1 2 3 4 5 6 7 8 9 10 11	Laralei S. Paras, State Bar No. 203319 Brian C. Johnson, State Bar No. 235965 SEVEN HILLS LLP 4 Embarcadero Center, Suite 1400 San Francisco, CA 94111 Telephone: (415) 926-7247 laralei@sevenhillsllp.com brian@sevenhillsllp.com Attorneys for Plaintiff KEEP AMERICA SAFE AND BEAUTIFUL Kristin Larson, State Bar No. 218716 Lisa M. Northrup, State Bar No. 293784 STRADLING YOCCA CARLSON & RAUTH 800 Anacapa Street, Suite A Santa Barbara, CA 93101 San Diego, CA 92101 Telephone:			
	Attorneys for Defendant:			
12	KINGPIN TATTOO SUPPLY, LLC			
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14	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
15	COUNTY OF SAN FRANCISCO – UNLIMITED CIVIL JURISDICTION			
16	KEEP AMERICA SAFE AND BEAUTIFUL,	Case No. CGC-23-609937		
17	Plaintiff,	[PROPOSED] CONSENT JUDGMENT		
18	V.	(Health & Safety Code § 25249.6 et seq. and		
19	KINGPIN TATTOO SUPPLY, LLC; and	Code of Civil Procedure § 664.6)		
20	DOES 1-30, inclusive,			
21	Defendants.			
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	CONSENT JUDGMENT			

#### 1. **INTRODUCTION**

2 This Consent Judgment ("Agreement") is entered into by and between plaintiff Keep America Safe and Beautiful ("KASB") and defendant Kingpin Tattoo Supply, LLC ("Kingpin"), with KASB and Kingpin each individually referred to as a "Party" and collectively, as the "Parties," to resolve the allegations in the First Amended Complaint in compliance with the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6 et seq. ("Proposition 65"). 6

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#### 1.1 **The Parties**

KASB is a California-based non-profit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure chemicals known to the State of California to cause cancer, birth defects or other reproductive harm are disclosed or eliminated from consumer products sold in California. Kingpin is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

#### 1.2 **Consumer Product Description**

KASB alleges that Kingpin manufactures, imports, distributes and sells vinyl/PVC aprons containing di(2ethylhexyl) phthalate ("DEHP") and diisononyl phthalate ("DINP") including, but not limited to, Half Body Tattoo Apron-Black, SKU: TA-HB-BLK, in California without providing the health hazard warning required by California Health & Safety Code § 25249.5 et seq. ("Proposition 65"). Kingpin's aprons are referred to hereinafter as the "Products." Di(2-ethylhexyl) phthalate ("DEHP") is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm for exposures to DEHP. Diisononyl phthalate ("DINP") is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer.

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## **Notices of Violation**

On March 17, 2023, KASB allegedly served Kingpin, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice") and, on October 6, 2023, KASB served the same parties and entities with an Amended 60-Day Notice of Violation ("Amended Notice"). The Notice and Amended Notice are referred to collectively hereinafter as the "Notices," alleging Kingpin violated Proposition 65 by failing to warn its customers and consumers in California that its Products can expose users to DEHP and/or DINP. To the parties'

knowledge, no public enforcer has commenced and is diligently prosecuting an action to enforce the
 allegations in the Notices.

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## 1.4 Complaint and First Amended Complaint

On October 23, 2023, KASB commenced the instant action (the "Complaint") naming Kingpin as a defendant for the alleged violations of Proposition 65 that are the subject of the Notice. On December 18, 2023, KASB filed the operative First Amended Complaint for Civil Penalties and Injunctive Relief ("FAC") in this action.

1.5 No Admission

9 Kingpin denies the factual and legal allegations contained in the Notices, Complaint, and First Amended Complaint and maintains that all products it has sold or distributed for sale in 10 11 California, including the Products, have been, and are, in compliance with all applicable laws. 12 Nothing in this Consent Judgment shall constitute or be construed as, nor shall compliance with this 13 Consent Judgment constitute or be construed as, an admission by Kingpin of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or 14 15 otherwise affect the Parties' obligations, responsibilities, and duties as set forth with specificity in this Consent Judgment. 16

## 1.6 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the Parties as to the allegations contained in the First Amended Complaint; that venue is proper in San Francisco County; 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 § 664.6.

1.7 Effective Date

For purposes of this Agreement, "**Effective Date**" shall mean the date on which KASB serves notice on Kingpin of the Court's approval of this Consent Judgment and entry of judgment pursuant to its terms.

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## **2.** <u>INJUNCTIVE RELIEF</u>

### 2.1 Reformulation Standard

3 For purposes of this Consent Judgment, "Reformulated Products" are defined as Products which, if they contain di(2-ethylhexyl) phthalate ("DEHP") and/or diisononyl phthalate ("DINP"), 4 5 the maximum concentration of DEHP and/or DINP shall each be less than or equal to 0.1 percent 6 (1,000 parts per million) when analyzed by a laboratory certified or accredited by the State of 7 California, the United States Food and Drug Administration/Environmental Protection Agency, the 8 National Environmental Laboratory Accreditation Program, or a member accreditation body of the 9 International Laboratory Accreditation Cooperation ("ILAC"). For purposes of compliance with this 10 reformulation standard, testing samples shall be prepared and extracted using methodologies 11 generally accepted by federal or state government agencies to determine phthalate content in a solid 12 substance.

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## 2.2 Clear and Reasonable Warnings Requirements

14 Beginning fourteen (14) days after the Effective Date, and continuing thereafter, Kingpin shall not sell in California, import for sale in California, or permit distribution for sale in California, 15 Products that are not Reformulated Products unless such Products are accompanied by clear and 16 17 reasonable warnings for all such Products provided for sale to customers in California in accordance 18 with this Section pursuant to Cal. Code Regs, tit. 27, § 25600, et seq. As used in this Agreement, 19 "distribute for sale in California" means to directly ship Product(s) into California, to sell 20 Product(s) to consumers in California through an e-commerce platform, or to sell Products to a 21 retailer or distributor Kingpin knows or reasonably should know will sell in or into California. Each 22 warning shall be prominently placed with such conspicuousness as compared with other words, statements, or designs as to render it likely to be seen, read, and understood by an ordinary individual under customary conditions before purchase or use and shall be provided in a manner such that it is clearly associated with the specific Product to which the warning applies.

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**2.2.1 Option 1**. The Product warning may state:

▲ WARNING: This product can expose you to chemicals including di(2-ethylhexyl) phthalate (DEHP), which are known to the State of California to cause cancer and birth defects or other reproductive harm and diisononyl phthalate (DINP) which is known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.

The pictogram specified in Section 2.2.1 shall be in yellow with a black exclamation mark, *provided however*, the pictogram may be white instead of yellow if the Product label does not contain the color commonly referred to as yellow. The warning provided pursuant to Section 2.2.1 must include the word "WARNING:" in all capital letters and in bold font, followed by a colon. The pictogram specified in Section 2.2.1 must be in a size no smaller than the height of the word "WARNING:."

2.2.2 Option 2. If the Office of Environmental Health Hazard Assessment ("OEHHA") promulgates one or more regulations requiring or permitting specific safe harbor warning text and/or methods of transmission for DEHP and/or DINP different than those set forth above, Kingpin shall be entitled to use such other specific safe harbor warning text and/or methods of transmission without being deemed in breach of this Agreement.

**2.2.3 Foreign Language Requirement.** Where a consumer product sign, label or tag used to provide a warning includes "consumer information," as the term is defined in Cal. Code Regs, tit. 27, § 25600.1(c) ("**Consumer Information**"), in languages other than English, then the accompanying warnings must also be provided in those languages, in addition to English.

2.2.4 On-Product Warning Requirements. Kingpin or its designee shall affix a warning on the Product Label, its packaging or directly on each Product that is manufactured, imported, distributed, sold, or otherwise provided for sale to consumers in California. "Product Label" is defined as a display of written, printed, or graphic material that is printed on, or affixed to, or clearly associated with a Product. The entire warning shall appear in at least 6-point type.

25 2.2.5 Internet Product Warning Requirements. For all Products that are not
26 Reformulated Products sold or offered for sale fourteen (14) days after the Effective Date via the
27 internet to customers located in California, or sold in or into California through third-party websites
28 over which Kingpin has the ability to control the application of warnings, Kingpin shall provide

1 warnings both on the Product label in accordance with Section 2.2.4 and by prominently displaying 2 the warning to customers on the webpage prior to purchase or during the checkout process. For third-3 party websites, that Kingpin knows or reasonably should know will sell Products to consumers in California, as a condition of sale, Kingpin shall notify such sellers the Products must be accompanied 4 by a visible warning, prior to sale, in or into California pursuant to Section 2.2. 5

#### 2.3 **Compliance with Warning Regulations**

Kingpin shall be deemed to be in compliance with warning requirements pursuant to this 8 Agreement by complying with warning requirements set forth in Section 2.2.

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#### 2.4 **Grace Period of Existing Inventory**

The injunctive requirements of Section 2 shall not apply to the Products that are already in the stream of commerce as of the Effective Date, which Products are expressly subject to the releases provided in Section 4.

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## MONETARY SETTLEMENT TERMS

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#### 3.1 **Total Settlement Amount**

In full satisfaction of all potential civil penalties, additional settlement payments, attorney fees, and costs, within twenty (20) days of the Effective Date, Kingpin shall make a total payment of thirty one thousand dollars (\$31,000) (the "Total Settlement Amount"), apportioned into a Civil Penalty, and Attorney Fees and Costs as set forth in Paragraphs 3.2 and 3.4, below.

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#### 3.2 **Civil Penalty Payment**

Pursuant to California Health and Safety Code § 25249.7(b)(2), and in settlement of all claims 20 alleged in the Notices, Complaint, and First Amended Complaint, or referred to in this Agreement, Kingpin agrees to pay \$2,000 in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code §§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to OEHHA and the remaining 25% retained by KASB. Within twenty (20) days of the Effective Date, Kingpin shall issue two separate checks for the civil penalty payment to (a) "OEHHA" in the 26 amount of \$1,500 and (b) "Seven Hills LLP in trust for Keep America Safe and Beautiful" in the amount of \$500.

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1	3.3 Civil Penalty Payment Addresses			
2	All payments owed to OEHHA (EIN: 68-0284486) shall be delivered directly to OEHHA			
3	(Memo Line "Prop 65 Penalties") at the following addresses:			
4	For United States Postal Service Delivery: For Non-United States Postal Service Delivery:			
5	Mike Gyurics Mike Gyurics			
6	Fiscal Operations Branch ChiefFiscal Operations Branch ChiefOffice of Environmental Health HazardOffice of Environmental Health Hazard			
7	Assessment Assessment P.O. Box 4010 1001 I Street			
8	Sacramento, CA 95812-4010 Sacramento, CA 95814			
9	3.4 Attorney Fees and Costs			
10	Within twenty (20) days of the Effective Date, Kingpin shall pay the total of \$29,000 to			
11	KASB and its counsel as a complete reimbursement for KASB's attorney's fees and costs incurred in			
12	investigating, bringing this matter to the attention of Kingpin, and negotiating a settlement. Kingpin's			
12	payment shall be delivered in the form of one check for \$29,000 payable to "Seven Hills LLP." All			
13	payments required under Section 3.2 to KASB and 3.4 shall be delivered to:			
15	Seven Hills LLP			
	Attn: Laralei Paras 4 Embarcadero Center, Suite 1400			
16	San Francisco, CA 94111			
17	3.5 Tax Documentation			
18	Kingpin agrees to provide a completed IRS 1099 for its payments to, and KASB agrees to			
19	provide IRS W-9 forms for, each of the payees under this Settlement Agreement. The Parties			
20	acknowledge that Kingpin cannot issue any settlement payments pursuant to Section 3.1 through 3.3			
21	above until after Kingpin receives the requisite W-9 forms from KASB's counsel.			
22	4. <u>CLAIMS COVERED AND RELEASED</u>			
23	4.1 KASB's Release of Proposition 65 Claims			
24	This Consent Judgment is a full, final, and binding resolution of the claims that were or could			
25	have been asserted by KASB arising out of the allegations in the Notices, Complaint, and First			
26	Amended Complaint. KASB, acting on its own behalf, in the public interest, and on behalf of its past			
27	and current agents, representatives, attorneys, successors and assignees ("Releasors") releases			
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1 Kingpin, its past and present directors, officers, managers, employees, representatives, agents, 2 attorneys and their predecessors, successors and assigns, and each downstream entity to whom Kingpin directly or indirectly distributed or sold the Products including, but not limited to, its 3 downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and 4 licensees ("Kingpin Releasees") claims based on the non-compliance with Proposition 65 for alleged 5 exposures to DEHP and DINP in the Products sold or distributed for sale in California before the 6 7 Effective Date, as set forth in the Notices, Complaint, and First Amended Complaint. The Parties 8 further agree that compliance with this Agreement shall be deemed compliance with Proposition 65 9 with respect to alleged exposures to DEHP and DINP in the Products except that any e-commerce 10 website to which Kingpin provides the notice in Title 27 Cal. Code of Regulations section 25602(b) and which does not provide the warning required by that section, shall not be released for future sales 11 of the Products. 12

13 In further consideration of the agreements herein contained, KASB on its own behalf and not 14 on behalf of the public, and on behalf of its past and current agents, representatives, attorneys, 15 successors and assignees, but not in the public interest, hereby releases waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action, and releases all 16 17 claims against Kingpin Releasees including, without limitation, all actions and causes of action, suits, 18 liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses including, but 19 not exclusively, investigation fees, expert fees and attorney fees of any nature whatsoever, known or 20 unknown, in law or equity, fixed or contingent, now or in the future arising under Proposition 65 with 21 respect to the alleged or actual failure to warn about exposures to DEHP and/or DINP in the Products 22 manufactured, distributed, sold or offered for sale by Kingpin, or otherwise in the stream of 23 commerce, before the Effective Date. This general release of the Kingpin Releasees shall be effective as a full and final accord and satisfaction, as a bar to all claims of any nature, character or kind, 24 known or unknown, suspected or unsuspected, arising out of alleged violations of Proposition 65 with 25 26 respect to the Products manufactured, distributed, sold or offered for sale by Kingpin, before the 27 Effective Date. KASB certifies that it has read the provisions of California Civil Code Section 1542

1 and have consulted its own counsel regarding that section. KASB waives any and all rights under 2 California Civil Code Section 1542, which states:

# 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.

8 KASB has made an investigation of the facts pertaining to this Agreement and to the released claims 9 as it deems necessary. KASB is aware that it may hereafter discover facts in addition to, contrary to, 10 or different from those it now knows or believes to be true with respect to the matters set forth herein. Nevertheless, it is the intention of KASB to fully, finally, and forever settle and release all claims of 12 any kind or nature whatsoever that were in existence as of the Effective Date of this Agreement. In 13 furtherance of the Parties' intent, the release in this Agreement shall remain in full and complete effect notwithstanding the discovery or existence of any additional, contrary, or different facts. 14

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#### 4.2 **Kingpin's Release of KASB**

16 Kingpin on its own behalf and on behalf of its past and current agents, representatives, 17 attorneys, successors, and assignees, hereby waives any and all claims against KASB and its 18 attorneys and other representatives, for any and all actions taken or statements made by KASB and its 19 attorneys and other representatives prior to the Effective Date whether in the course of investigating 20 claims or otherwise seeking to enforce Proposition 65 against it in connection with the Products provided such statements are not subject to a Confidentiality Agreement between the Parties. This 22 release of KASB shall be effective as a full and final accord and satisfaction, as a bar to all claims of 23 any nature, character or kind, known or unknown, suspected or unsuspected, arising out of alleged 24 violations of Proposition 65 with respect to the Products manufactured, distributed, sold or offered for 25 sale by Kingpin, before the Effective Date. Kingpin certifies that it has read the provisions of California Civil Code Section 1542 and have consulted its own counsel regarding that section. Kingpin waives any and all rights under California Civil Code Section 1542, which states:

# 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.

Kingpin has made an investigation of the facts pertaining to this Agreement and to the released 6 claims as it deems necessary. Kingpin is aware that it may hereafter discover facts in addition to, contrary to, or different from those it now knows or believes to be true with respect to the matters set forth herein. Nevertheless, it is the intention of Kingpin to fully, finally, and forever settle and release all claims of any kind or nature whatsoever that were in existence as of the Effective Date of this Agreement. In furtherance of the Parties' intent, the release in this Agreement shall remain in full and complete effect notwithstanding the discovery or existence of any additional, contrary, or different facts.

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#### 4.3 **Public Benefit**

It is the Parties' understanding that the commitments Kingpin has agreed to herein, and the actions to be taken by Kingpin under this Agreement, confer a public benefit to the general public as set forth in Cal. Code of Civ. Proc. § 1021.5 and Cal. Admin. Code tit. 11, § 3201.

#### 5. **COURT APPROVAL**

#### 5.1 **Entry of Consent Judgment**

Pursuant to California Health and Safety Code § 25249.7(f)(4), after execution of this Agreement by the Parties, KASB shall file a noticed motion for judicial approval of this Agreement. The Parties agree to mutually employ their best efforts, and those of their counsel, to support the entry of a judgment pursuant to the terms of this Agreement, and to 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 third-party objection, and appearing at the hearing before the Court if so requested.

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#### 5.2 Void if Not Approved

If this Agreement is not approved by the Court, it shall be void and have no force or effect.

1	6. <u>SEVERABILITY</u>			
2	If, subsequent to the Court's approval and entry of this Agreement as a judgment, any			
3	provision of this Agreement is deemed by a court to be unenforceable, the validity of the remaining			
4	provisions shall not be adversely affected.			
5	7.	7. <u>GOVERNING LAW</u>		
6	The terms of this Agreement shall be governed by the laws of the State of California and			
7	apply within California. Nothing in this Agreement shall be interpreted to relieve Kingpin from its			
8	obligation to comply with any pertinent state or federal law or regulation.			
9	8. <u>NOTICE</u>			
10	Unless specified herein, all correspondence and notice required by this Agreement shall be in			
11	writing and sent by: (i) first-class registered or certified mail, return receipt requested; or (ii) a			
12	recognized overnight courier to any Party by the other at the following addresses:			
13	For Kingpin: For KASB:			
14	Kristin Larson, Esq. Laralei Paras			
15	Stradling Yocca Carlson & RauthSeven Hills LLP800 Anacapa Street, Suite A4 Embarcadero Center, Suite 1400		Seven Hills LLP 4 Embarcadero Center, Suite 1400	
16	Santa	Barbara, CA 93101	San Francisco, CA 94111	
17	Any Party may, from time to time, specify in writing to the other Party a change of address to which			
18	all notices and other communications shall be sent.			
19	9. <u>COUNTERPARTS AND PDF SIGNATURES</u>			
20	This Agreement may be executed in counterparts and by portable document format (pdf)			
21	signature, each of which shall be deemed an original and, all of which, when taken together, shall			
22	constitute one and the same document.			
23	10.	<b>COMPLIANCE WITH REPORTING R</b>	<u>EQUIREMENTS</u>	
24	KASB and its counsel agree to comply with the reporting form requirements referenced in			
25	California Health and Safety Code § 25249.7(f).			
26	11.	11. <u>ENTIRE AGREEMENT</u>		
27	This Agreement contains the sole and entire agreement and understanding of the Parties with			
28	respect to the entire subject matter hereof, and all prior discussions, negotiations, commitments, or			
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1 understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, 2 representations, or other agreements between the Parties except as expressly set forth herein. No 3 representations, oral or otherwise, express, or implied, other than those specifically referred to in this 4 Agreement have been made by any Party hereto. No other agreements not specifically contained or 5 referenced herein, oral, or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

#### 12. **MODIFICATION**

This Agreement may be modified only by: (i) a written agreement of the Parties and the entry of a modified Agreement by the Court thereon; or (ii) upon a successful motion of any party and the entry of a modified Agreement by the Court thereon.

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#### 13. **AUTHORIZATION**

The undersigned are authorized to execute this Agreement on behalf of their respective Parties 12 and have read, understood, and agreed to all the terms and conditions of this Agreement.

**AGREED TO:** 

## **AGREED TO:**

Date: 07/04/2024 Date: July 2, 2024

By: Lance Nguyen, CEO Keep America Safe and Beautiful By: Hassan Natha

Hassan Natha Kingpin Tattoo Supply, LLC