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8	SUPERIOR COURT OF	THE STATE OF CALIFORNIA
9	IN AND FOR THE	COUNTY OF ALAMEDA
10	ENVIRONMENTAL HEALTH	Case No. 21CV001126
11	ADVOCATES, INC.,	[PROPOSED] CONSENT JUDGMENT
12	Plaintiff,	(Health & Safety Code § 25249.6 et seq. and
13	V.	Code Civ. Proc. § 664.6)
14 15	BEAUTY 21 COSMETICS, INC., a California corporation, BIG LOTS STORES, INC., an Ohio corporation, and DOES 1	
16	through 100, inclusive,	
17	Defendants.	
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1.

INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA" or "Plaintiff") and Beauty 21 Cosmetics, Inc. ("Defendant" or "Beauty 21") with EHA and Beauty 21 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

Beauty 21 employs ten or more individuals and 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 Beauty 21 manufactures, imports, sells, and distributes for sale L.A. Colors Blusher & Deluxe Brush CBC141 Natural that contains asbestos. EHA further alleges that Beauty 21 does 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, birth defects and other reproductive harm.

1.5 **Notices of Violation**

On or around March 27, 2021, EHA served Beauty 21, Big Lots Stores, Inc., the California Attorney General, and all other required public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 ("Initial Notice"). The Initial Notice alleged that Beauty 21 had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to asbestos contained in L.A. Colors Blusher & Deluxe Brush CBC141 Natural.

On or around December 23, 2021, EHA served Beauty 21, Big Lots Stores, Inc., the California 26 Attorney General, and all other required public enforcement agencies with an Amended 60-Day Notice 28 of Violation of Proposition 65 ("Amended Notice"). The Amended Notice included 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 Initial Notice or Amended Notice (hereinafter, the "Notices").

1.6 **Product Description**

For purposes of this Consent Judgment, "Covered Product" means L.A. Colors Blusher & Deluxe Brush CBC141 Natural.

1.7 State of the Pleadings

On or around October 26, 2021, EHA filed a Complaint against Beauty 21 for the alleged violations of Proposition 65 that are the subject of the Notices ("Complaint").

1.8 No Admission

Beauty 21 denies the material factual and legal allegations of the Notices and Complaint and maintains that the Covered Products it has manufactured, imported, sold, and/or distributed for sale in California have been, and are, in compliance with all laws. 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 any fact, finding, conclusion of law, issue of any fact, finding, conclusion of law, issue of law, or violation, 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 Section shall not, however, diminish or otherwise affect Beauty 21's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Beauty 21 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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2.

INJUNCTIVE RELIEF

2.1 Testing of the Covered Products

Commencing 90 days after the Effective Date, Beauty 21 shall not manufacture or purchase any Covered Products for sale in California unless a sample of each lot of the Covered Product, or each lot of the talc ingredient of the Covered Product, has been tested by an accredited laboratory for asbestos concentration by transmission electron microscopy ("TEM") pursuant to one of the following methods: NY ELAP 198.4, ASTM D5756, or ISO 22262-2 and the results of such test are below the laboratory's level of quantification. For purposes of complying with this Section 2, Beauty 21 may rely on a certificate of analysis provided by the supplier of the talc ingredient for the Covered Products or the supplier of the Covered Product, provided said certificate indicates non-detect of asbestos using TEM. Covered Products' compliance with the standard set forth in this section constitutes compliance with Proposition 65 as to asbestos.

