1 2 3 4 5 6 7	ENTORNO LAW, LLP Noam Glick (SBN 251582) Jake W. Schulte (SBN 293777) Craig M. Nicholas (SBN 178444) 225 Broadway, Suite 1900 San Diego, California 92101 Tel: (619) 629-0527 Email: noam@entornolaw.com Email: jake@entornolaw.com Email: craig@entornolaw.com Attorneys for Plaintiff Environmental Health Advocates, Inc.	
8	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
9	IN AND FOR THE COUNTY OF ALAMEDA	
10	ENVIRONMENTAL HEALTH	Case No. 21CV001125
11	ADVOCATES, INC., a California corporation,	[PROPOSED] CONSENT JUDGMENT
12	Plaintiff,	(Health & Safety Code § 25249.6 et seq. and
13	v.	Code Civ. Proc. § 664.6)
14 15	ZOEVA US, LLC, a Delaware limited liability company, ULTA BEAUTY, INC., a Delaware corporation, ULTA BEAUTY	
16	CREDIT SERVICES CORPORATION, a Delaware corporation, and DOES 1 through 100, inclusive,	
17 18	Defendants.	
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INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA" or "Plaintiff") and Zoeva US, LLC ("Defendant" or "Zoeva") with EHA and Zoeva each individually referred to as a "Party" and collectively referred to as the "Parties."

1.2 Plaintiff

EHA is a corporation organized in the state of California, acting in the interest of the general public. It seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.3 Defendant

EHA alleges that Zoeva is a "person in the course of doing business" for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 et seq. ("Proposition 65").

1.4 General Allegations

EHA alleges that Zoeva manufactured, imported, sold, or distributed for sale Zoeva Spice of

Life Voyager Eyeshadow Palettes that contain asbestos. EHA further alleges that Zoeva did so without providing a sufficient health hazard warning as required by Proposition 65 and related Regulations. Pursuant to Proposition 65, asbestos is listed as a chemical known to cause cancer.

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1.5 Notices of Violation

On or around May 27, 2021, EHA served Zoeva, Ulta Beauty, Inc., Ulta Beauty Credit Services Corporation, the California Attorney General, and all other required public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 ("Notice"). The Notice alleged that Zoeva had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to asbestos contained in Zoeva Spice of Life Voyager Eyeshadow Palette.

On or around December 9, 2021, EHA served Zoeva, Ulta Beauty, Inc., Ulta Beauty Credit
Services Corporation, Ulta Salon Cosmetics & Fragrance, Inc., the California Attorney General, and
all other required public enforcement agencies with an amended 60-Day Notice of Violation of
Proposition 65 ("Amended Notice"). The Amended Notice added the retailer Ulta Salon Cosmetics &

Fragrance, Inc.

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On or around February 3, 2022, EHA served Zoeva, Ulta Beauty, Inc., Ulta Beauty Credit Services Corporation, Ulta Salon Cosmetics & Fragrance, Inc., the California Attorney General, and all other required public enforcement agencies with a second amended 60-Day Notice of Violation of Proposition 65 ("Second Amended Notice"). The Second Amended Notice added supplemental supporting documents for the named products.

No public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice, Amended Notice, or Second Amended Notice (hereinafter, the "Notices").

1.6 Product Description

The products covered by this Consent Judgment are Zoeva eyeshadow and face powders including but not limited to Zoeva Spice of Life Voyager Eyeshadow Palettes manufactured or processed by Zoeva that allegedly contain asbestos and are imported, sold, shipped, delivered, or distributed for sale to consumers in California by Releasees (as defined in section 4.1) ("Covered Products").

1.7 State of the Pleadings

On or around October 26, 2021, EHA filed a Complaint against Zoeva for the alleged violations of Proposition 65 that are the subject of the Notices ("Complaint").

1.8 No Admission

Zoeva denies the material factual and legal allegations of the Notices and Complaint and maintains that all of the Covered Products it has manufactured, imported, sold, and/or distributed for sale in California, including Covered Products, have been, and are, in compliance with all laws, and specifically that Zoeva has not violated Proposition 65. Zoeva further maintains that the Covered Products do not contain asbestos. Nothing in this Consent Judgment shall be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law. This Consent Judgment is the product of negotiation and compromise and is accepted by Zoeva solely for purposes of settling, compromising, and resolving issues disputed in this action. This Section shall not, however, diminish or otherwise affect Zoeva's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this Court has jurisdiction over Zoeva as to the allegations in the Complaint, that venue is proper in the County of Alameda, 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 section 664.6.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" means the date on which the Court grants the motion for approval of this Consent Judgment, as discussed in Section 5.

