1	ENTORNO LAW, LLP Craig M. Nicholas (SBN 178444)	
2	Noam Glick (SBN 251582)	
3	Jake W. Schulte (SBN 293777) Janani Natarajan (SBN 346770)	
4	225 Broadway, Suite 1900 San Diego, California 92101	
5	Tel: (619) 629-0527 Email: craig@entornolaw.com	
6	Email: noam@entornolaw.com	
7	Email: jake@entornolaw.com Email: janani@entornolaw.com	
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9	Attorneys for Plaintiff Environmental Health Advocates, Inc.	
10	CUDEDIAD COURT OF	THE CTATE OF CALLEODNIA
11	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
12		UNTY OF CONTRA COSTA
13	ENVIRONMENTAL HEALTH ADVOCATES, INC.,	Case No. N22-2241
14	Plaintiff,	[PROPOSED] AMENDED CONSENT JUDGMENT
15	V.	(Health & Safety Code § 25249.6 et seq. and
16	KARA BEAUTY, INC., a California	Code Civ. Proc. § 664.6)
17 18	corporation; T.J. MAXX OF CA, LLC, a Virginia limited liability company; and DOES 1 through 100, inclusive,	
19	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 Kara Beauty, Inc. ("Defendant" or "Kara") with EHA and Kara each individually referred to as a "Party" and collectively referred to as the "Parties."

### 1.2 Plaintiff

EHA alleges it is a corporation organized in the state of California, acting in the interest of the general public. EHA alleges 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

EHA alleges Kara 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 Kara manufactures, imports, sells, and distributes for sale powdered face makeup that contains airborne, unbound particles of Titanium Dioxide of respirable size ("TiO2"). EHA further alleges that Kara 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. Kara denies these allegations and asserts that its products are safe and in compliance with all applicable laws, rules, and regulations.

### 1.5 Notice of Violation

On or around August 29, 2022 and April 24, 2023, EHA alleges it served Kara, T.J. Maxx of CA, LLC ("TJX"), the California Attorney General, and all other required public enforcement agencies with 60-Day Notices of Violation of Proposition 65 ("Notices"). The Notices alleged that Kara had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to TiO2 contained in powdered face makeup including—without limitation—"Kara Beauty With You Shadow Palette."

Upon information and belief, no public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notices.

## 1.6 Product Description

The products covered by this Consent Judgment are powdered face makeup containing Titanium Dioxide, manufactured, imported, sold, and/or distributed by Kara, including but not limited to eyeshadow palettes, face palettes, blushes, highlighters, contours, powders, bronzers, eyebrow products, eyeshadows, loose glitters, and loose pigments, and specifically including "Kara Beauty With You Shadow Palette" ("Covered Products").

## 1.7 State of the Pleadings

On or around November 16, 2022, EHA filed a Complaint against Kara for the alleged violations of Proposition 65 that are the subject of the Notices ("Complaint").

## 1.8 No Admission

Kara denies the material factual and legal allegations of the Notices 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 Kara's obligations, responsibilities, and duties under this Consent Judgment.

### 1.9 Jurisdiction

For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this Court has jurisdiction over Kara as to the allegations in the Complaint, that venue is proper in the County of Contra Costa, 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.

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#### 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.

#### INJUNCTIVE RELIEF 2.

#### 2.1 **Reformulation of the Covered Products**

Except as specified in Paragraph 2.2, commencing one year after the Effective Date (the "Compliance Date"), 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

- 1. 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

1. 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, in its sole discretion, with the reformulation/testing standard in that settlement and will be deemed in compliance with Proposition 65.

Covered Products' compliance with the standard set forth in this section constitutes compliance with Proposition 65 as to TiO2.

If, despite reasonable good-faith efforts, Kara is unable to achieve the reformulation levels or employ the testing methodology set forth in Section 2.1 by the Compliance Date, Kara will have the option of filing a motion to modify this Consent Judgment and pursue a reformulation level and testing methodology subject to Court approval. Kara shall provide at least 21 days' notice to EHA of any planned motion to modify the reformulation standard, and EHA may file an objection at its discretion. If Kara files a motion to modify the reformulation standard, it must provide the California Attorney General with a copy of the motion and supporting documents at least 45 days prior to the date of the hearing of the motion for judicial approval.

## 2.2 Clear and Reasonable Warnings

For Covered Products that contain TiO2 in a concentration that may exceed the reformulation standard set forth in section 2.1 above, and which are distributed or directly sold by Kara in the State of California on or after the Compliance Date, Kara shall provide one of the following warning statements.

### **Option 1:**

WARNING: This product can expose you to chemicals including Titanium dioxide (airborne, unbound particles particles of respirable size), 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 the Covered Products, on the packaging of the 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 a short form warning statement (i.e., Option 2) is displayed on the 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 short form warning statement displayed on the Covered Products' packaging appear in a type size

smaller than 6-point type. The same warning used on the Covered Product shall be posted on any websites under the exclusive control of Kara where Covered Products are sold into California. Kara shall instruct any third-party website to which it directly sells its Covered Products to California residents to include the same warning as a condition of selling the Covered Products in California. Third-party websites which receive an instruction from Kara to include a warning but fail to do so will not receive the benefits of any of the "Release" provisions set forth in Paragraph 4.

The warning requirements set forth herein are imposed pursuant to the terms of this Consent Judgment and are recognized by the Parties as not being the exclusive manner of providing a "clear and reasonable" Proposition 65 warning for the Covered Products. Warnings may also be provided in any manner authorized by the Proposition 65 Regulations, as may be amended in the future, or pursuant to any settlement agreement or consent judgment involving TiO2.

## 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 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 Kara, 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

Kara shall pay seventy-five thousand dollars (\$75,000.00) in settlement and total satisfaction of all the claims referred to in the Notices, the Complaint, and this Consent Judgment. This includes civil penalties in the amount of seven thousand dollars (\$7,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorneys' fees and costs in the amount of sixty-eight thousand dollars (\$68,000.00) 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

1	to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining	
2	twenty-five percent (25%) of the penalty paid to EHA individually.	
3	All payments owed to EHA shall be delivered to the following address:	
4 5	Environmental Health Advocates 225 Broadway, Suite 2100 San Diego, CA 92101	
6	All payments owed to OEHHA (EIN: 68-0284486) shall be delivered directly to OEHHA	
7	(Memo Line "Prop 65 Penalties") at the following addresses:	
8	For United States Postal Service Delivery:	
9	Mike Gyurics	
10	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment	
11	P.O. Box 4010 Sacramento, CA 95812-4010	
12	For Federal Express 2-Day Delivery:	
13	Mike Gyurics Fiscal Operations Branch Chief	
<ul><li>14</li><li>15</li></ul>	Office of Environmental Health Hazard Assessment 1001 I Street Sacramento, CA 95814	
16	Kara agrees to provide EHA's counsel with a copy of the check payable to OEHHA	
17	simultaneous with its penalty payment to EHA.	
18	Plaintiff and its counsel will provide completed IRS 1099, W-9, or other tax forms as required	
19	Relevant information is set out below:	
20	• "Environmental Health Advocates, Inc." (EIN: 84-2322975) at the address provided above.	
21	"Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.	
22	3.3 Attorney's Fees and Costs	
23	The portion of the settlement attributable to attorneys' fees and costs shall be paid to EHA's	
24	counsel, who allege they are entitled to attorneys' fees and costs incurred by it in this action, includin	
25	but not limited to investigating potential violations, bringing this matter to Kara's attention, as well as	
26	litigating and negotiating a settlement in the public interest.	
27	Kara shall provide its payment for civil penalty and for attorneys' fees and costs to EHA's	

counsel as follows. Payment may be by physical check or by electronic means, including wire transfers,

at Kara's discretion: five thousand two hundred and fifty dollars (\$5,250.00) payable to OEHHA as a civil penalty; one thousand seven hundred and fifty dollars (\$1,750.00) payable to EHA pursuant to Health and Safety Code section 25249.12(d), and sixty-eight thousand dollars (\$68,000.00) payable to Entorno Law, LLP, within fourteen (14) days of the Effective Date.

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. <u>CLAIMS COVERED AND RELEASED</u>

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

Plaintiff, acting on its own behalf and in the public interest, releases Kara, 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, or sells the Covered Products, including but not limited to downstream distributors, wholesalers, customers, retailers (including TJX, its parents, subsidiaries, and related entities), and marketplaces franchisees, franchisors, cooperative members, suppliers, licensees, and licensors, each entity from whom Defendant directly or indirectly obtains the Covered Products, including but not limited to upstream manufacturers and suppliers, 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 Compliance Date based on exposure to TiO2 from Covered Products as set forth in the Notices. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to TiO2 from Covered Products. This Consent Judgment is a full, final, and binding resolution of all claims under Proposition 65 that were or could have been asserted against

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Kara and/or Releasees for failure to comply with Proposition 65 for alleged exposure to TiO2 from Covered Products.

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

EHA, in its individual capacity, also provides a release to Kara 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 TiO2 in Covered Products manufactured, imported, sold, or distributed by Kara before the Compliance Date.

#### 4.3 Kara's Release of EHA

Kara on its own behalf, and on behalf of Defendant Entities 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, 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 Kara or for which Kara bears legal responsibility other than those that are fully resolved by this Consent Judgment.

#### 4.5 **Mutual Release of Unknown Claims**

The Parties, acting on behalf of themselves as private parties only, certify that they have read the following provisions of California Civil Code Section 1542:

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.

The Parties expressly waive and relinquish all rights and benefits which they may have under California Civil Code Section 1542 to the full extent such provisions may lawfully be waived.

## 5. 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.

## 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 Kara 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 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 Kara shall be relieved of its obligation to comply with Section 2 herein.

## 8. <u>ENFORCEMENT</u>

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:

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## 13. **AUTHORIZATION** 1 The undersigned are authorized to execute this Consent Judgment and acknowledge that they 2 have read, understand, and agree to all of the terms and conditions contained herein. 3 14. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES 4 If a dispute arises with respect to either Party's compliance with the terms of this Consent 5 Judgment entered by the Court, the Parties shall meet and confer in person, or by telephone, and/or in 6 7 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. 8 15. **ENTIRE AGREEMENT** 9 This Consent Judgment contains the sole and entire agreement and understanding of the Parties 10 with respect to the entire subject matter herein, and any and all prior discussions, negotiations, 11 commitments, and understandings related hereto. No representations, oral or otherwise, express or 12 implied, other than those contained herein have been made by any Party. No other agreements, oral or 13 otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party. 14 15 **AGREED TO: AGREED TO:** 16 Date: 17 18 By: \_\_\_\_\_KARA BEAUTY, INC. By: 19 ENVIRONMENTAL HEALTH ADVOCATES, INC. 20 IT IS SO ORDERED. 21 22 Date: 23 JUDGE OF THE SUPERIOR COURT 24 25 26 27

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