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MONETARY SETTLEMENT TERMS

3.1 Settlement Amount

Beauty 21 shall pay one hundred forty thousand dollars (\$140,000.00) in settlement and total satisfaction of all the claims referred to in the Notice, the Complaint, and this Consent Judgment. This includes civil penalties in the amount of fifteen thousand dollars (\$15,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorneys' fees and costs in the amount of one hundred twenty-five thousand dollars (\$125,000.00) 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 shall be delivered to the following address:

Environmental Health Advocates 225 Broadway, Suite 2100 San Diego, CA 92101

1	All payments owed to OEHHA (EIN: 68-0284486) shall be delivered directly to OEHHA			
2	(Memo Line "Prop 65 Penalties") at the following addresses:			
3	For United States Postal Service Delivery:			
4	Mike Gyurics			
5	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment			
6	P.O. Box 4010 Sacramento, CA 95812-4010			
7	For Federal Express 2-Day Delivery:			
8	Mike Gyurics			
9	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 1001 I Street			
10	Sacramento, CA 95814			
11	Beauty 21 agrees to provide EHA's counsel with a copy of the check payable to OEHHA,			
12	simultaneous with its penalty payments to EHA.			
13	Plaintiff and its counsel will provide completed IRS W-9, or other tax forms as required.			
14	3.3 Attorney's Fees and Costs			
15	The portion of the settlement attributable to attorneys' fees and costs shall be paid to EHA's			
16	counsel, who are entitled to attorneys' fees and costs incurred by it in this action, including but not			
17	limited to investigating potential violations, bringing this matter to Beauty 21's attention, as well as			
18	litigating and negotiating a settlement in the public interest.			
19	Beauty 21 shall provide its payment to EHA's counsel in one check for in the amount of			
20	\$125,000 payable to Entorno Law, LLP. The payment shall be delivered to the following address:			
21 22	Noam Glick Entorno Law, LLP 225 Broadway, Suite 1900			
23	San Diego, CA 92101			
24	3.4 Timing			
25	The above-mentioned checks will be issued within fourteen (14) business days of the Effective			
26	Date.			
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CLAIMS COVERED AND RELEASED

4.1 **EHA's Public Release of Proposition 65 Claims**

Plaintiff acting on its own behalf and in the public interest releases Beauty 21 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 Big Lots Stores, 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 relating to exposure to asbestos from Covered Products manufactured, distributed, or sold 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.

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4.2 **EHA's Individual Release of Claims**

EHA, in its individual capacity, also provides a release to Beauty 21 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 and other talc-containing cosmetics manufactured, imported, sold, or distributed by Beauty 21 before the Effective Date.

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4.3 **Beauty 21's Release of EHA**

Beauty 21 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 24 and its attorneys and other representatives, for any and all actions taken or statements made by EHA 25 and its attorneys and other representatives, whether in the course of investigating claims, otherwise 26 seeking to enforce Proposition 65 against them, in this matter or with respect to alleged exposure to 27 28 asbestos from the Covered Products and other talc-containing cosmetics.

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COURT APPROVAL

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. If this Consent Judgment is not entered by the Court, it shall be of no force or effect and shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

6. <u>SEVERABILITY</u>

If any provision is held 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 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 Beauty 21 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 Beauty 21 shall be relieved of its obligation to comply with Section 2 herein.

8. <u>ENFORCEMENT</u>

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8.1 Enforcement Procedures

Either Party may by motion or application for an order to show cause before this Court seek to enforce the terms of this Consent Judgment. Prior to filing any such motion or application, a Party seeking to enforce the terms of this Consent Judgment shall provide the allegedly violating Party with a written notice setting forth the detailed factual and legal basis for the alleged violation ("Notice of Violation"), and if applicable, comply with the requirements of Section 8.2. The Parties shall then meet and confer during the thirty (30) day period following the date the Notice of Violation was sent in an effort to try to reach agreement on the alleged violation. After such thirty (30) day period, the Party seeking to enforce may, by motion or order to show cause before the Superior Court of Alameda, seek to enforce the terms and conditions contained in this Consent Judgment. Only the Parties may enforce this Consent Judgment.

