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CONSUMER ADVOCACY GROUP, INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**COUNTY OF LOS ANGELES**

CONSUMER ADVOCACY GROUP, INC.,  
in the public interest,

Plaintiff,

v.

DOLLAR KINGS, INC., a California  
Corporation;  
DIME ENTERPRISES INCORPORATED, a  
California Corporation;  
DOLLAR KING LOS FELIZ, a business  
entity form unknown;  
KOOBA, LLC, a Delaware Limited Liability  
Company;  
and DOES 1-100,

Defendants.

CASE NO. 19STCV37064

**[PROPOSED] CONSENT JUDGMENT**

Health & Safety Code § 25249.5 *et seq.*

[Assigned for All Purposes to the Hon.  
Michelle Williams Court, Dept. 74]

Complaint filed: October 16, 2019

**1. INTRODUCTION**

1.1 This Consent Judgment is entered into by and between Plaintiff, Consumer  
Advocacy Group, Inc. (referred to as “CAG”) acting on behalf of itself and in the public interest,

1 and Defendant Mystic Apparel, LLC (“Defendant”) with each a Party to the action and  
2 collectively referred to as “Parties.”

3 **1.2 Defendants and Covered Products**

4 1.2.1 CAG alleges that Defendant is a New York Limited Liability Company which  
5 employs ten or more persons. For purposes of this Consent Judgment only, Defendant is deemed  
6 a person in the course of doing business in California and subject to the provisions of the Safe  
7 Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§  
8 25249.6 et seq. (“Proposition 65”).

9 1.2.2 CAG alleges that Defendant manufactures, sells, and/or distributes consumer  
10 products in California.

11 **1.3 Listed Chemicals**

12 1.3.1 Di (2-ethylhexyl) Phthalate (“DEHP”), also known as Diethyl Hexyl Phthalate  
13 and Bis (2-ethylhexyl) Phthalate, has been listed by the State of California as a chemical known  
14 to cause cancer and birth defects or other reproductive harm.

15 1.3.2 Diisononyl Phthalate (“DINP”) has been listed by the State of California as a  
16 chemical known to cause cancer.

17 **1.4 Notices of Violation**

18 1.4.1 On or about August 21, 2019, CAG served a “60-Day Notice of Intent to Sue for  
19 Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2019-01627”)  
20 (“August 21, 2019 Notice”) that provided Defendant with notice of alleged violations of Health  
21 & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DINP  
22 contained in certain Suitcases with Plastic Components sold, manufactured, and/or distributed by  
23 Defendant in California. No public enforcer has commenced or diligently prosecuted the  
24 allegations set forth in the August 21, 2019 Notice.

25 1.4.2 On or about October 2, 2019, CAG served a “60-Day Notice of Intent to Sue for  
26 Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2019-01864”)  
27 (“October 2, 2019 Notice”) that provided notice of alleged violations of Health & Safety Code  
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§ 25249.6 for failing to warn individuals in California of exposures to DINP contained in certain Duffel Bags with Polymer Components sold, manufactured, and/or distributed by Defendant in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the October 2, 2019 Notice.

1.4.3 On or about October 30, 2019, CAG served a “60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2019-02062”) (“October 30, 2019 Notice”) that provided Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DINP and DEHP, respectively, contained in certain Duffel Bags and Kids Dresses, respectively, sold, manufactured, and/or distributed by Defendant in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the October 30, 2019 Notice.

1.4.4 On or about December 4, 2019, CAG served a “60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2019-02254”) (“December 4, 2019 Notice”) that provided notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DINP contained in certain Duffel Bags with Polymer Components sold, manufactured, and/or distributed by Defendant in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the December 4, 2019 Notice.

1.4.5 On or about February 12, 2020, CAG served a “60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2020-00333”) (“February 12, 2020 Notice”) that provided Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DINP contained in certain Rolling Luggage sold, manufactured, and/or distributed by Defendant in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the February 12, 2020 Notice.

1.4.6 On or about March 13, 2020, CAG served a “60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2020-00715”)

1 (“March 13, 2020 Notice”) that provided Defendant with notice of alleged violations of Health &  
2 Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP  
3 contained in certain Backpacks with Plastic Components sold, manufactured, and/or distributed  
4 by Defendant in California. No public enforcer has commenced or diligently prosecuted the  
5 allegations set forth in the March 13, 2020 Notice.

6 1.4.7 On or about June 24, 2020, CAG served a “60-Day Notice of Intent to Sue for  
7 Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2020-01566”)  
8 (“June 24, 2020 Notice”) that provided Defendant with notice of alleged violations of Health &  
9 Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP  
10 contained in certain Backpacks with Plastic Components sold, manufactured, and/or distributed  
11 by Defendant in California. No public enforcer has commenced or diligently prosecuted the  
12 allegations set forth in the June 24, 2020 Notice.

