1 JAMES KAWAHITO (SBN 234851) KAWAHITO LAW GROUP APC 2 300 Corporate Pointe, Suite 340 Culver City, CA 90230 3 Telephone: (310) 746-5300 Facsimile: (310) 593-2520 4 Email: jkawahito@kawahitolaw.com 5 Attorneys for Plaintiff EnviroProtect, LLC 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 **COUNTY OF SAN FRANCISCO** 9 ENVIROPROTECT, LLC, in the public Case No. CGC-22-599599 10 interest, [PROPOSED] CONSENT JUDGMENT 11 Plaintiff, BETWEEN ENVIROPROTECT, LLC AND AMSCAN, INC. 12 vs. Complaint Filed: May 11, 2022 13 AMSCAN, INC., a New York Corporation; Trial Date: None Set and DOES 1 through 50, inclusive, 14 Defendants. 15 16 17 18 19 20 21 22 23 24 25 26 27 28 [PROPOSED] CONSENT JUDGMENT - CASE NO. CGC-22-599599

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1. INTRODUCTION

1.1 Parties

This Consent judgment is entered into by and between EnviroProtect, LLC ("Plaintiff" or "EP") and Amscan, Inc. ("AMSCAN" or "Defendant"). AMSCAN and EP are each sometimes individually referred to as a "Party," and collectively as the "Parties."

1.2 Introduction

- 1.2.1 EP alleges that it is a limited liability company duly organized and existing in the State of California and that it seeks to improve human health by reducing or eliminating listed chemicals used in consumer products.
- 1.2.2 EP alleges that AMSCAN employs ten or more persons, and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code section 25249.6 et seq. ("Proposition 65").
- 1.2.3 EP alleges that AMSCAN manufactures, imports, distributes, sells, and/or offers for sale in California certain "Covered Products," as defined below, that contain Di-(2-ethylhexyl) phthalate ("DEHP"), a chemical listed pursuant to Proposition 65 by the State of California to cause cancer and reproductive toxicity. EP further alleges that AMSCAN failed to provide the warning required by Proposition 65 for alleged exposures to DEHP from the Covered Products.

1.3 Covered Product Description.

The products covered by this Consent judgment are defined as all costume and costume accessory packaging and carrying cases and storage cases/bags, including, but not limited to, the Ride-On Flamingo Costume and Carrying Case Bags, which were manufactured, imported, distributed, sold, or offered for sale in California by AMSCAN (collectively the "Covered Products").

1.4 60 Day Notice of Violation and Exchange of Information.

On September 28, 2021, EP served AMSCAN, Ross, and the requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice") alleging that AMSCAN ///

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and Ross violated Proposition 65 by failing to warn their customers in California that the Covered Products may expose consumers to DEHP.

The Parties subsequently exchanged relevant information about EP's allegations and the sales of the Covered Products in California. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 Complaint.

On May 11, 2022, Plaintiff filed a complaint in the Superior Court of California for the County of San Francisco, Case No. CGC-22-599599, alleging violations by Amscan of Health & Safety Code§ 25249.6 based, inter alia, on California Consumers' alleged exposures to DEHP contained in Covered Products (the "Complaint").

1.6 No Admission.

The Parties enter into this Consent judgment to settle disputed claims between them concerning the Defendant's and the Covered Products' compliance with Proposition 65. AMSCAN enters into this Consent judgment as a full and final settlement of all claims that were raised or that could have been raised in the Notice and Complaint, and to avoid prolonged and costly litigation. AMSCAN denies the material factual and legal allegations contained in the Notice and Complaint, maintains that it is not a person subject to Proposition 65, and that all products that it has sold and distributed in California, including the Covered Products, have been and are in compliance with all laws, and are completely safe for their intended use. Nothing in this Consent judgment shall be construed as an admission by AMSCAN of any fact, finding, issue of law, or violation of law, including, but not limited to any fact or conclusions of law suggesting or demonstrating that AMSCAN has violated Proposition 65. Nothing in this Consent judgment shall prejudice, waive or impair any right, remedy, argument or defense AMSCAN may have in this or any other future legal proceedings. This Consent Judgment is the product of negotiation and compromise and is accepted by AMSCAN solely for purposes of settling, compromising, and resolving issues disputed in the Notice and Complaint. However, this Section 1.5 shall not diminish or

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otherwise affect the Parties' obligations, responsibilities and duties under this Consent judgment.

