

State of California - Department of Justice - Attorney General's Office - Proposition 65 Enforcement Reporting

Attention: Prop 65 Coordinator, 1515 Clay Street, Suite 2000, Oakland, CA 94612

FORM JUS 1501
(03-01)

PRIVATE ENFORCEMENT FILING - Health and Safety Code section 25249.7(e) and (f)

REPORT OF SETTLEMENT

Please print or type required information

Original Filing Supplemental Filing Corrected Filing

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PARTIES TO THE ACTION	PLAINTIFF(S) Monarch Action LLC				
	DEFENDANT(S) INVOLVED IN SETTLEMENT 3greenmoms LLC DBA Lunchskins				
CASE INFO	COURT DOCKET NUMBER n/a		COURT NAME n/a		
	SHORT CASE NAME n/a				
REPORT INFO	INJUNCTIVE RELIEF Reformulation and/or Warning label				
	PAYMENT: CIVIL PENALTY \$2,000		PAYMENT: ATTORNEYS FEES \$10,000	PAYMENT: OTHER 0.00	For Internal Use Only
	WILL SETTLEMENT BE SUBMITTED TO COURT? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	IF YES, AFTER ENTRY OF JUDGMENT BY COURT, REPORT OF ENTRY OF JUDGMENT MUST BE SUBMITTED TO ATTORNEY GENERAL		DATE SETTLEMENT SIGNED 5 / 22 / 2023	
	COPY OF SETTLEMENT MUST BE ATTACHED				
NAME OF CONTACT Daniel N. Greenbaum					
FILER INFO	ORGANIZATION Greenbaum Law Firm		TELEPHONE NUMBER 618 909-2199		
	ADDRESS 7120 Hayvenhurst Ave., Suite 320		FAX NUMBER (424) 243-7698		
	CITY Van Nuys	STATE CA	ZIP 91406	E-MAIL ADDRESS dgreenbaum@greenbaumlawfirm.com	

FILING INSTRUCTIONS: This form can be completed online and printed. If electronic filing is not available, mail the completed form with a copy of the settlement to the attention of the Prop 65 Coordinator at the address shown above. If you need additional space to complete this form please use an attachment.

SETTLEMENT AGREEMENT BETWEEN

MONARCH ACTION LLC AND 3GREENMOMS LLC d/b/a LUNCHSKINS

MONARCH ACTION LLC ("Monarch"), 3greenmomsLLC d/b/a Lunchskins ("Defendant"), (Monarch and Defendant collectively are referred to as the "Parties") enter into this agreement ("Settlement Agreement") for the purpose of avoiding prolonged and costly litigation to settle Monarch's allegations that Defendant violated the California Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code §25249.6 *et seq.* ("Proposition 65"). The effective date of this Settlement Agreement shall be the date upon which it is fully executed by all Parties hereto (the "Effective Date").

1.0 Introduction

1.1 Monarch 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 Monarch alleges that Defendant manufactures, imports, sells, or distributes for sale in the State of California paper straw products manufactured by or for Defendant, imported by or for Defendant, or distributed or sold by or for Defendant, including, but not limited to, Lunchskins Paper Straws, that are manufactured, sold, or distributed for sale in California by Defendant that contain Perfluorooctanoic Acid ("PFOA") without first providing a clear and reasonable warning as required by Proposition 65.

1.3 PFOA is listed pursuant to Proposition 65 as a chemical known to cause cancer and birth defects or other reproductive harm.

1.4 The product covered by this Settlement Agreement are paper straw products manufactured by or for Defendant, imported by or for Defendant, or distributed or sold by or for

Defendant to others, including, but not limited to, Lunchskins Paper Straws (the "Covered Product").

1.5 On February 25, 2022, the Governor of California added PFOA to the list of chemicals known to the State to cause cancer.

1.6 On November 10, 2017, the Governor of California added PFOA to the list of chemicals known to the State to cause reproductive toxicity.

1.7 PFOA is referred to hereinafter as the "Listed Chemical."

1.8 On or about March 30, 2022, Monarch issued several documents entitled "Sixty Day Notice Of Violation" ("Notice") advising FoodServiceDirect, Inc., The Kroger Company, Target Corporation, Amazon.com, Inc., Unbeatable.com, Inc. and certain relevant public enforcement agencies of its intent to sue for violations of Proposition 65 arising from or related to Covered Product containing the Listed Chemical. Defendant was the supplier of the Covered Product.

1.9 The Notice alleged Defendant violated Proposition 65 by failing to warn consumers in California that use of Covered Product exposed users to the Listed Chemical.

1.10 To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the same allegations against Defendant.

1.11 Defendant denies the material, factual and legal allegations contained in the Notice and maintains that all of the products that it has sold and distributed in California, including the Covered Product, are and have been in compliance with all laws.

1.12 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as alleged in the Notice and as set forth below concerning the Parties' and the Covered Product' compliance with Proposition 65 (the "Dispute").

1.13 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. Specifically, Defendant denies the material factual and legal allegations contained in the Notice and maintains that, to the best of its knowledge, all products that are or have been sold and distributed in California, including the Covered Products, have been and are in compliance with all laws and do not contain the Listed Chemical. Nothing in this Settlement Agreement shall be construed as an admission against interest by any Party of any fact, conclusion of law, issue of law, or violation of law.

1.14 Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission against interest or evidence of fault, wrongdoing, or liability by Defendant, its officers, directors, employees, or parents, subsidiaries, or affiliated corporations, or any person acting for Defendant, or any direct or indirect customer of Defendant who sold or sells the Covered Product, in any administrative or judicial proceeding or litigation in any court, agency, or forum.

1.15 Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that Monarch or Defendant may have against one another in any other legal proceeding as to allegations unrelated to the Dispute or claims released herein.

2.0 Release

2.1 This Settlement Agreement is a full, final, and binding resolution between Monarch, individually and (a) Defendant, and its owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, members, officers, directors, insurers, agents, attorneys,

predecessors, successors, and assigns (collectively the "Releasees"), and (b) all entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Product, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, vendors, purchasers, users, franchisers, dealers, shareholders, suppliers, customers, and licensees, including Amazon.com, Inc., UnbeatableSale.com, FoodServiceDirect, Inc., Target Corporation, and The Kroger Company ("Downstream Releasees"), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has been, or may in the future be asserted against the Releasees and/or Downstream Releasees regarding exposing persons to the Listed Chemical and the failure to warn about exposure to the Listed Chemical arising in connection with the Covered Product manufactured prior to the Effective Date, even if sold by Downstream Releasees after the Effective Date. The Parties agree that compliance with the terms of this Settlement Agreement by Defendant shall be deemed to be compliance with Proposition 65 by Releasees and Downstream Releasees with respect to any exposures to the Listed Chemical in the Covered Product manufactured after the Effective Date.

2.2 The Covered Product subject to this Settlement Agreement are limited to those manufactured by or for Defendant, or imported by or for Defendant, or distributed by or for Defendant, or sold by or for Defendant.

2.3 Monarch, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases with respect to the Covered Product all 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 the "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 Product manufactured up to the Effective Date, including without limitation 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 Product or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Product.

2.4 Monarch acknowledges that it is familiar with Section 1542 of the 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.

Monarch, its past and current agents, representatives, attorneys, successors, and/or assignees, in its individual capacity, 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.

3.0 Defendant's Duties

3.1 Commencing on the Effective Date, Defendant agrees to discontinue manufacturing or importing the Covered Products for sale.

3.2 The obligations of Section 3.1 do not apply to Covered Products that were manufactured prior to the Effective Date, and all claims as to such Covered Products are subject

to the release provisions in Section 2.0.

4.0 Payments

4.1 Payment from Defendant. Within ten (10) business days after the execution of this Settlement Agreement, Defendant shall make the Total Settlement Payment of \$14,000.00.

4.2 Allocation of Payments. The Total Settlement Payment shall be paid in separate checks made payable and allocated as follows:

4.2.1 Civil Penalty. Defendant shall pay \$2,000.00 as a civil penalty pursuant to Health & Safety Code § 25249.7(b). The civil penalty shall be apportioned in accordance with Health & Safety Code § 25249.12 (25% to Monarch and 75% to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of the civil penalty payment in the amount of \$1500.00 shall be made payable to OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be delivered as follows:

Attn: Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010, MS #19B
Sacramento, CA 95812-4010

The Monarch portion of the civil penalty payment in the amount of \$500.00 shall be made payable to Monarch Action LLC and associated with taxpayer identification number 81-0907002. This payment shall be delivered to the Greenbaum Law Firm, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406.

4.2.2 Attorney's Fees and Costs. A reimbursement of Monarch's attorney's fees and costs in the amount of \$10,000.00 payable to the "Greenbaum Law Firm," and associated with taxpayer identification number 46-4580172, as specified

below.

4.2.3 Payment in Lieu of Penalty. A payment to be made in lieu of penalties in the amount of \$2,000.00 payable to the "Greenbaum Law Firm," and associated with taxpayer identification number 46-4580172, as specified below.