13 1.4.8 On or about July 1, 2020, CAG served a “60-Day Notice of Intent to Sue for  
14 Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2020-01675”)  
15 (“July 1, 2020 Notice”) that provided Defendant with notice of alleged violations of Health &  
16 Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP  
17 contained in certain Crossbody Bags with PVC Components sold, manufactured, and/or  
18 distributed by Defendant in California. No public enforcer has commenced or diligently  
19 prosecuted the allegations set forth in the July 1, 2020 Notice.

20 1.4.9 On or about September 10, 2020, CAG served a “60-Day Notice of Intent to Sue  
21 for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2020-  
22 02305”) (“September 10, 2020 Notice”) that provided Defendant with notice of alleged  
23 violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of  
24 exposures to DEHP contained in certain Crossbody Bags with PVC Components sold,  
25 manufactured, and/or distributed by Defendant in California. No public enforcer has  
26 commenced or diligently prosecuted the allegations set forth in the September 9, 2020 Notice.  
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1 1.4.10 On or about October 16, 2020, CAG served a “60-Day Notice of Intent to Sue for  
2 Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2020-02774”)  
3 (“October 16, 2020 Notice”) that provided Defendant with notice of alleged violations of Health  
4 & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP  
5 contained in certain Crossbody Bags with PVC Components sold, manufactured, and/or  
6 distributed by Defendant in California. No public enforcer has commenced or diligently  
7 prosecuted the allegations set forth in the October 16, 2020 Notice.

8 1.4.11 On or about June 4, 2021, CAG served a “60-Day Notice of Intent to Sue for  
9 Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (“AG# 2021-01368”)  
10 (“June 4, 2021 Notice”) that provided Defendant with notice of alleged violations of Health &  
11 Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP  
12 contained in certain Crossbody Bags sold, manufactured, and/or distributed by Defendant in  
13 California. No public enforcer has commenced or diligently prosecuted the allegations set forth  
14 in the June 4, 2021 Notice.

15 **1.5 Complaint**

16 1.5.1 On November 7, 2019 CAG filed a Complaint for civil penalties and injunctive  
17 relief (“Complaint 1”) in Los Angeles County Superior Court, Case No. 19STCV40125.  
18 Complaint 1 alleges, among other things, that Proposition 65 was violated for failure to allegedly  
19 give clear and reasonable warnings of alleged exposure to DINP in certain consumer products  
20 Defendant distributed and/or sold in California.

21 1.5.2 On March 16, 2020 CAG filed a Complaint for civil penalties and injunctive relief  
22 (“Complaint 2”) in Los Angeles County Superior Court, Case No. 20STCV10456, against  
23 Defendant. Complaint 2 alleges, among other things, that Defendant violated Proposition 65 for  
24 allegedly failing to give clear and reasonable warnings of alleged exposure to DINP and DEHP  
25 in certain consumer products Defendant distributed and/or sold in California.

26 1.5.3 On August 24, 2020 CAG filed a Complaint for civil penalties and injunctive  
27 relief (“Complaint 3”) in Los Angeles County Superior Court, Case No. 20STCV32288, against  
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1 Defendant. Complaint 3 alleges, among other things, that Defendant violated Proposition 65 for  
2 allegedly failing to give clear and reasonable warnings of alleged exposure to DINP in certain  
3 consumer products Defendant distributed and/or sold in California.

4 1.5.4 On October 16, 2019 CAG filed a Complaint for civil penalties and injunctive  
5 relief (“Complaint 4”) in Los Angeles County Superior Court, Case No. 19STCV37064.

6 Complaint 4 alleges, among other things, that Proposition 65 was violated for failure to allegedly  
7 give clear and reasonable warnings of alleged exposure to DEHP in certain consumer products  
8 Defendant distributed and/or sold in California.

9 1.5.5 On September 4, 2020 CAG filed a Complaint for civil penalties and injunctive  
10 relief (“Complaint 5”) in Los Angeles County Superior Court, Case No. 20STCV34003, against  
11 Defendant. Complaint 5 alleges, among other things, that Defendant violated Proposition 65 for  
12 allegedly failing to give clear and reasonable warnings of alleged exposure to DEHP in certain  
13 consumer products Defendant distributed and/or sold in California.