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INJUNCTIVE RELIEF

2.1 Cessation of Sale of Covered Products in California

Following the Effective Date, Zoeva shall no longer sell or distribute for sale the Covered Products in California.

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2 Sell-Through Period

Covered Products that Zoeva sells or distributes for sale in California on or prior to the Effective Date shall be subject to the release of liability pursuant to this Settlement Agreement, regardless of when such Covered Products are sold to consumers. As a result, Zoeva, and any Releasees are released for liability for Covered Products sold, or distributed for sale, in California on or prior to the Effective Date.

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MONETARY SETTLEMENT TERMS

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3.1 Settlement Amount

Zoeva shall pay fifty thousand dollars (\$50,000.00) in settlement and total satisfaction of all the claims referred to in the Notices, the Complaint, and this Consent Judgment. This includes civil penalties in the amount of five thousand dollars (\$5,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorneys' fees and costs in the amount of forty-five thousand dollars (\$45,000.00) pursuant to Code of Civil Procedure section 1021.5.

3.2 Civil Penalty

The portion of the settlement attributable to civil penalties shall be allocated according to Health and Safety Code section 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%) of the penalty paid to EHA individually.

All payments owed to EHA and OEHHA (EIN: 68-0284486) shall be delivered via SWIFT wire transfer.

Zoeva agrees to provide EHA's counsel with written confirmation of the wire transfer directed to OEHHA, simultaneous with its penalty payments to EHA.

Plaintiff and its counsel will provide completed IRS 1099, W-9, or other tax forms as required. Relevant information is set out below:

- "Entorno Law, LLP" (EIN:68-0284486) at address provided in section 3.2(a)(i); and
- "Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.
 - 3.3 Attorney's Fees and Costs

The portion of the settlement attributable to attorneys' fees and costs shall be paid to EHA's counsel, who are entitled to attorneys' fees and costs incurred by it in this action, including but not limited to investigating potential violations, bringing this matter to Zoeva's attention, as well as litigating and negotiating a settlement in the public interest.

Zoeva shall provide their payment to EHA's counsel by way of a single SWIFT wire transfer in the amount of forty-five thousand dollars (\$45,000.00) directed to Entorno Law, LLP.

3.4 Timing

The above-mentioned wire transfers will be initiated within fourteen (14) days of the Effective Date and are contingent on receiving applicable wire instructions from EHA.

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CLAIMS COVERED AND RELEASED

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4.1 EHA's Public Release of Proposition 65 Claims

Plaintiff acting on its own behalf and in the public interest releases Zoeva and its parents,
subsidiaries, affiliated entities under common ownership, its directors, officers, principals, agents,
employees, attorneys, insurers, accountants, predecessors, successors, and assigns ("Defendant")

Entities"), each entity to whom Defendant directly or indirectly distributes, ships, or sells the Covered Products including but not limited to downstream distributors, wholesalers, customers, and retailers (including but not limited to Ulta Salon Cosmetics & Fragrance, Inc.), franchisees, franchisors, cooperative members, suppliers, licensees, and licensors, and all of the foregoing entities' owners, directors, officers, agents, principals, employees, attorneys, insurers, accountants, representatives, predecessors, successors, and assigns (collectively referred to as the "Releasees") from all claims for violations of Proposition 65 based on exposure to asbestos from Covered Products sold or distributed for sale through the Effective Date. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to asbestos from Covered Products as set forth in the Notices.

4.2 EHA's Individual Release of Claims

EHA, in its individual capacity, also provides a release to Zoeva and/or Releasees, which shall be a full and final accord and satisfaction of, as well as a bar to, all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities, and demands of every nature, character, and kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to asbestos in Covered Products manufactured, imported, sold, or distributed by Zoeva or Releasees before the Effective Date.