1.7 Effective Date.

For purposes of this Consent judgment, the term "Effective Date" shall mean the date the Consent Judgment is entered by the Court.

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS

2.1 Reformulation Standard.

Commencing on the Effective Date, and continuing thereafter, Covered Products that AMSCAN directly manufactures, imports, distributes, sells, or offers for sale in California, shall be deemed to comply with Proposition 65, and be exempt from any Proposition 65 warning requirements with respect to DEHP and other listed phthalates if the Products meet the standard of "Reformulated Products" below. "Reformulated Products" shall mean Covered Products containing less than or equal to 1,000 parts per million (0.1%) each of DEHP, di-n-butyl phthalate ("DBP"), diisononyl phthalate ("DINP"), butyl benzyl phthalate ("BBP"), di-isodecyl phthalate ("DIDP"), and di-n-hexyl phthalate ("DnHP")(collectively "Listed Phthalates") in each "Accessible Component" when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C, CPSC-CH-C1001-09.3, or any equivalent methodologies utilized by federal or state agencies for the purpose of determining phthalate content in a solid substance ("Reformulation Standard"). The term "Accessible Component" shall mean any component of the Covered Product that can be touched by a person during ordinary use. As of the Effective Date, AMSCAN may not manufacture or import new Covered Products for sale in California that are not Reformulated Products, or that do not contain one of the warnings set forth in Paragraph 2.3.

2.2 Warning Option.

As of the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in §§ 2.3 and 2.4 must be provided for all Covered Products that AMSCAN manufactures or imports for sale in California that do not meet the

Reformulation Standard set forth in Section 2.1. This warning shall only be required as to Covered Products that are manufactured or imported for sale to consumers in California after the Effective Date. No Proposition 65 warning for DEHP or other Listed Phthalates shall be required as to any Covered Products that are already in the stream of commerce as of the Effective Date.

2.3 Warning Language.

For Covered Products that are not Reformulated Products, AMSCAN or its suppliers must provide a Proposition 65 warning on the Covered Products' packaging or product label for such products sold in California as set forth below. Commencing on the Effective Date. The warning shall be placed with such conspicuousness, as compared with other words, statements, designs, or devices as to render it reasonably likely to be read and understood by an ordinary individual under customary conditions before purchase. For purposes of this Consent judgment, a Proposition 65 warning affixed to a Product's package or label shall be deemed clear and reasonable if it contains one of the following statement:

△ [California Prop 65] WARNING: This product can expose you to chemicals including Di-(2-ethylhexyl) phthalate (DEHP), which are 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.

Or

△ [California Prop 65] WARNING: Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

Language in brackets is optional.

If AMSCAN sells Covered Products via an internet website to customers located in California, the warning requirements of this section shall be satisfied if the foregoing product package or label warning or a clearly marked hyperlink to that warning using the word(s) "[California Prop 65] WARNING" (language in brackets optional) appears either: (a) on the same web page on which a Covered Product is displayed and/or described; (b) on the same page as the price for the Covered Product; or (c) on one or more web pages displayed to a purchaser prior to purchase during the checkout process. Alternatively, a symbol consisting

of a black exclamation point in a yellow or white equilateral triangle may appear adjacent to or immediately following the display, description, price, or checkout listing of the Covered Product, if the warning statement appears elsewhere on the same web page in a manner that clearly associates it with the product(s) to which the warning applies.

2.4 Compliance with Warning Regulations.

The Parties agree that AMSCAN shall be deemed to be in compliance with this Consent judgment by either adhering to §§ 2.2 and 2.3 of this Consent judgment or by complying with warning requirements adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") after the Effective Date.