14 1.5.6 On January 20, 2021 CAG filed a Complaint for civil penalties and injunctive  
15 relief (“Complaint 6”) in Los Angeles County Superior Court, Case No. 21STCV02336.  
16 Complaint 6 alleges, among other things, that Proposition 65 was violated for failure to allegedly  
17 give clear and reasonable warnings of alleged exposure to DEHP in certain consumer products  
18 Defendant distributed and/or sold in California.

19 **1.6 Consent to Jurisdiction**

20 For purposes of this Consent Judgment only, the Parties stipulate that this Court has  
21 jurisdiction over the allegations of violations contained in the Complaint, personal jurisdiction  
22 over Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Los  
23 Angeles, and that this Court has jurisdiction to enter this Consent Judgment as a full settlement  
24 and resolution of the allegations against Defendant contained in the Complaint, and of all claims  
25 which were or could have been raised by any person or entity based in whole or in part, directly  
26 or indirectly, on the facts alleged therein or arising therefrom or related thereto.

27 **1.7 No Admission**

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1 This Consent Judgment resolves claims that are denied and disputed. The Parties enter into  
2 this Consent Judgment pursuant to a full and final settlement of any and all claims between the  
3 Parties for the purpose of avoiding prolonged litigation. Nothing in this Consent Judgment shall  
4 be construed as an admission by the Parties of any material allegation in the Notice or the  
5 Complaint, or of any fact, conclusion of law, issue of law or violation of law of any kind, including  
6 without limitation, any admission concerning any alleged or actual violation of Proposition 65 or  
7 any other statutory, regulatory, common law, or equitable doctrine, including but not limited to the  
8 meaning of the terms “knowingly and intentionally expose” or “clear and reasonable warning” as  
9 used in Health and Safety Code section 25249.6. Nothing in this Consent Judgment, nor  
10 compliance with its terms, shall constitute or be construed as an admission by the Parties of any  
11 fact, conclusion of law, issue of law, or violation of law, or of fault, wrongdoing, or liability by  
12 Defendant, its officers, directors, employees, or parent, subsidiary or affiliated corporations, or be  
13 offered or admitted as evidence in any administrative or judicial proceeding or litigation in any  
14 court, agency, or forum. Furthermore, nothing in this Consent Judgment shall prejudice, waive or  
15 impair any right, remedy, argument, or defense the Parties may have in any other or future legal  
16 proceeding, except as expressly provided in this Consent Judgment.

## 17 **2. DEFINITIONS**

18 2.1 “PUBLIC RELEASE COVERED PRODUCTS” means:

19 (a) Suitcases containing Di Isononyl Phthalate (DINP), specifically Suitcases  
20 with Plastic Components containing DINP, with exemplars including but not  
21 limited to, Limited Too suitcases, and other suitcases and luggage items with Plastic  
22 Components;

23 (b) Duffel Bags with Polymer Components containing DINP, with exemplars  
24 including but not limited to, Blue Rolling Duffel Bag with Patterned Design and  
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1 Reflective Handle, and other duffel bags and luggage items with Polymer  
2 Components;

3 (c) Suitcases with Polymer Components containing DINP, with exemplars  
4 including but not limited to, Blue Rolling Luggage with Owl Design,

5 (d) Dress for Kids with Plastic Components containing Bis(2-ethylhexyl)  
6 Phthalate (DEHP), with exemplars including but not limited to, Kooba Kids Girls  
7 Fashion Dress

8 (e) Children's Bag containing Bis(2-ethylhexyl) Phthalate (DEHP),  
9 specifically, Crossbody Bag with PVC Components containing DEHP, with  
10 exemplars including but not limited to, Crossbody Small Purse, Glitter Shoulder  
11 Bag.

12 (f) Crossbody Bag with PVC Components containing DEHP, with exemplars  
13 including but not limited to, Glittered Cross Body Bag,

14 (g) Backpack with Plastic Components containing DEHP, with exemplars  
15 including but not limited to, Holographic Glitter Backpack,

16 (h) Kids Backpacks containing Bis(2-ethylhexyl) Phthalate (DEHP),  
17 specifically, Backpack with Plastic Components containing DEHP, with exemplars  
18 including but not limited to, Girls Access Backpacks, Accessories 22 Backpacks

19 2.2 "PRIVATE RELEASE COVERED PRODUCTS" means:

20 (a) Suitcases containing Di Isononyl Phthalate (DINP), specifically Suitcases  
21 with Plastic Components containing DINP, with exemplars including but not  
22 limited to, Limited Too suitcases, and other suitcases and luggage items with  
23 Plastic Components;

24 (b) Travel Gear containing Di Isononyl Phthalate (DINP), specifically Duffel  
25 Bags with Polymer Components containing DINP, with exemplars including but  
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not limited to, Blue Rolling Duffel Bag with Patterned Design and Reflective Handle, and other duffel bags and luggage items with Polymer Components;

