1 2 3 4 5 6 7 8	ENTORNO LAW, LLP Craig M. Nicholas (SBN 178444) Noam Glick (SBN 251582) Jake W. Schulte (SBN 293777) 225 Broadway, Suite 1900 San Diego, California 92101 Tel: (619) 629-0527 Email: craig@entornolaw.com Email: noam@entornolaw.com Email: jake@entornolaw.com  Attorneys for Plaintiff Environmental Health Advocates, Inc.		
9		THE STATE OF CALIFORNIA	
10	IN AND FOR THE COUNTY OF SANTA CRUZ		
11		Case No. 22CV02540	
12	ENVIRONMENTAL HEALTH ADVOCATES, INC.,	[PROPOSED] CONSENT JUDGMENT	
13	Plaintiff,	(Health & Safety Code § 25249.6 et seq. and	
14	v.	Code Civ. Proc. § 664.6)	
15	PERFUME WORLDWIDE, INC., a New		
16	York corporation, CARTER BEAUTY		
17	WALMART INC., a Delaware corporation, and DOES 1 through 100, inclusive,		
18	Defendants.		
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#### 1. INTRODUCTION

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This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA" or "Plaintiff") and Carter Beauty Cosmetics ("Defendant" or "Carter") with EHA and Carter each individually referred to as a "Party" and collectively referred to as the "Parties."

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.

Carter employs ten or more individuals and for purposes of this Consent Judgment only, 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").

# **General Allegations**

EHA alleges that Carter manufactures, imports, sells, and distributes for sale Carter Beauty Blusher Palette - Cupid that contains airborne, unbound particles of Titanium Dioxide ("TiO2"). EHA further alleges that Carter does so without providing a sufficient health hazard warning as required by Proposition 65 and related Regulations. Pursuant to Proposition 65, TiO2 is listed as a chemical known to cause cancer. Carter denies all allegations and asserts that its products are safe and in compliance with all applicable laws, rules and regulations.

#### Notice of Violation 1.5

On or around June 6, 2022, EHA served Carter, Walmart Inc., the California Attorney General, and all other required public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 ("Notice"). The Notice alleged that Carter had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to TiO2 contained in Carter Beauty Blusher Palette - Cupid.

On August 10, 2022, EHA served Carter, Walmart Inc., Perfume Worldwide, Inc., the California Attorney General and other requisite public enforcers with a 60-Day Amended Notice of

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Violation ("Amended Notice"). This amendment included the manufacturer Perfume Worldwide, Inc.

No public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

# **Product Description**

The products covered by this Consent Judgment are Carter Beauty Blusher Palettes manufactured by Carter, including but not limited to Carter Beauty Blusher Palette - Cupid.

#### State of the Pleadings 1.7

On or around November 15, 2022, EHA filed a Complaint against Carter for the alleged violations of Proposition 65 that are the subject of the Notice ("Complaint").

#### No Admission 1.8

Carter denies all factual and legal allegations of the Notice and Complaint and maintains that all of the products it has manufactured, imported, sold, and/or distributed for sale in California, including Covered Products, have been, and are, in compliance with all applicable laws, rules and regulations. 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 law, or violation of law. This Section shall not, however, diminish or otherwise affect Carter's obligations, responsibilities, and duties under this Consent Judgment.

#### Jurisdiction 1.9

For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this Court has jurisdiction over Carter as to the allegations in the Complaint, that venue is proper in the County of Santa Cruz, 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 this Consent Judgment is approved and entered as a judgment of the Court, as discussed in Section 5.

