1 2 3 4 5 6 7	Laralei Paras, State Bar No. 203319 Rebecca M. Jackson, State Bar No. 221583 SEVEN HILLS LLP 4 Embarcadero Center, Suite 1400 San Francisco, CA 94111 Telephone: (415) 926-7247 laralei@sevenhillsllp.com rebecca@sevenhillsllp.com Attorneys for Plaintiff KEEP AMERICA SAFE AND BEAUTIFUL	
8 9 10 11	SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SAN FRANCISCO UNLIMITED CIVIL JURISDICTION	
12 13 14 15 16 17 18	KEEP AMERICA SAFE AND BEAUTIFUL, Plaintiff, v. TRUE FABRICATIONS, INC.; and DOES 1-30, inclusive, Defendants.	Case No. CGC-21-595273 [PROPOSED] CONSENT JUDGMENT (Health & Safety Code § 25249.6 et seq. and Code of Civil Procedure § 664.6)
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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 defendant True Fabrications, Inc. ("True Fabrications"), with KASB and True Fabrications each individually referred to as a "Party" and collectively, as the "Parties," to resolve the allegations in the October 21, 2020 60-Day Notice of Violation and the September 3, 2021, Supplemental 60-Day Notice of Violation in compliance with the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6 et seq. ("Proposition 65").

1.1 The Parties

KASB is a California-based non-profit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure that chemicals known to the State of California to cause cancer, birth defects, or other reproductive harm are disclosed or eliminated from consumer products sold in California. True Fabrications 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 True Fabrications manufactures, imports, sells, or distributes for sale in California (a) wine boxes with vinyl straps containing di(2ethylhexyl) phthalate ("**DEHP**"), including but not limited to, *Twine Living Co 2 Bottle Antique Wooden Wine Box, Item: 0308*, and (b) faux leather totes containing diisononyl phthalate ("**DINP**"), including but not limited to, *Brown Faux Leather Double-Bottle Wine Tote by Viski, Item: 5220*, without providing the health hazard warning that KASB alleges is required by California Health & Safety Code § 25249.5 *et seq.* ("**Proposition 65**"). Wine boxes with vinyl straps and faux leather totes are collectively 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 or other reproductive harm. DINP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer.

1.3 Notices of Violation

On October 21, 2020, KASB served True Fabrications, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice"), alleging True Fabrications violated Proposition 65 by failing to warn its customers and consumers in

1 California its wine boxes with vinyl straps can expose users to DEHP. On September 3, 2021, 2 3 4 5

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KASB served a True Fabrications, the California Attorney General, and the requisite public enforcement agencies with a Supplemental 60-Day Notice of Violation ("Supplemental Notice"), alleging True Fabrications violated Proposition 65 by failing to warn its customers and consumers in California that the Products can expose users to DEHP or DINP. The Notice and Supplemental Notice are collectively referred to hereinafter as the "Notices."

1.4 **Complaint**

On September 17, 2021, KASB commenced the instant action, naming True Fabrications as a defendant for the alleged violations of Proposition 65 that are the subject of the Notice. On February 10, 2022, KASB filed a first amended complaint ("Complaint"), adding the alleged violations of Proposition 65 that are the subject of the Supplemental Notice.

No Admission 1.5

True Fabrications denies the material, factual and legal allegations contained in the Notices and Complaint and maintains that all products it sold or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as, nor shall compliance with this Consent Judgment constitute or be construed as, an admission by True Fabrications of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect True Fabrications' 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 True Fabrications as to the allegations contained in the Complaint; venue is proper in San Francisco County; 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 **Execution Date**

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

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1.8 Effective Date

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

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

2.1 Reformulation Commitment

Commencing on the Execution Date and continuing thereafter, all Products True Fabrications manufactures, imports, sells, ships, or distributes for sale in or into California, directly or through one or more third party retailers or e-commerce marketplaces, shall meet the Reformulation Standard for Reformulated Products.

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 ("Accredited Lab"). For purposes of compliance with this reformulation standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission ("CPSC") methodology CPSC CH-C1001.09.3 and analyzed using U.S. Environmental Protection Agency methodology 8270D, or other methodologies utilized by federal or state government agencies to determine phthalate content in a solid substance.

2.3 Certification to Compliance with Reformulation Standard

On or before the Effective Date, an officer of True Fabrications shall provide Seven Hills LLP with a written attested declaration stating, as of the thirtieth (30th) day after the Execution Date, and continuing thereafter, any and all Products manufactured or imported by True Fabrications for sale to (a) consumers in California directly including through its own website, affiliated websites or a third party website, to consumers located in California, and (b) customers with nationwide distribution and e-commerce websites, are Reformulated Products as defined by Section 2.2. Along with its attested

3. MONETARY SETTLEMENT TERMS

section shall render this agreement null and void.