(c) Children’s Accessories containing Di Isononyl Phthalate (DINP), specifically Suitcases with Polymer Components containing DINP, with exemplars including but not limited to, Blue Rolling Luggage with Owl Design, and other children’s suitcases, luggage, and accessory items with with Polymer Components;

(d) Kids Clothing containing Bis(2-ethylhexyl) Phthalate (DEHP), specifically, Dress for Kids with Plastic Components containing DEHP, with exemplars including but not limited to, Kooba Kids Girls Fashion Dress and other items of apparel for kids with plastic components;

(e) Children’s Bag containing Bis(2-ethylhexyl) Phthalate (DEHP), specifically, Crossbody Bag with PVC Components containing DEHP, with exemplars including but not limited to, Crossbody Small Purse, Glitter Shoulder Bag, and other children’s bags, shoulder bags, and crossbody bags with PVC components;

(f) Fashion Accessories containing Bis(2-ethylhexyl) Phthalate (DEHP), specifically, Crossbody Bag with PVC Components containing DEHP, with exemplars including but not limited to, Glittered Cross Body Bag, and other Fashion Accessories and Bags with PVC components, including tote bags, handbags, fanny packs, shoulder bags, lunch bags, backpacks, and other bags;

(g) Fashion Accessories containing Bis(2-ethylhexyl) Phthalate (DEHP), specifically, Backpack with Plastic Components containing DEHP, with exemplars including but not limited to, Holographic Glitter Backpack, and other Fashion Accessories and Backpacks with Plastic components, including tote bags, handbags, fanny packs, shoulder bags, lunch bags, mini backpacks, full size

backpacks, accessories (pencil cases, tablet cases, journals, notebooks, stationery sets) and other bags; and,

(h) Kids Backpacks containing Bis(2-ethylhexyl) Phthalate (DEHP), specifically, Backpack with Plastic Components containing DEHP, with exemplars including but not limited to, Girls Access Backpacks, Accessories 22 Backpacks, and other Backpacks with Plastic components, including mini backpacks, full size backpacks, and accessories (pencil cases, tablet cases, journals, notebooks, stationery sets).

The Covered Products are limited to those sold by or supplied by Defendant to downstream wholesalers, downstream distributors, dealers, or retailers for further distribution and/or retail sale to consumers (as Defendant itself does not sell products directly to consumers).

2.3 “Effective Date” means the date that this Consent Judgment is approved by the Court.

2.4 “DEHP” means Di (2-ethylhexyl) Phthalate, also known as Diethyl Hexyl Phthalate and Bis (2-ethylhexyl) Phthalate

2.5 “DINP” means Diisononyl Phthalate.

2.6 “Listed Chemicals” means DEHP and DINP.

2.7 “Notices” means the Notices of Violation identified in Paragraph 1.4.

2.8 “Covered Products” means Public Release Covered Products and Private Release Covered Products collectively.

### **3. INJUNCTIVE RELIEF/REFORMULATION AND WARNINGS**

3.1 **Reformulation.** Beginning 30 days after the Effective Date, Defendant shall not distribute manufacture or offer for sale the following:

- (a) Covered Products defined in Section 2.1(a) through 2.1(c) and 2.2(a) through 2.2(c) above that contain DINP in an amount greater than 0.1% by weight (1000 ppm); and,
- (b) Covered Products defined in Section 2.1(d) through 2.1(h) and 2.2(d) through 2.2.(h) above that contain DEHP in an amount greater than 0.1% by weight (1000 ppm).

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2           3.2     **Warning Labels.** For any Covered Products identified and described specifically  
3 by style number, SKU number, style name, UPC code, or other identifier as an exemplar in any  
4 of the “60-Day Notices of Intent to Sue for Violation of the Safe Drinking Water and Toxic  
5 Enforcement Act of 1986” outlined in Section 1.4 above (“Covered SKUs/Styles”), a Proposition  
6 65-compliant warning shall be placed on this specific subset of Covered Products still existing in  
7 the Defendants’ inventory (or purchased but not yet delivered) as of the Effective Date, prior to  
8 being distributed or offered for sale . Covered SKUs/Styles include only luggage and suitcase  
9 style numbers LTD760 to 765, dress style number FF178309K, backpack style numbers  
10 123765RS and 124245FV, and cross body bag styles LDT713, LTD714, LTD724 and LTD770.  
11 This labeling requirement does not apply to inventory of Covered SKUs/Styles that may be in  
12 the possession of retailers or third-party wholesalers, dealers, or distributors as of the Effective  
13 Date, as those items are not within Defendant’s control. Any Covered SKUs/Styles that were  
14 distributed, offered for sale, or sold by Defendant or by any other party to any wholesalers,  
15 distributors, retailers, or consumers prior to the Effective Date are not subject to this Section 3.2  
16 requirement to place Proposition 65 warnings on the products, as those Covered Products are no  
17 longer in Defendant’s inventory nor within the control of Defendant. Any warning provided  
18 pursuant to this section shall be affixed to the packaging of, or directly on, the Covered Products,  
19 and be prominently placed with such conspicuousness as compared with other words, statements,  
20 designs, or devices as to render it likely to be read and understood by an ordinary individual  
21 under customary conditions before purchase or use.  
22