EHA specifically waives any and all rights and benefits related to the Covered Product which it now has, or in the future may have, conferred by virtue of the provisions of Section 1542 of the California Civil Code, which reads 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.

4.3 Zoeva's Release of EHA

Zoeva on its own behalf, and on behalf of Releasees as well as its past and current agents,
 representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA

and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against them, in this matter or with respect to the Covered Products.

5. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved by the Court and shall be null and void if it is not approved by the Court within one year after it has been fully executed by the Parties, or by such additional time as the Parties may agree to in writing.

6. <u>SEVERABILITY</u>

Subsequent to the Court's approval and entry of this Consent Judgment, if any provision is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

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GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the state of California as applied within the state of California. In the event that Proposition 65 is repealed, or is otherwise rendered inapplicable for reasons, including but not limited to changes in the law, then Zoeva may provide written notice to EHA of any asserted change, and shall have no further injunctive obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so affected.

In the event the California Office of Health Hazard Assessment adopts a regulation or safe use determination, or issues an interpretive guideline that exempts Covered Products from meeting the requirements of Proposition 65; or if asbestos cases are permanently enjoined by a court of competent jurisdiction; or if Proposition 65 is determined to be preempted by federal law or a burden on First Amendment rights with respect to asbestos in Covered Products or Covered Products substantially similar to Covered Products, then Zoeva shall be relieved of its obligation to comply with Section 2 herein.

8. <u>ENFORCEMENT</u>

In any action to enforce the terms of this Consent Judgment, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

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9. <u>NOTICE</u>

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

5If to Zoeva:If to6Susan E. SmithN8Beveridge & Diamond PCE7456 Montgomery Street, STE 18002San Francisco, CA 94104S

If to EHA:

Noam Glick Entorno Law, LLP 225 Broadway, Suite 2100 San Diego, CA 92101

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

10. <u>COUNTERPARTS; DIGITAL SIGNATURES</u>

This Consent Judgment may be executed in counterparts and by facsimile 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>POST EXECUTION ACTIVITIES</u>

EHA agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which motion EHA shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually employ their best efforts, including those of their counsel, to support the entry of this agreement as 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 objection that any third-party may make, and appearing at the hearing before the Court if so requested.

In the event Zoeva receives a future notice for asbestos in a talc-based product not defined as a "Covered Product" herein, EHA agrees to amend this consent judgment to cover the additional product(s), provided Zoeva agrees to comply with the injunctive terms herein. No additional consideration shall be paid to EHA or its counsel in this event. 12.

MODIFICATION

This Consent Judgment may be modified by: (i) a written agreement of the Parties and entry of a modified consent judgment thereon by the Court; or (ii) a successful motion or application of any Party, and the entry of a modified consent judgment thereon by the Court.

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FUTURE CALIFORNIA SALES

Should Zoeva choose to resume selling the Covered Products in California in the future, it must either (1) include a warning in compliance with 27 CCR §26501 *et. seq*, and/or (2) comply with all injunctive measures identified in any court-approved consent judgments between EHA and any cosmetics manufacturers identified in the Notice or Related Cases filed in EHA v. Zoeva US, LLC, et al., Case No. 21CV001125 in the Superior Court of California, County of Alameda, covering asbestos in talc-based cosmetics (and such compliance shall be deemed compliance with the terms of this Consent Judgment).

14. <u>AUTHORIZATION</u>

The undersigned are authorized to execute this Consent Judgment and acknowledge that they have read, understand, and agree to all of the terms and conditions contained herein.

15. <u>GOOD FAITH ATTEMPT TO RESOLVE DISPUTES</u>

If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet and confer in person, or by telephone, and/or in writing and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand.

16. <u>ENTIRE AGREEMENT</u>

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter herein, and any and all prior discussions, negotiations, commitments, and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party. No other agreements, oral or otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party.

[Remainder of this page intentionally left blank.]

1	AGREED TO:	AGREED TO:
2 3 4 5 6	Date: <u>3/24/2022</u> By: <u>July</u> ENVIRONMENTAL HEALTH ADVOCATES, INC.	Date: 24th March, 2022 By: Barbara Boikou,Director ZOEVA US, LLC
7 8	IT IS SO ORDERED.	
9	Date:	
10		JUDGE OF THE SUPERIOR COURT
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