

SETTLEMENT AGREEMENT
BETWEEN
CONSUMER ADVOCACY GROUP, INC.
AND
STATEMENT ACCESSORIES LLC DBA TRUE LOVE
ACCESSORIES

1. INTRODUCTION

1.1 Parties

Consumer Advocacy Group, Inc. (“CAG”) and Statement Accessories LLC dba True Love Accessories (“True Love”), (CAG and True Love collectively referred to as, the “Parties” and individually, each as a “Party”) enter into this agreement (“Settlement Agreement”) for the purpose of avoiding prolonged and costly litigation to settle CAG’s allegations that True Love violated the California Safe Drinking Water and Toxic Enforcement Act (Cal. Health & Safety Code § 25249.5, et seq. (“Proposition 65”). It is CAG’s position that it is a California-based entity that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.

1.2 Products Description

True Love previously distributed, imported and sold, at various times, purse products including but not limited to “Red Faux Leather Purse;” “True Love Accessories;” “D1519 C5442;” and “SKU 400233693114” (such products are collectively referred to throughout as the “Covered Products”). The Covered

Products are limited to those imported, distributed or sold by True Love and include any such Covered Products that were offered for sale in or into California by True Love's through its downstream resellers.

1.3 **General Allegations**

1.3.1 CAG alleges that Covered Products contain Di(2-ethylhexy)phthalate ("DEHP"), and that True Love did not provide a required warning in compliance with the California Safe Drinking Water and Toxic Enforcement Act (*Cal. Health & Safety Code* § 25249.5, *et seq.* ("Proposition 65")).

1.3.2 On January 1, 1988, the Governor of California added DEHP to the list of chemicals known to the State to cause cancer. On October 24, 2003 the Governor of California added DEHP to the list of chemicals known to the State to cause reproductive toxicity. These additions took place more than twenty (20) months before CAG served its "Sixty-Day Notice of Intent To Sue For Violations Of The Safe Drinking Water and Toxic Enforcement Act of 1986" which is further described below.

1.3.4 DEHP is referred to hereafter as the "Listed Chemical."

1.4 **Notice of Violation**

1.4.1 On or about December 23, 2021 (Attorney General Notice # 2021-03151), CAG served, True Love, Ross Dress for Less #0466, Ross Stores Inc., and Ross Dress for Less, and certain relevant public enforcement agencies with documents entitled "Sixty-Day Notice Of Intent To Sue For Violations Of The Safe

Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical (the “Notices”)

1.4.2 The Notices alleged that True Love and the other noticed parties violated Proposition 65 by failing to warn consumers in California that use of Covered Products exposes persons to the Listed Chemical.

1.4.3 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below concerning the Parties’ and the Covered Products’ compliance with Proposition 65 (the “Dispute”).

1.5 **No Admission**

1.5.1 By execution of this Settlement Agreement, the Parties do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission or evidence of fault, wrongdoing, or liability by True Love, its officers, directors, employees, or parents, subsidiaries, or affiliated corporations, in any administrative or judicial proceeding or litigation in any court, agency, or forum. Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense

that CAG or True Love may have against one another in any other pending legal proceeding as to allegations unrelated to the Dispute or claims released herein.

1.6 **Effective Date**

1.6.1 The effective date of this Settlement Agreement shall be the date of full execution of this Settlement Agreement by all Parties (the “Effective Date”).


2. **INJUNCTIVE RELIEF: REFORMULATION/WARNING**

2.1 **Reformulation Commitment**

True Love agrees, promises, and represents that after the Effective Date True Love shall reformulate any Covered Products manufactured after the Effective Date and offered for sale in California to a point where the level of DEHP in the Covered Products does not exceed 0.1% by weight.