23           3.3     Reformulation of any product shall not release liability for past violations of sale  
24 of non-compliant products. Liability for past violations of sale of non-compliant products is  
25 released as stated in Section 5 of this Consent Judgment.

26           3.4     If Proposition 65 warnings for DINP or DEHP should no longer be required under  
27 California laws or regulations, Defendant shall not have any further obligations pursuant to this  
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1 Consent Judgment. If Proposition 65 limits for DINP or DEHP are implemented, revised or  
2 amended under California laws or regulations such that they would impose a standard other than  
3 the 1,000 ppm limitation set forth in the reformulation requirements specified in Sections 3.1(a)  
4 and 3.1(b), Defendant's compliance with such California laws or regulations shall not be  
5 considered a breach of this Consent Judgment.

6 3.5 The distribution, offering for sale, or sale by a party other than Defendant (such as  
7 a retailer or distributor) of any Covered Products that are no longer in Defendant's inventory,  
8 control or possession as of the Effective Date as described in Sections 2.1 and 2.2, and that may  
9 be in the control or possession of downstream wholesalers, downstream distributors, retailers or  
10 consumers, shall not be considered a breach of this Consent Judgment if those products are not  
11 reformulated or do not have the applicable warnings as specified in Sections 3.1 and 3.2  
12 respectively.

#### 13 **4. SETTLEMENT PAYMENT**

14 4.1 **Payment and Due Date:** Within ten (10) days of the Effective Date, Defendant  
15 shall pay a total of four hundred and fifty thousand dollars and zero cents (\$450,000.00) in full  
16 and complete settlement of any and all claims for civil penalties, damages, attorney's fees, expert  
17 fees or any other claim for costs, expenses or monetary relief of any kind for claims that were or  
18 could have been asserted in the Notice or Complaint, as follows:

19 4.1.1 **Civil Penalty:** Defendant shall issue two separate checks totaling One hundred  
20 and fifty-four thousand, three hundred dollars (\$154,300.00) as follows for alleged civil penalties  
21 pursuant to Health & Safety Code § 25249.12:

22 (a) Defendant will issue one check made payable to the State of California's Office of  
23 Environmental Health Hazard Assessment ("OEHHA") in the amount of one hundred and fifteen  
24 thousand and seven hundred and twenty five dollars (\$115,725.00) representing 75% of the total  
25 civil penalty and Defendant will issue a second check to CAG in the amount of thirty eight  
26 thousand five hundred and seventy five dollars (\$38,575.00) representing 25% of the total civil  
27 penalty;  
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1 (b) Separate 1099s shall be issued for each of the above payments: Defendant will issue a  
2 1099 to OEHHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of  
3 \$115,725.00. Defendant will also issue a 1099 to CAG in the amount of \$38,575.00 and deliver  
4 it to CAG c/o Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly  
5 Hills, California 90212.

6 4.1.2 **Additional Settlement Payments:** Defendant shall issue one check for one  
7 hundred and fifteen thousand and seven hundred dollars (\$115,700.00) to “Consumer Advocacy  
8 Group, Inc.” pursuant to Health & Safety Code § 25249.7(b) and  
9 California Code of Regulations, Title 11 § 3203(d). CAG will use this portion of the Total  
10 Settlement Payment as follows, eighty five percent (85%) for fees of investigation, purchasing  
11 and testing for the Proposition 65 Listed Chemical in various products, and for expert fees for  
12 evaluating exposures through various mediums, including but not limited to consumer product,  
13 occupational, and environmental exposures to the Proposition 65 Listed Chemical, and the cost  
14 of hiring consulting and retaining experts who assist with the extensive scientific analysis  
15 necessary for those files in litigation and to offset the costs of future litigation enforcing  
16 Proposition 65 but excluding attorney fees; fifteen percent (15%) for administrative costs  
17 incurred during investigation and litigation to reduce the public’s exposure to the Proposition 65  
18 Listed Chemicals by notifying those persons and/or entities believed to be responsible for such  
19 exposures and attempting to persuade those persons and/or entities to reformulate their products  
20 or the source of exposure to completely eliminate or lower the level of the Proposition 65 Listed  
21 Chemicals including but not limited to costs of documentation and tracking of products  
22 investigated, storage of products, website enhancement and maintenance, computer and software  
23 maintenance, investigative equipment, CAG’s member’s time for work done on investigations,  
24 office supplies, mailing supplies and postage Within 30 days of a request from the Attorney  
25 General, CAG shall provide to the Attorney General copies of documentation demonstrating how  
26 the above funds have been spent. CAG shall be solely responsible for ensuring the proper  
27 expenditure of such additional settlement payment.

