execution and approval of this Consent Judgment. Accordingly, Defendant shall issue a check or money order made payable to "Law Offices of Lucas T. Novak" in the amount of seventeen thousand dollars (\$17,000). Defendant shall remit the payment within ten (10) business days of the Effective Date, to:

Lucas T. Novak, Esq. LAW OFFICES OF LUCAS T. NOVAK 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069

#### 4. RELEASES

#### 4.1 Plaintiff's Release Of Defendant

Plaintiff, acting in its individual capacity and in the public interest, in consideration of the promises and monetary payments contained herein, hereby releases Defendant, its parents, subsidiaries, shareholders, directors, members, officers, employees, attorneys, successors and assignees, including its downstream distributors, wholesalers, vendors, licensors, licensees, retailers, franchisees, customers, owners, purchasers and users (collectively the "Releasees"), from any and all alleged Proposition 65 violation claims asserted in Plaintiff's Notice or Complaint regarding failure to warn about exposure to Lead from the Products that Defendant has sold, caused to be sold, and/or offered for sale in California before and up to sixty (60) days following the Effective Date. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with regard to the Products.

#### 4.2 Defendant's Release Of Plaintiff

Defendant, by this Consent Judgment, waives all rights to institute any form of legal action against Plaintiff, its shareholders, directors, members, officers, employees, attorneys, experts, successors and assignees for actions or statements made or undertaken, whether in the course of investigating claims or seeking enforcement of Proposition 65 against Defendant in this matter. If any Releasee should institute any such action, then Plaintiff's release of said Releasee in this Consent Judgment shall be rendered void and unenforceable.

#### 4.3 Waiver Of Unknown Claims

Each of the Parties acknowledges that it is familiar with Section 1542 of 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.

Each of the Parties waives and relinquishes any right or benefit it has or may have under Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein. The Parties agree that this Consent Judgment and the releases contained herein shall be and remain effective in all respects notwithstanding the discovery of such additional or different facts.

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

Upon execution of this Consent Judgment by all Parties, Plaintiff shall file a noticed Motion for Approval and Entry of Consent Judgment in the above-entitled Court. This Consent Judgment is not effective until it is approved and entered by the Court. It is the intention of the Parties that the Court approve this Consent Judgment, and in furtherance of obtaining such approval, the Parties and their respective counsel agree to mutually employ their best efforts to support the entry of this agreement in a timely manner, including cooperating on drafting and filing any papers in support of the required motion for judicial approval.

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

Should any part or provision of this Consent Judgment for any reason be declared by a Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

#### 7. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the State of California.

#### 8. NOTICE

All correspondence and notice required to be provided under this Consent Judgment shall be in writing and delivered personally or sent by first class or certified mail addressed as follows:

1	TO DEFENDANT:	TO PLAINTIFF:	
2	Lauren Hopkins, Esq.	Lucas T. Novak, Esq.	
3	Beveridge & Diamond 456 Montgomery Street, Suite 1800	Law Offices of Lucas T. Novak 8335 W Sunset Blvd., Suite 217	
4	San Francisco, CA 94104	Los Angeles, CA 90069	
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6	9. <u>COUNTERPARTS</u>		
7	This Consent Judgment may be executed	in counterparts, each of which shall be deemed	
8	an original, and all of which, when taken together, shall constitute the same document. Execution		
9	and delivery of this Consent Judgment by e-mail, facsimile, or other electronic means shall		
10	constitute legal and binding execution and delivery. Any photocopy of the executed Consent		
11	Judgment shall have the same force and effect as the originals.		
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# 10. <u>AUTHORIZATION</u>

The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Consent Judgment. Each Party warrants to the other that it is free to enter into this Consent Judgment and is not subject to any conflicting obligation that will or might prevent or interfere with the execution or performance of this Consent Judgment by said Party.

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9 Date:

AGREED TO:

10 || By:

Authorized Representative of APS&EE, LLC

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13 AGREED TO:

14 Date:

15 || By:

Robert D. Icsman, Assistant General Counsel

Authorized Percentative of Ic. App Stores

Authorized Representative of Jo-Ann Stores, LLC

August 4, 2021 Abert D Sermon

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19 IT IS SO ORDERED.

20 Dated:

JUDGE OF THE SUPERIOR COURT

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