2.5 Public Benefit.

It is AMSCAN's understanding that the commitments it has agreed to herein, and actions to be taken by AMSCAN under this Consent judgment confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of AMSCAN that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to AMSCAN's alleged failure to provide a warning concerning actual or alleged exposure to DEHP, DINP, DIDP, DBP. BBP, and/or DnHP prior to use of the Covered Products it has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Covered Products addressed in this Consent judgment, provided that Amscan is in material compliance with this Consent judgment.

3. CIVIL PENALTY PURSUANT TO HEALTH & SAFETY CODE§ 25249.7(b)

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims for monetary relief of any kind related to the Notice and this Complaint, alleged in the Notice and Complaint, or referred to in this Consent judgment (except for Plaintiff's attorney's fees and expenses set forth in Section 4 below), AMSCAN agrees to pay \$4,000 in civil penalties. The penalty payment will be apportioned in accordance with California Health & Safety

Code §§25249.12(c) & (d), with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to EP. Within ten (10) days of the Effective Date, AMSCAN shall issue two separate checks for the penalty payment: (a) one check made payable to the Kawahito Law Group in Trust for the State of California's Office of Environmental Health Hazard Assessment ("in Trust for OEHHA") in the amount of \$3,000 representing 75% of the initial civil penalty; and (b) one check to "Kawahito Law Group in Trust for EnviroProtect" in the amount of \$1,000, representing 25% of the initial civil penalty. Two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486). The second 1099 shall be issued to Kawahito Law Group APC, who shall furnish a W-9 at least five Calendar days before payment is due. The payment shall be delivered within 10 days of the Effective Date to the following address:

James Kawahito, Esq. Kawahito Law Group APC 300 Corporate Pointe Suite 340 Culver City, CA 90230

Payment may also be made by wire or ACH or wire transfer. Instructions will be provided separately upon request.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that EP and its counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving any fee reimbursement issue to be resolved after the material terms of the agreement had been settled. The Parties thereafter reached an accord on the compensation due to EP and its counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure (CCP) § 1021.5, for all work performed through the mutual execution of this agreement. Under these legal principles, AMSCAN shall reimburse EP's counsel the total amount of \$33,000 for any and all of EP's attorney's fees and expenses, including but not limited to all investigative, expert, and testing expenses, incurred as a result of investigating and bringing this matter to AMSCAN's attention, and negotiating

this settlement in the public interest. Within ten (10) days of the Effective Date, ASMCAN agrees to pay \$33,000 in the form of a check payable to "Kawahito Law Group APC." The payment shall be delivered within 10 days of the Effective Date to the following address:

James Kawahito, Esq. Kawahito Law Group APC 300 Corporate Pointe Suite 340 Culver City, CA 90230

To allow for the issuance of a timely payment to be rendered pursuant to the above, EP shall provide AMSCAN with a completed IRS Form W-9 for the Kawahito Law Group APC at least five calendar days prior to payment. The Parties acknowledge that AMSCAN cannot issue any settlement payments pursuant to Sections 3 and 4 until after AMSCAN receives the requisite W-9 forms from EP's counsel.

5. RELEASE OF ALL CLAIMS

5.1 Full, Final and Binding Resolution of Proposition 65 Allegations.

EP, on behalf of itself and in the public interest, and on behalf of its past and current agents, employees, representatives, attorneys, successors and/or assignees, hereby releases AMSCAN and each of its respective parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors, successors, assignees, licensors, licensees, suppliers of Covered Products, and each entity to whom AMSCAN directly or indirectly distributes, ships or sells the Covered Products, including, but not limited to Ross, the Gordon Company, Party City and its affiliates, and all of their downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensees, licensors, and their owners, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors, successors, and assignees (collectively "Releasees") for any and all claims based on their alleged or actual failure to warn about alleged exposures to DEHP contained in Covered Products manufactured, imported, distributed, sold and/or offered for sale in California before the Effective Date. This release shall also cover any Covered Products that

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were in the stream of commerce prior to the Effective Date of this Consent Judgment. This Consent Judgment and release shall have preclusive effect in accordance with law.

In further consideration of the promises and agreements herein contained, EP on behalf of itself, and its past and current agents, employees, representatives, attorneys, successors and/or assignees, also hereby waives all of its rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims against AMSCAN and the Releasees that it or they may have, including, without limitation, all actions, causes of action, claims, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, remedies, expenses, investigative fees, expert fees, and attorneys' fees, of any kind or nature whatsoever, whether in law or in equity, for any and all claims arising under Proposition 65 and regarding Covered Products manufactured, imported, sold, or distributed for sale before the Effective Date by AMSCAN or the Releasees.

EP, on behalf of itself, and its past and current agents, employees, representatives, attorneys, successors and/or assignees, expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by California Civil Code section 1542 or any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the Covered Products manufactured, imported, or distributed for sale by AMSCAN in California through the Effective Date. Civil Code section 1542 states:

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 THE RELEASED PARTY.

EP, on behalf of itself, and its past and current agents, employees, representatives, attorneys, successors and/or assignees, expressly waives and relinquishes any and all rights and benefits that it may have under, or that may be conferred upon it by, the provisions of Civil Code section 1542 as well as under any other state or federal statute or common law principle of

similar effect, to the fullest extent it may lawfully waive such rights or benefits pertaining to the released matters.

5.2 AMSCAN'S Release of EP.

AMSCAN on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against EP, its attorneys and other representatives, for any and all actions taken or statements made by EP and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the Covered Products.

5.3 Enforcement of Consent judgment.

Before any Party may take action to enforce the terms of this Consent Judgment for alleged breach, that Party must give the other Party written notice and a good faith opportunity to respond and correct the alleged violation. The Parties must thereafter meet and confer for a period of no less than 30 days to try to resolve any alleged violation. EP shall not bring an enforcement action or institute a judicial proceeding or seek any other relief of any kind if AMSCAN can show the product was manufactured before the Effective Date, had a warning beginning on the Effective Date, or is able to rebut any alleged violation by performing and/or producing testing on a production unit of the Covered Product showing that the DEHP, DBP, DINP, DIDP, BBP, and DnHP content of the Covered Product is below the Reformulation Standard. AMSCAN is entitled to designate any information provided hereunder as confidential under an appropriate confidentiality agreement. In the event that meet-and-confer efforts are unsuccessful, the Party alleging a violation may initiate a judicial proceeding to enforce this Consent judgment no earlier than 30 days after issuing the written notice specified herein.

5.4 Deemed Compliance with Proposition 65

The Parties agree that compliance by AMSCAN with this Consent judgment constitutes compliance with Proposition 65 with respect to actual or alleged exposure to DEHP, DBP, DINP, DIDP, BBP, and DnHP from use of the Covered Products.

6. COURT APPROVAL OF CONSENT JUDGMENT

- §5249.7, a noticed motion is required to obtain judicial approval of this Consent judgment, which Plaintiff shall prepare and file. 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 as a Consent judgment and obtain Court approval in a timely manner. For purposes of this section, best efforts shall include, at a minimum, cooperating on the drafting and filing of any papers in support of the required motion for judicial approval. The Parties further agree to accept service of notice of entry of any order on Plaintiff's motion to approve the settlement and/or enter judgment by electronic mail delivery to the Parties' counsel of record.
- 6.2 If this Consent judgment is not approved by the Court in its entirety, the Parties shall meet and confer to determine whether to modify the terms of the Consent judgment and to resubmit it for approval. In meeting and conferring, the Parties agree to undertake any actions reasonably necessary to amend and/or modify this Consent judgment in order to further the mutual intention of the Parties in entering into this Consent judgment.
- 6.3 If this Consent judgment is not entered by the Court within one year of the Effective Date, it shall be of no force or effect and shall never be introduced into evidence or otherwise used in any proceeding for any purpose other than to determine the rights or obligations of a Party as a result of the fact that the Consent judgment was not approved.
- 6.4 If this Consent judgment is not approved by the court, Defendant retains the right to respond, or amend any previous response, to the Complaint in this action in any manner permitted under the Code of Civil Procedure. If, subsequent to the execution of this Consent judgment, any provision of this Consent judgment is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. GOVERNING LAW

The terms of this Consent judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed, amended, or is otherwise rendered inapplicable or limited by reason of law

generally, and/or by final court decision, or as to DEHP or other Listed Phthalates and/or the Covered Products, AMSCAN shall provide written notice to EP of any asserted change in the law, and shall have no further obligations pursuant to this Consent judgment with respect to, and to the extent that, a Covered Product is so affected.

8. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Consent judgment shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; (c) a recognized overnight courier; or (d) by email to the designated agent of the Party indicated below, to the other Party at the following addresses:

For Notices to	AMSCAN:
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	General Counsel Amscan, Inc. 80 Grasslands Road Elmsford, NY 10523
with a copy to:	James Robert Maxwell, Esq. Rogers Joseph O'Donnell, PC 311 California Street, 10th Floor San Francisco, CA 94104 jmaxwell@rjo.com
For Notices to EP:	EnviroProtect, LLC. 3142 W. 59 th Pl. Los Angeles, CA 90043 Email: enviroprotectca@gmail.com
with a copy to:	James K. Kawahito, Esq. Kawahito Law Group APC Attn. EP v. AMSCAN 300 Corporate Pointe, Suite 340 Culver City, CA 90230 jkawahito@kawahitolaw.com

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

9. JOINT PREPARATION

The Parties have jointly participated in the preparation of this Consent judgment and this Consent judgment is the result of the joint efforts of the Parties. Accordingly, any uncertainty or ambiguity existing in this Consent judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent judgment. Each Party to this Consent judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Consent judgment and, in this regard, the Parties hereby waive California Civil Code § 1654.

10. COUNTERPARTS; FACSIMILE SIGNATURES

This Consent judgment may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document. Signatures by scanned and emailed image or facsimile transmission shall have the same force and effect as an original signature and as an electronic record adopted and executed by a Party with the intent to sign the electronic record pursuant to Civil Code §§ 1633.1 et seq.

11. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

EP and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code section 25249.7(f).

12. MODIFICATION

This Consent judgment may be modified only by written agreement signed by the Parties.

13. ENTIRE AGREEMENT

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are merged herein. There are no warranties, representations, or 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 been made

by, or relied on, by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

14. INTERPRETATION

No inference, assumption, or presumption shall be drawn, and no provision of this Consent Judgment shall be construed against any Party, based upon the fact that one of the Parties and/or their counsel prepared or drafted any portion of this Consent Judgment. It is conclusively presumed that the Parties participated equally in the drafting of this Consent Judgment.

15. AUTHORIZATION

The undersigned are authorized to execute this Consent judgment on behalf of their respective Parties and have read, understand, and agreed to all of the terms and conditions of this Consent judgment.

AGREED TO:	AGREED TO:
Date: 6/3/22	Date:
(Signature) Siluya	(signature)
Name: Emilio Zelaya	Name:
Title: ENVIROPROTECT, LLC	Title: AMSCAN, INC.
IT IS SO ORDERED.	
Date:	
	JUDGE OF THE SUPERIOR COURT

by, or relied on, by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

14. INTERPRETATION

No inference, assumption, or presumption shall be drawn, and no provision of this Consent Judgment shall be construed against any Party, based upon the fact that one of the Parties and/or their counsel prepared or drafted any portion of this Consent Judgment. It is conclusively presumed that the Parties participated equally in the drafting of this Consent Judgment.

15. AUTHORIZATION

The undersigned are authorized to execute this Consent judgment on behalf of their respective Parties and have read, understand, and agreed to all of the terms and conditions of this Consent judgment.

Date: Date:	
(signature) Docustiqued by: BACAMS/ISCSDA444 (signature)	
Name: Name:	
Title: ENVIROPROTECT, LLC Title: Vice President & Deputy Gen AMSCAN, INC.	eral Couns
IT IS SO ORDERED.	
Date:	
JUDGE OF THE SUPERIOR COU	JRT