1           **4.1.3 Reimbursement of Attorney Fees and Costs:** Defendant shall issue a check in  
2 the amount of One hundred and eighty thousand dollars (\$180,000.00) payable to “Yeroushalmi  
3 & Yeroushalmi” as complete reimbursement for any and all reasonable investigation fees and  
4 costs, attorneys’ fees, expert fees, and any and all other costs and expenses incurred as a result of  
5 investigating, bringing this matter to the Defendant’s attention, litigating, negotiating a  
6 settlement in the public interest, and seeking and obtaining court approval of this Consent  
7 Judgment.

8           **4.2** Other than the payment to OEHHA described above, all payments referenced in  
9 paragraphs 4.1.1, 4.1.2, and 4.1.3 above, shall be delivered to: Reuben Yeroushalmi,  
10 Yeroushalmi & Yeroushalmi, 9100 Wilshire Blvd., Suite 240W, Beverly Hills, CA 90212. The  
11 payment to OEHHA shall be delivered directly to Office of Environmental Health Hazard  
12 Assessment, OEHHA, 1001 I Street, Mail Stop 12-B Sacramento, California 95812, Attn: Mike  
13 Gyurics. Defendant shall provide written confirmation to CAG concurrently with payment to  
14 OEHHA.

## 15       **5. MATTERS COVERED BY THIS CONSENT JUDGMENT**

16           **5.1** As to the PUBLIC RELEASE COVERED PRODUCTS, this Consent Judgment  
17 is a full, final, and binding resolution between CAG, on behalf of itself and in the public interest,  
18 and Defendant and their owners, officers, directors, insurers, employees, parents, shareholders,  
19 divisions, subdivisions, subsidiaries, partners, affiliates, sister companies, predecessors, and their  
20 successors and assigns (“Defendant Releasees”), and all entities to whom Defendant directly or  
21 indirectly distribute or sell PUBLIC RELEASE COVERED PRODUCTS, including, but not  
22 limited to, downstream distributors, downstream wholesalers, customers, retailers, marketplace  
23 hosts, franchisees, cooperative members, licensees, and the successors and assigns of any of  
24 them, who may use, maintain, distribute or sell PUBLIC RELEASE COVERED PRODUCTS  
25 (“Downstream Defendant Releasees”), of all claims for alleged or actual violations of  
26 Proposition 65 for alleged exposures to the Listed Chemicals from the PUBLIC RELEASE  
27 COVERED PRODUCTS manufactured, distributed or sold by Defendant up through the  
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1 Effective Date as set forth in the Notices and Complaint. Defendant and Defendant Releasees’  
2 compliance with this Consent Judgment shall constitute compliance with Proposition 65 with  
3 respect to alleged exposures to the Listed Chemicals from the PUBLIC RELEASE COVERED  
4 PRODUCTS sold by Defendant Releasees or Downstream Defendant Releasees after the  
5 Effective Date. Nothing in this Section affects CAG’s right to commence or prosecute an action  
6 under Proposition 65 against any person other than Defendant, Defendant Releasees, or  
7 Downstream Defendant Releasees (collectively, “Released Parties”).

8         5.2 As to the PRIVATE RELEASE COVERED PRODUCTS, this Consent Judgment is a  
9 full, final, and binding resolution between CAG, acting in its individual capacity, on the one  
10 hand, and (a) Mystic Apparel and its owners, parents, subsidiaries, affiliates, sister and related  
11 companies, employees, shareholders, officers, directors, insurers, attorneys, predecessors,  
12 successors, and assigns (collectively “Releasees”) and (b) all entities to whom Releasees directly  
13 or indirectly provide, distribute, or sell the PRIVATE RELEASE COVERED PRODUCTS,  
14 including but not limited to downstream distributors, downstream wholesalers, customers,  
15 retailers, franchisees, cooperative members, and licensees (“Downstream Releasees”), on the  
16 other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or  
17 common law claim that has been, could have been or may in the future be asserted against the  
18 Releasees and Downstream Releasees regarding exposing persons to the Listed Chemicals and  
19 the failure to warn about exposure to the Listed Chemicals arising only in connection with the  
20 PRIVATE RELEASE COVERED PRODUCTS manufactured, shipped, and/or otherwise  
21 distributed prior to the Effective Date, even if sold by Downstream Releasees after the Effective  
22 Date. The PRIVATE RELEASE COVERED PRODUCTS are limited to those sold by Mystic.