## 2. INJUNCTIVE RELIEF

## 2.1 Reformulation of the Covered Products

Commencing on August 1, 2024, or one year after the Effective Date, whichever is later, Defendant shall not sell any Covered Product that: (1) when measured using air capture, contains greater than 250 respirable-sized unbound TiO2 particles per liter (str/L) of air, or for elongate fibers of TIO2, greater than 75 str/L; or (2) when measured using bulk testing, greater 5.0 X 103 respirable-sized TiO2 unbound particles. This would be measured using either of the following methods:

### A. Air Capture

- Testing should be carried out in a sealed laboratory glovebox or containment free from external air movements or contaminates. Released particulate should be collected on a 25mm air monitoring cassette with a 0.45-micron MCE filter, connected to a personal air sampling pump calibrated to a flow rate of 2.0 L / min.
- 2. With the air sampling pump running, use a makeup applicator or brush and apply enough pressure to transfer the product onto the tool. Tap or blow off excess product. Simulate applying the product to a gloved hand or other nonporous surface located no more than 20 cm from the air cassette, for 10 minutes. Allow the air sampling pump to run for another 5 minutes with no disturbance of the product. Prepare the resulting filters from the air cassettes for TEM by collapsing the filter, coating with carbon evaporated in high vacuum (10-4 to 10-5 Pa), placing onto TEM grids, and dissolving away residual filter material. Particulate should be analyzed via a TEM with an acceleration voltage of 100KeV equipped with EDXA and SAED at magnifications of at least 15,000x. Calculated concentration should be made relevant to effective filter area (EFA) divided by the area analyzed, relative to the liters of air sampled, i.e., on a str/L basis.

#### B. Bulk Testing

Preparation for qualitative presence or absence and quantification of TiO2 particles
unbound in the respirable-size fraction by TEM are conducted as follows: The product is prepared for
analysis by weighing and suspending a portion of the suspect material in an alcohol/deionized water
mix. Measured aliquots of the sample suspension are then filtered through a 0.2 μm mixed cellulose
ester filter (MCE). It has been determined that the optimal range of material extracted from the product

falls between 10-50 mg suspended in a 400 mL 50/50 DI H2O/isopropyl alcohol solution\*, from which 1-5 mL aliquots are drawn and filtered. The final MCE filter is dried, collapsed with acetone, and coated with carbon in a vacuum evaporator. The fibers and solids collected on the carbon-coated filter replicate are transferred onto copper grids for TEM analysis.

- 2. The resulting preparation is then scanned to assure a particle loading of the filter between 5-15%, and then quantified by analysis, measuring lengths and widths and chemistries of particulate to determine overall percent TiO2 and size bin categorized for comparison with target value compliances. Only particles less than 10  $\mu$ m relative aerodynamic diameter not touching or adhering to other materials on the filter preparation that reveal only titanium (and oxygen) peaks by EDS will be considered for quantification. To observe and quantify all such structures down to unbound particles as small as 50 nm (minimum dimension of 0.050  $\mu$ m), the analysis should be conducted at 20-25,000x magnification. Sufficient area of the filter shall be analyzed to reach an analytical sensitivity of at least 5.0 X 103 RPTi/mg of product.
- 3. Products prepared and analyzed by this bulk screening protocol that are found to contain >5.0 X 103 RPTi /mg of product shall be deemed as "Fails TiO2 screening test", as would any product found to contain respirable titanium dioxide fibers (mineralogically, acicular to fibrous rutile) observed on the filter analyzed to the specified analytical sensitivity (5.0 X 103 RPTi /mg). Product samples thusly failing this standard would then be recommended for further testing to confirm releasability such as product use simulation in a controlled environment with appropriate air testing, etcetera. Alternatively, such products may be reformulated by the manufacturer or removed as noncompliant.

Should EHA reach a court-approved settlement with another cosmetics manufacturer alleging a violation of Proposition 65 with respect to TiO2, Defendant may comply with the reformulation standard in that settlement and will be deemed in compliance with Proposition 65.

Covered Products' compliance with the either the air capture or bulk testing standard set forth in this section constitutes compliance with Proposition 65 as to TiO2.

### 2.2 Clear and Reasonable Warnings

For Covered Products that contain TiO2 in a concentration exceeding the Reformulation Standard set forth in section 2.1 above ("non-reformulated Covered Products"), and which are

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distributed or directly sold by Carter in the State of California on or after the Effective Date, Carter shall provide one of the following warning statements.