4.2.4 Tax Forms: Additionally, two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of \$1500.00. The second 1099 shall be issued in the amount of \$500.00 to Monarch and delivered to: Greenbaum Law Firm, 7120 Hayvenhurst Avenue, Suite 320, Van Nuys, CA 91406.

4.3.4- All payments due from Defendant pursuant to this Paragraph 4.3 and its subparagraphs shall be sent to the Greenbaum Law Firm, 7120 Hayvenhurst Avenue, Suite 320 Van Nuys, CA 91406.

5.0 Report of the Settlement Agreement to the Office of the Attorney General

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

6.0 Execution in Counterparts and Facsimile

6.1 This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document.

6.2 A facsimile or portable document format (PDF) signature shall be as valid as the original.

7.0 Entire Agreement

7.1 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.

7.2 No other agreements, oral or otherwise, exist to bind any of the Parties.

8.0 Modification of Settlement Agreement

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

9.0 Application of Settlement Agreement

9.1 This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, Monarch and the Releasees and Downstream Releasees identified in Section 2 above. Defendant's compliance with this Settlement Agreement shall constitute compliance with Proposition 65 by the Releasees and Downstream Releasees with regard to the Listed Chemical in the Covered Product.

10.0 Enforcement of Settlement Agreement

10.1 Any Party may file suit before the Superior Court of the County of Los Angeles, consistent with the terms and conditions set forth in paragraphs 10.2 and 10.3 of this Settlement Agreement, to enforce the terms and conditions contained in this Settlement Agreement.

10.2 No action to enforce this Settlement Agreement may be commenced or maintained, and no notice of violation related to the Covered Product may be served or filed against Defendant by Monarch, unless the Party seeking enforcement or alleging violation notifies the other Party of the specific acts alleged to breach this Settlement Agreement at least 90 days before serving or filing any action or Notice of Violation and the entity receiving the notice fails to comply with the requirements set forth in Section 10.3 below. Any notice to Defendant alleging a new violation with respect to a Covered Product which is not subject to the

releases of claims herein must contain (a) the name of the product, including SKU if applicable, (b) specific dates when the product was sold after the Effective Date in California without reformulation or a warning, (c) the store or other place at which the product was available for sale to consumers, (d) evidence that Proposition 65 was violated, and (e) any other evidence or other support for the allegations in the notice.

10.3 Within thirty (30) days (or such additional time as the Parties may mutually agree upon) of receiving the notice described in Section 10.2, Defendant and Monarch shall meet and confer on the alleged violation. If Defendant refutes the alleged violation (for example, by establishing the Covered Product is subject to the releases of claims herein or by producing test results documenting the subject Covered Product meets the requirements of Proposition 65), no further action is necessary. If Monarch establishes the violation, then Defendant shall send the store or other place at which the product was available for sale to the public a letter directing that the subject product be immediately removed from inventory and returned to Defendant. Should the Parties be unable to resolve the dispute, any Party may seek relief under Section 10.1.

11.0 Notification Requirements

11.1 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 Monarch:

Daniel N. Greenbaum, Esq.
Law Office of Daniel N. Greenbaum
7120 Hayvenhurst Avenue, Suite 320
Van Nuys, CA 91406

For Lunchskins

Will Wagner

ARNOLD & PORTER
Three Embarcadero Center | 10th Floor
San Francisco, CA 94111-4024

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

12.0 SEVERABILITY

12.1 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.

13.0 GOVERNING LAW

13.1 The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. This Settlement Agreement shall have no application to Covered Product which are not sold to California consumers.

13.2 In the event that Proposition 65 is repealed, preempted, or otherwise rendered inapplicable by reason of law generally, or as to the Covered Product, then Defendant shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, any Covered Product that are so affected.

13.3 The Parties, including 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.

13.4 This Settlement Agreement was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel.

13.5 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 § 1654.


14.0 AUTHORIZATION

14.1 Each signatory to this Settlement Agreement certifies that he or she is fully authorized by the Party he or she represents to stipulate to this Settlement Agreement and to enter into and execute the Settlement Agreement on behalf of the Party represented and legally bind that Party.

14.2 The undersigned have read, understand, and agree to all of the terms and conditions of this Settlement Agreement.

14.3 Except as explicitly provided herein, each Party is to bear its own fees and costs.

AGREED TO:

Dated: 5/22/23	MONARCH ACTION LLC By: 
Dated: 5/19/23	3GREENMOMS LLC d/b/a LUNCHSKINS By: 