8.2

2 Enforcement of Section 2.1

Prior to bringing any motion or application related to detectable asbestos in Covered Products pursuant to Section 2.1, EHA's Notice of Violation must include data demonstrating that the Covered Product contains asbestos above the reporting level by TEM. Within 30 days, Beauty 21 may provide EHA with any certificate of analysis, provided by the supplier of the talc ingredient or Covered Product, demonstrating compliance with Section 2.1, or any later-performed testing of the Covered Product containing the same lot of talc ingredient. If Beauty 21 provides a genuine certificate of analysis for the talc ingredient or Covered Product that was generated at or prior to the time that Beauty 21 took possession of the Covered Product, then EHA shall not take any further actions to enforce the alleged violation. If there is a dispute about the genuineness of the certificate of analysis, the Parties shall meet and confer as required by Section 8.1.

8.3 Attorney's Fees for Prevailing Party

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

9. <u>NOTICE</u>

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:

1	If to Beauty 21: If to EHA:			
2	Chelsea Trinh Noam Glick			
3	VP of Finance & OperationsEntorno Law, LLPBeauty 21 Cosmetics, Inc.225 Broadway, Suite 19002021 S. Auchibalt AssessSan Diago GA 02101			
4	2021 S. Archibald AvenueSan Diego, CA 92101Ontario, CA 91761San Diego, CA 92101			
5	Jeffrey Margulies			
6	Norton Rose Fullbright US LLP 555 South Flower Street, 41st Floor			
7	Los Angeles, CA 90071			
8	Any Party may, from time to time, specify in writing to the other, a change of address to which			
9	notices and other communications shall be sent.			
10	10. <u>COUNTERPARTS; DIGITAL SIGNATURES</u>			
11	This Consent Judgment may be executed in counterparts and by facsimile signature, each of			
12	which shall be deemed an original, and all of which, when taken together, shall constitute one and the			
13	same document.			
14	11. <u>POST EXECUTION ACTIVITIES</u>			
15	EHA agrees to comply with the reporting form requirements referenced in Health and Safety			
16	Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code			
17	section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which			
18	motion EHA shall draft and file. In furtherance of obtaining such approval, the Parties agree to support			
19	the entry of this agreement as judgment, and to obtain judicial approval of their settlement in a timely			
20	manner.			
21	12. <u>MODIFICATION</u>			
22	This Consent Judgment may be modified by: (i) a written agreement of the Parties and entry of			
23	a modified consent judgment thereon by the Court; or (ii) a successful motion or application of any			
24	Party, and the entry of a modified consent judgment thereon by the Court.			

If, after the Effective Date, either (i) a California court approves a Proposition 65 consent judgment concerning asbestos or (ii) the Office of Environmental Health Hazard Assessment adopts or amends a regulation concerning asbestos that (a) determines a level for reformulating or providing warnings for asbestos in cosmetics different than the level identified in Section 2.1, or (b) provides for

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different methods for testing for asbestos levels in cosmetics, the Court, upon application by Beauty 21, shall modify Section 2.1 in accordance with such alternative compliance measures.

13. <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.

14. <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.

15. RETENTION OF JURISDICTION

The Court shall retain jurisdiction of this matter to implement, enforce or modify the Consent Judgment.

AGREED TO:

AGREED TO:

Date: 7/5/2023	Date:
By: <u><u>Mul</u><u>Da</u> ENVIRONMENTAL HEALTH ADVOCATES, INC.</u>	By: BEAUTY 21 COSMETICS, INC.
IT IS SO ORDERED.	
Date:	
	JUDGE OF THE SUPERIOR COURT

1 different methods for testing for asbestos levels in cosmetics, the Court, upon application by Beauty 2 21, shall modify Section 2.1 in accordance with such alternative compliance measures.

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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.

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RETENTION OF JURISDICTION

The Court shall retain jurisdiction of this matter to implement, enforce or modify the Consent Judgment.

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16	AGREED TO:	AGREED TO:
17		21.1
18	Date:	Date: 7/6/2023
19		
20	By: ENVIRONMENTAL HEALTH	By: BEAUTY 21 COSMETICS, INC.
21	ADVOCATES, INC.	
22	IT IS SO ORDERED.	
23		
24	Date:	
25		JUDGE OF THE SUPERIOR COURT
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10CONSENT JUDGMENT