#### Option 1:

WARNING: This product can expose you to chemicals including airborne, unbound particles particles of Titanium Dioxide, which is known to the State of California to cause cancer. For more information go to <a href="https://www.P65Warnings.ca.gov">www.P65Warnings.ca.gov</a>.

#### Option 2:

⚠WARNING: Cancer- <u>www.P65Warnings.ca.gov</u>.

This warning statement shall be prominently displayed on non-reformulated Covered Products, on the packing of the non-reformulated Covered Products, or on a placard, shelf tag, or sign provided that the statement is displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual prior to sale. If the warning statement is displayed on the non-reformulated Covered Products' packaging, it must be in a type size no smaller than the largest type size used for other consumer information on the product. In no case shall a warning statement displayed on the non-reformulated Covered Products' packaging appear in a type size smaller than 6-point type. The same warning shall be posted on any websites under the exclusive control of Carter where non-reformulated Covered Products are sold into California. Carter shall instruct any third-party website to which it directly sells its non-reformulated Covered Products that are not reformulated pursuant to Section 2.1 to include the same warning as a condition of selling the non-reformulated Covered Products in California. To the extent Carter supplies non-reformulated Covered Products sold on Walmart.com, or serves as a marketplace retailer selling non-reformulated Covered Products sold on Walmart.com, Carter must provide a clear and reasonable warning on Walmart.com for non-reformulated Covered Products sold on Walmart.com and shipped to a California address.

#### 2.3 Sell-Through Period

Notwithstanding anything else in this Consent Judgment, Covered Products that are manufactured, packaged, or put into commerce within one year of the Effective Date shall be subject

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to the release of liability pursuant to this Consent Judgment, without regard to when such Covered Products were, or are in the future, distributed or sold to customers. As a result, the obligations of Carter, or any Releasees (if applicable), stated in this Section 2 do not apply to Covered Products manufactured, packaged, or put into commerce up to one year after the Effective Date.

# 3. MONETARY SETTLEMENT TERMS

## 3.1 Settlement Amount

Carter shall pay sixty thousand dollars (\$60,000.00) 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 five thousand dollars (\$5,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorneys' fees and costs in the amount of fifty-five thousand dollars (\$55,000.00) 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

All payments owed to OEHHA (EIN: 68-0284486) shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

For Federal Express 2-Day Delivery:

Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment

#### 1001 I Street Sacramento, CA 95814

Carter agrees to provide EHA's counsel with a copy of the check payable to OEHHA, simultaneous with its penalty payment to EHA.

Plaintiff and its counsel will provide completed IRS 1099, W-9, or other tax forms as required.

Relevant information is set out below:

- "Environmental Health Advocates, Inc." (EIN: 84-2322975) at the address provided above.
- "Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.

### 3.3 Attorney's Fees and Costs

The portion of the settlement attributable to attorneys' fees and costs shall be paid to EHA's counsel, who are entitled to attorneys' fees and costs incurred by it in this action, including but not limited to investigating potential violations, bringing this matter to Carter's attention, as well as litigating and negotiating a settlement in the public interest.

Carter shall provide its payment for civil penalty and for attorneys' fees and costs to EHA's counsel as follows.

- The First Installment shall be in the amount of forty-five thousand dollars (\$45,000.00),
   payable to Entorno Law, LLP, within fourteen (14) days of the transmittal to Settling Defendant's counsel of the Effective Date.
- The Second Installment shall be in the amount of ten thousand dollars (\$10,000.00), payable to Entorno Law, LLP, within forty (40) days of the Effective Date ("Second Installment"). If the First Installment is timely made by Settling Defendant's or its counsel, then EHA's and its counsel agree to waive the Second Installment. The attorney fee payments shall be made payable to Entorno Law, LLP. The address for this entity is:

Noam Glick Entorno Law, LLP 225 Broadway, Suite 1900 San Diego, CA 92101

#### 4. CLAIMS COVERED AND RELEASE

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

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Plaintiff, acting on its own behalf and in the public interest, and on behalf of its past and current agents, representatives, attorneys, successors, and assigns, releases Carter, and its parents, subsidiaries, affiliated entities under common ownership or control, 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, uploads or places for sale, or sells the Covered Products, including but not limited to downstream distributors, wholesalers, customers, retailers (including Walmart Inc.), and marketplaces, 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 up through the Effective Date based on exposure to TiO2 from Covered Products as set forth in the Notice(s). Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to TiO2 from Covered Products as set forth in the Notice(s). This Consent Judgment is a full, final, and binding resolution of all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of Plaintiff and by any other citizen enforcer of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to TiO2 in Covered Products that were or could have been asserted against Carter and Releasees before the Effective Date.

## 4.2 EHA's Individual Release of Claims

EHA, in its individual capacity, and on behalf of its past and current agents, representatives, attorneys, successors, and assigns, also provides a release to Carter and 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 TiO2 in Covered Products manufactured, imported, sold, or distributed by Carter before the Effective Date,

## 4.3 Carter's Release of EHA

Carter 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 and its attorneys and other representatives related to the Notices or the Complaint, for any and all actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against them, in this matter or with respect to the Covered Products.

# 4.4 No Other Known Claims or Violations

EHA and EHA's counsel affirm that they are not presently aware of any actual or alleged violations of Proposition 65 by Carter or for which Carter bears legal responsibility other than those that are fully resolved by this Consent Judgment.

### 5. <u>COURT APPROVAL</u>

This Consent Judgment is not effective and the Parties shall have no obligations thereunder, unless and until the Court adopts and enters this Consent Judgment as one of the Court's, 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. Upon the Court's execution of this Consent Judgment, EHA shall dismiss the entire action against all Defendants, including Carter, Perfume Worldwide, Inc., and Walmart Inc., with prejudice.

### 6. <u>SEVERABILITY</u>

Subsequent to the Court's approval and entry of this Consent Judgment, if any provision is held 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 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 Carter may provide written notice to EHA of any asserted change, and shall have no further injunctive obligations

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 TiO2 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 TiO2 in Covered Products or Covered Products substantially similar to Covered Products, then Carter shall be relieved of its obligation to comply with Section 2 herein.

## 8. ENFORCEMENT

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. NOTICE

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; and (iv) with a copy by email; to the following addresses:

If to Carter:	If to EHA:
Jacques Catafago, Esq.	Noam Glick
Catagago Fini LLP	Entorno Law, LLP
One Grand Central Place, 47th Floor	225 Broadway, Suite 210
New York NV 10165	San Diego, CA 92101

New York, NY 10165 San Diego, CA 92101 noam@enteronolaw.com

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

#### 10. COUNTERPARTS; DIGITAL SIGNATURES

This Consent Judgment may be executed in counterparts and by facsimile signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

# 11. POST EXECUTION ACTIVITIES

EHA agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which motion EHA shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually employ their reasonable best efforts, including those of their counsel, to support the entry of this agreement as judgment, and to obtain 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 objection that any third-party may make, and appearing at the hearing before the Court if so requested.

## 12. MODIFICATION

This Consent Judgment may be modified by: (i) a written agreement of the Parties and entry of a modified consent judgment thereon by the Court; or (ii) a successful motion or application of any Party, and the entry of a modified consent judgment thereon by the Court.

#### 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. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet and confer in person, or by telephone, and/or in writing and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand.

#### 15. ENTIRE AGREEMENT

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.

1	AGREED TO:	AGREED TO:
2	Date: 01/24/2023	Date: 27.01.2023
3	Date: 01/24/2023	Date: LI.OI.DU
4	By: FrelDa	By: Kosens Helest
5	ENVIRONMENTAL HEALTH ADVOCATES, INC.	CARTER BEAUTY COSMETICS
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8	IT IS SO ODDEDED	
9	IT IS SO ORDERED.	
10	Date:	
11		JUDGE OF THE SUPERIOR COURT
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21		Settlement - 50,000 USD
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