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), True Fabrications agrees to pay a civil penalty of \$2,500 within fifteen (15) days of the Effective Date. True Fabrications' 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. True Fabrications shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of \$1,875; and (b) "Keep America Safe and Beautiful" in the amount of \$625. KASB's counsel shall deliver to OEHHA and KASB their respective portions of the penalty payment.

declaration, True Fabrications shall provide recent test results performed after the date of the

respective Notices by an Accredited Lab showing the Products were tested and analyzed according to

the parameters set forth in Section 2.2 and are Reformulated Products. Failure to comply with this

3.2 Reimbursement of Attorneys' Fees and Costs

KASB and its counsel offered to resolve the allegations in the Notices and Complaint without reaching terms on the amount of reimbursement of attorneys' fees and costs. Shortly after the Parties finalized the other material settlement terms, they negotiated and reached an accord on the amount of reimbursement to be paid to KASB's counsel, under general contract principles and the private attorney general doctrine, codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution and reporting of this Consent Judgment to the California Attorney General and entry of Judgment pursuant its terms, but exclusive of fees and costs on appeal, if any. Within fifteen (15) days of the Effective Date, True Fabrications shall issue two checks for a total amount of \$25,000, one check in the amount of \$555 payable to "Seven Hills LLP in trust for Keep America Safe and Beautiful" for case costs, and a second in the amount of \$24,445 payable to "Seven Hills LLP" for all fees and other costs incurred investigating, bringing this matter to True Fabrications' attention, litigating, negotiating a settlement in the public interest, obtaining Court approval of its terms pursuant to Section 5, and reporting to the California Attorney General.

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3.3 **Payments**

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

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

4. CLAIMS COVERED AND RELEASED

4.1 KASB's Release of Proposition 65 Claims

This Consent Judgment is a full, final, and binding resolution of the claims that were or could have been asserted by KASB arising out of the allegations in the Notice and in the Complaint. KASB, acting on its own behalf, in the public interest, and on behalf of its past and current agents, representatives, attorneys, successors and assignees ("Releasors") releases True Fabrications, its past and present parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom True Fabrications directly or indirectly distributes or sells the Products including, but not limited to, Amazon.com, Inc., its downstream distributors, wholesalers, marketplace hosts, customers, retailers, franchisees, cooperative members, and licensees ("Releasees") based on the failure to provide a clear and reasonable warning under Proposition 65 about alleged exposures to DEHP or DINP contained in the Products that were manufactured, processed, distributed, sold and/or offered for sale in California before the Effective Date, as set forth in the Notices and Complaint. The Parties further agree that compliance with Section 2 of this Consent Judgment shall be deemed compliance with Proposition 65 with respect to alleged exposures to DEHP and DINP in the Products.

4.2 True Fabrications' Release of KASB

True Fabrications, 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), whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against them in this matter with respect to the Products.

The Parties further understand and agree Section 4 releases shall not extend upstream to any entities who sold, supplied, or manufactured the Products, or any component parts thereof, to True Fabrications. Nothing in these Section 4 releases shall affect KASB's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve True Fabrications' Products.

5. COURT APPROVAL

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

6. <u>SEVERABILITY</u>

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

7. <u>GOVERNING LAW</u>

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 True Fabrications 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 True Fabrications from its obligation to comply with any pertinent state or federal law or regulation.

8. NOTICE

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

1 For True Fabrications: For KASB: 2 Dhruv Agarwal, President Laralei Paras, Partner True Fabrications, Inc. SEVEN HILLS LLP 3 3668 Albion Pl. N 4 Embarcadero Center, Suite 1400 Seattle, WA 98103-7904 San Francisco, CA 94111 4 With a copy to: 5 Margaret K. Cerrato-Blue 6 Fox Rothschild LLP 1001 Fourth Avenue, Suite 4500 7 Seattle, WA 98154-1065 8 Any Party may, from time to time, specify in writing to the other Party a change of address to which 9 all notices and other communications shall be sent. 9. 10 COUNTERPARTS AND PDF SIGNATURES 11 This Consent Judgment may be executed in counterparts and by portable document format 12 (PDF) signature, each of which shall be deemed an original and, all of which, when taken together, 13 shall constitute one and the same document. 14 10. COMPLIANCE WITH REPORTING REQUIREMENTS 15 KASB and its counsel agree to comply with the reporting form requirements referenced in 16 California Health and Safety Code § 25249.7(f). 11. 17 **ENTIRE AGREEMENT** 18 This Consent Judgment contains the sole and entire agreement and understanding of the 19 Parties with respect to the entire subject matter hereof. There are no warranties, representations, or 20 other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have 21 22 been made by any Party hereto. No other agreements not specifically contained or referenced herein, 23 oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto. 12. 24 MODIFICATION 25 This Consent Judgment may be modified only by: (i) a written agreement of the Parties and the entry of a modified Consent Judgment by the Court thereon; or (ii) upon a successful motion of 26 27 any party and the entry of a modified Consent Judgment by the Court thereon.

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13. AUTHORIZATION The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understood, and agreed to all the terms and conditions of this Consent Judgment. **AGREED TO: AGREED TO:** 10-13-2022 Date: 10-17-2022 Date: By: By: Ngoc-Bich Hoang Vo, CEO Keep America Safe and Beautiful Dhruv Agarwal, President True Fabrications, Inc.