2.2 **Proposition 65 Warning Requirements on existing inventory**

2.2.1 True Love agrees, promises, and represents that, as of the Effective Date, to the extent it ships or sells in or into California any Covered Products in existing inventory that have not been reformulated, it will provide warnings on such Covered Products that comply with Proposition 65. The warnings shall be provided in such a conspicuously and prominent manner that will assure the message is made available and likely to be read, seen, or heard by the consumer prior to or at the time of the sale or purchase. The Parties agree that the below warning language stating that:

 **WARNING:** This product can expose you to chemicals including Di(2-ethylhexyl) phthalate (DEHP), which is known to the State of California to cause cancer and reproductive harm. For more information go to www.P65Warnings.ca.gov.

shall constitute compliance with Proposition 65 with respect to the Listed Chemical in the Covered Products for any Covered Products in existing inventory that had not been reformulated and were distributed and/or sold by Releasees or Downstream Releasees after the Effective Date.

2.2 The same warning shall be posted on any websites where the Covered Products are sold in California. Such warning labels shall constitute compliance with Proposition 65 with respect to the Listed Chemical in the Covered Products for any Covered Products in existing inventory that had not been reformulated and were distributed and/or sold by Releasees after the Effective Date.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payment

3.1.1 True Love agrees to pay a total of Fifty-Two Thousand dollars (\$52,000) within ten (10) business days of the Effective Date by separate checks apportioned as follows:

3.1.2 True Love shall issue two separate checks for a total amount of Twelve Thousand dollars (\$12,000) as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of Nine Thousand dollars, (\$9,000), representing 75% of the total penalty; and (b) one check made payable to Consumer Advocacy Group, Inc. in the amount of Three Thousand Five Hundred thousand dollars (\$3,000), representing 25% of the total penalty. OEHHA's check shall be delivered to Office of Environmental Health Hazard Assessment P.O. Box 4010 Sacramento, CA 95812-4010, Attn: Mike

Gyurics. CAG's check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. Additionally, two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHHA, P.O. Box 4010 Sacramento, CA 95812-4010, Attn: Mike Gyurics (EIN: 68-0284486) in the amount of \$9,000. The second 1099 shall be issued in the amount of \$3,000 to CAG and delivered to Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212.

3.2 Attorneys' Fees and Costs

Forty Thousand dollars (\$40,000) of such payment shall be paid to Yeroushalmi & Yeroushalmi, as CAG's attorneys, for reasonable investigation fees and costs, attorneys' fees, and any other costs incurred as a result of investigating and bringing this matter to True Love's attention. The check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. By the Effective Date, Yeroushalmi & Yeroushalmi shall provide True Love with its Employer Identification Number.

4. APPLICATION OF SETTLEMENT AGREEMENT

This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, CAG and the Releasees identified in Section 5 below.

5. CLAIMS COVERED AND RELEASED

Notwithstanding the above, CAG may bring an action to enforce any breach of the monetary settlement terms in Section 3.0, above, upon five (5) business days written notice by CAG to True Love of the alleged breach in accordance with the

notification requirements set forth in Section 8.0, below. In case of any enforcement action, the prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

5.1 CAG's Release of True Love and Downstreams

5.1.1 This Settlement Agreement is a full, final, and binding resolution of all claims under Proposition 65 between CAG, on its own behalf, and True Love of any violation of Proposition 65 that was or could have been asserted by CAG, on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors and assignees, against True Love and each of True Love's respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, partners, owners, employees, attorneys, and licensors ("Releasees"), and each entity to whom True Love directly or indirectly distributes or sells the Covered Products, including, but not limited to, its downstream distributors, downstream wholesalers, customers, retailers (expressly including but not limited to Ross Stores Inc. and its parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors, successors, assignees, licensors, and each entity to which Ross Stores Inc. directly or indirectly distributes, ships or sells the Covered Products, including, but not limited to its parents, subsidiaries, and affiliates, and any downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees and their owners, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors,

successors, and assignees), franchisees, cooperative members and licensees (collectively, “Downstream Releasees”), based on the failure to warn about exposures to DEHP required under Proposition 65 in the Covered Products manufactured, sold or distributed for sale in California by True Love and/or the Releasees before the Effective Date, as alleged in the Notice.

5.1.2 CAG, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases with respect to the Covered Products all claims and rights to institute or participate in, directly or indirectly, any form of legal action, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys’ fees) (collectively “Claims”), against Releasees and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in respect of any Covered Products sold up to the Effective Date, only to the extent that such Claims relate to Releasees’ and/or Downstream Releasees’ alleged exposure of persons to the Listed Chemical contained in the Covered Products or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Products.

CAG acknowledges that it is familiar with Section 1542 of Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
THAT THE CREDITOR OR RELEASING PARTY DOES
NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
FAVOR AT THE TIME OF EXECUTING THE RELEASE
AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE

MATERIALLY AFFECTED HIS OR HER SETTLEMENT
WITH THE DEBTOR OR RELEASED PARTY.

CAG, its past and current agents, 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 the provisions of Civil Code § 1542 as well as under 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 released matters. The release in this section shall have no force or effect until the full amount of payments set forth in Section 3.0 are paid in full.

5.2 True Love's Release of CAG

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

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

7. GOVERNING LAW

The terms of this Settlement Agreement 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, preempted or is otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemical and/or the Covered Products, then True Love shall provide written notice to CAG of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected.

8. NOTIFICATION REQUIREMENTS

Any notice required or permitted hereunder shall be effective only if given in writing and delivered in person, certified or registered mail return receipt requested, or traceable overnight delivery service, to the following designees:

For CAG:

Reuben Yeroushalmi, Esq.
YEROUSHALMI & YEROUSHALMI
9100 Wilshire Boulevard, Suite 240W
Beverly Hills, CA 90212

For True Love:

Matthew Kenefick
Jeffer Mangels Butler & Mitchell LLP
Two Embarcadero Center, Fifth Floor
San Francisco, CA 94111
MKenefick@jmbm.com
415-984-9677

Any party may change its designee(s) for purposes of notification by providing written notice of such change pursuant to this section.

9. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document. A facsimile or portable document format (PDF) signature shall be as valid as the original.

10. REPORT OF THE SETTLEMENT AGREEMENT TO THE OFFICE OF THE ATTORNEY GENERAL OF CALIFORNIA

CAG shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' execution of this Settlement Agreement.

11. MODIFICATION OF SETTLEMENT AGREEMENT

Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

12. NEUTRAL CONSTRUCTION

Both Parties and their counsel have participated in the preparation of this Settlement Agreement and this Settlement Agreement is the result of the joint efforts of the Parties. This Settlement Agreement was subject to revision and modification by the Parties and has been accepted and approved as to its final form by both Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Settlement Agreement shall not be interpreted against any Party by virtue of its participation in the preparation of this Settlement Agreement. Each Party to this Settlement Agreement agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting party should not be employed in the interpretation of this Settlement Agreement and, in this regard, the Parties hereby waive California Civil Code Section 1654.

13. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all

related prior discussions, negotiations, commitments, and understandings. No other agreements, oral or otherwise, exist to bind any of the Parties.

14. AUTHORIZATION

CAG represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind CAG to this Settlement Agreement.

True Love represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind True Love to this Settlement Agreement.

CONSUMER ADVOCACY GROUP, INC.

Dated: _____

By: _____

Printed Name: _____

Title: _____

STATEMENT ACCESSORIES LLC DBA TRUE
LOVE ACCESSORIES

Dated: 11/7/22

By: 

Printed Name: RAYMOND BRANT

Title: PRESIDENT

CONSUMER ADVOCACY GROUP, INC.

Dated: 11/8/22

By: Michael Marcus

Printed Name: Michael Marcus

Title: Director

STATEMENT ACCESSORIES LLC DBA TRUE
LOVE ACCESSORIES

Dated: _____

By: _____

Printed Name: _____

Title: _____