23         5.3 CAG on behalf of itself, its past and current agents, representatives, attorneys,  
24 successors, and/or assignees, hereby waives all rights to institute or participate in, directly or  
25 indirectly, any form of legal action and releases all claims, including, without limitation, all  
26 actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations,  
27 damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation  
28

1 fees, expert fees, and attorneys' fees) of any nature whatsoever, whether known or unknown,  
2 fixed or contingent (collectively "Claims"), against the Released Parties arising from any actual  
3 or alleged violation of Proposition 65 or any other statutory or common law claim regarding the  
4 Covered Products manufactured, distributed or sold by the Released Parties through the Effective  
5 Date regarding any actual or alleged failure to warn about exposure to the Listed Chemicals from  
6 the Covered Products. In furtherance of the foregoing, CAG on behalf of itself only, hereby  
7 waives any and all rights and benefits which it now has, or in the future may have, conferred  
8 upon it with respect to Claims regarding the Covered Products manufactured, distributed or sold  
9 by the Released Parties through the Effective Date arising from any violation of Proposition 65  
10 or any other statutory or common law regarding the failure to warn about exposure to the Listed  
11 Chemicals from the Covered Products by virtue of the provisions of section 1542 of the  
12 California Civil Code, which provides as follows:

13           A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE  
14           CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO  
15           EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE  
16           RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE  
17           MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE  
18           DEBTOR OR RELEASED PARTY.

19 CAG understands and acknowledges that the significance and consequence of this waiver of  
20 California Civil Code section 1542 is that even if CAG suffers future damages arising out of or  
21 resulting from, or related directly or indirectly to, in whole or in part, Claims arising from any  
22 violation of Proposition 65 or any other statutory or common law regarding the Covered  
23 Products manufactured, distributed or sold by the Released Parties through the Effective Date  
24 regarding the failure to warn about actual or alleged exposure to the Listed Chemicals from the  
25 Covered Products, CAG will not be able to make any claim for those damages, penalties or other  
26 relief against the Released Parties. Furthermore, CAG acknowledges that it intends these  
27 consequences for any such Claims arising from any violation of Proposition 65 or any other  
28 statutory or common law regarding the failure to warn about exposure to the Listed Chemicals  
from the Covered Products as may exist as of the date of this release but which CAG does not



1 know exist, and which, if known, would materially affect their decision to enter into this Consent  
2 Judgment, regardless of whether their lack of knowledge is the result of ignorance, oversight,  
3 error, negligence, or any other cause.

#### 4 **6. ENTRY OF CONSENT JUDGMENT**

5 6.1 CAG shall file a motion seeking approval of this Consent Judgment pursuant to  
6 California Health & Safety Code § 25249.7(f). The Parties agree to act in good faith to obtain  
7 Court approval of the Consent Judgment. Upon entry of the Consent Judgment, CAG and  
8 Defendant waive their respective rights to a hearing and trial on the allegations in the Notices  
9 and Complaint.

10 6.2 If this Consent Judgment is not approved in full by the Court: (a) this Consent  
11 Judgment and any and all prior agreements between the Parties merged herein shall terminate  
12 and become null and void, and the actions shall revert to the status that existed prior to the  
13 execution date of this Consent Judgment; (b) no term of this Consent Judgment or any draft  
14 thereof, or of the negotiation, documentation, or other part or aspect of the Parties' settlement  
15 discussions, shall have any effect, nor shall any such matter be admissible in evidence for any  
16 purpose in this Action, or in any other proceeding; and (c) the Parties agree to meet and confer to  
17 determine whether to modify the terms of the Consent Judgment and to resubmit it for approval.

18 6.3 Upon entry of an order approving this Consent Judgment, the Complaint in this  
19 action shall be deemed amended to include the claims raised in the Notices as detailed in Section  
20 1.4 and 1.5.

#### 21 **7. MODIFICATION OF JUDGMENT**

22 7.1 This Consent Judgment may be modified only upon written agreement of the  
23 Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of  
24 any Party as provided by law and upon entry of a modified Consent Judgment by the Court.

25 7.2 Any Party seeking to modify this Consent Judgment shall attempt in good faith to  
26 meet and confer with the other Party prior to filing a motion to modify the Consent Judgment.  
27  
28

1 **8. RETENTION OF JURISDICTION**

2 8.1 This Court shall retain jurisdiction of this matter to implement and enforce the  
3 terms of this Consent Judgment under Code of Civil Procedure section 664.6.

4 8.2 In any proceeding brought by either Party to enforce this Consent Judgment, the  
5 prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

6 **9. SERVICE ON THE ATTORNEY GENERAL**

7 9.1 CAG shall serve a copy of this Consent Judgment, signed by both parties, on the  
8 California Attorney General so that the Attorney General may review this Consent Judgment  
9 prior to its submittal to the Court for approval. No sooner than forty-five (45) days after the  
10 Attorney General has received the aforementioned copy of this Consent Judgment, CAG may  
11 then submit it to the Court for approval.

12 **10. ENTIRE AGREEMENT**

13 10.1 This Consent Judgment contains the sole and entire agreement and understanding  
14 of the Parties with respect to the entire subject matter hereof and any and all prior discussions,  
15 negotiations, commitments and understandings related hereto. No representations, oral or  
16 otherwise, express or implied, other than those contained herein have been made by any party  
17 hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be  
18 deemed to exist or to bind any of the Parties.

19 **11. ATTORNEY FEES**

20 11.1 Except as specifically provided in Sections 4.1.3 and 8.2, each Party shall bear its  
21 own attorneys' fees and costs in connection with the claims resolved in this Consent Judgment.

22 **12. GOVERNING LAW**

23 12.1 The validity, construction, terms, and performance of this Consent Judgment shall  
24 be governed by the laws of the State of California, without reference to any conflicts of law  
25 provisions of California law.

26 12.2 In the event that Proposition 65 is repealed, preempted, or is otherwise rendered  
27 inapplicable by reason of law generally, or if any of the provisions of this Consent Judgment are  
28

1 rendered inapplicable or are no longer required as a result of any such repeal or preemption, or  
2 rendered inapplicable by reason of law generally as to the Covered Products, then Defendant  
3 may provide written notice to CAG of any asserted change in the law, and shall have no further  
4 obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered  
5 Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve  
6 Defendant from any obligation to comply with any other pertinent state or federal law or  
7 regulation.

8       12.3 The Parties, including their counsel, have participated in the preparation of this  
9 Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This  
10 Consent Judgment was subject to revision and modification by the Parties and has been accepted  
11 and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or  
12 ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result  
13 of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment  
14 agrees that any statute or rule of construction providing that ambiguities are to be resolved  
15 against the drafting Party should not be employed in the interpretation of this Consent Judgment  
16 and, in this regard, the Parties hereby waive California Civil Code section 1654.

### 17 **13. EXECUTION AND COUNTERPARTS**

18       13.1 This Consent Judgment may be executed in counterparts and by means of  
19 facsimile or portable document format (pdf), which taken together shall be deemed to constitute  
20 one document and have the same force and effect as original signatures.

### 21 **14. NOTICES**

22       14.1 Any notices under this Consent Judgment shall be by delivery of First-Class Mail.  
23 If to CAG:

24 Reuben Yeroushalmi  
25 [reuben@yeroshalmi.com](mailto:reuben@yeroshalmi.com)  
26 Yeroushalmi & Yeroushalmi  
27 9100 Wilshire Boulevard, Suite 240W  
28 Beverly Hills, CA 90212

If to Defendant MYSTIC APPAREL, LLC:

Georgia C. Ravitz, Esq.  
gravitz@wsgr.com  
WILSON SONSINI GOODRICH & ROSATI  
1700 K Street NW, Fifth Floor  
Washington, DC 20006

Scott A. Cohn, Esq.  
scohn@wsgr.com  
WILSON SONSINI GOODRICH & ROSATI  
1301 Ave. of the Americas, 40<sup>th</sup> Floor  
New York, NY 10019

**15. AUTHORITY TO STIPULATE**

15.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the Party he or she represents to enter into this Consent Judgment and to execute it on behalf of the Party represented and legally to bind that party.

AGREED TO:

AGREED TO:

Date: July 19, 2021

Date: 07/23/2021, 2021

Michael Marcus

Andy M Jha

Name: Michael Marcus

Name: Andy M Jha

Title: Director

Title: CFO

CONSUMER ADVOCACY GROUP, INC. MYSTIC APPAREL, LLC

**IT IS SO ORDERED.**

Date: \_\_\_\_\_

\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT