1 2 3 4	Evan Smith (Bar No. SBN 242352) BRODSKY SMITH 9465 Wilshire Blvd., Ste. 300 Beverly Hills, CA 90212 Tel: (877) 534-2590 Fax: (310) 247-0160 Attorneys for Plaintiff	
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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	COUNTY OF SAN FRANCISCO	
11	PRECILA BALABBO, EMA BELL,	Case No.: CGC-24-612087
12	Plaintiffs,	CONSENT JUDGMENT
13	v.	Judge: Christine Van Aken Dept.: 301
14	LANOCORP USA INC.,	Hearing Date: June 12, 2025 Hearing Time: 9:00 AM
15	Defendant.	Complaint Filed: February 2, 2024
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1. INTRODUCTION

- 1.1 The Parties. This Consent Judgment is entered into by and between Precila Balabbo ("Balabbo") and Ema Bell ("Bell") (collectively, "Plaintiffs" and each a "Plaintiff") acting on behalf of the public interest and Lanocorp USA Inc. ("Lanocorp" or "Defendant") with Plaintiffs and Defendant collectively referred to as the "Parties" and each of them as a "Party." Plaintiffs are individuals residing in California that seek to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Lanocorp is alleged to be a person in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.
- 1.2 Allegations and Representations. Plaintiffs allege that Defendant has exposed individuals to diethanolamine (DEA) from its sales of (a) *By Nature*® sheet face masks, # 1288-084799696-000499-12-8, (b) *Rata & Co.*® brightening Vitamin C & collagen sheet masks, # 1288-085294367-000499-12-8, and (c) *Rata & Co.*® quenching hyaluronic acid sheet masks, # 88-8153-183181-000499-13-6, without providing a clear and reasonable exposure warning pursuant to Proposition 65. DEA is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer.

1.3 Notices of Violation/Action.

- 1.3.1 On February 27, 2023, Balabbo served The TJX Companies, Inc., The TJX Companies, Inc. dba Marshalls (collectively, "TJX"), Lanocorp, and various public enforcement agencies with documents entitled "Notice of Violation of California Health & Safety Code § 25249.6, et seq." (the "February Notice"). The February Notice provided Lanocorp and such others, including public enforcers, with notice that alleged that Lanocorp was in violation of California Health & Safety Code § 25249.6, for failing to warn California consumers and customers that use of the *By Nature*® sheet face masks, # 1288-084799696-000499-12-8, will expose them to DEA. No public enforcer has diligently prosecuted the allegations set forth in the February Notice.
- 1.3.2 On March 22, 2023, Balabbo served TJX, Lanocorp, and various public enforcement agencies with documents entitled "Notice of Violation of California Health & Safety

Code § 25249.6, et seq." (the "First March Notice"). The First March Notice provided Lanocorp and such others, including public enforcers, with notice that alleged that Lanocorp was in violation of California Health & Safety Code § 25249.6, for failing to warn California consumers and customers that use of the *Rata & Co.*® brightening Vitamin C & collagen sheet masks, # 1288-085294367-000499-12-8, will expose them to DEA. No public enforcer has diligently prosecuted the allegations set forth in the First March Notice.

- 1.3.3 On March 22, 2023, Bell served TJX, Lanocorp, and various public enforcement agencies with documents entitled "Notice of Violation of California Health & Safety Code § 25249.6, et seq." (the "Second March Notice"). The Second March Notice provided Lanocorp and such others, including public enforcers, with notice that alleged that Lanocorp was in violation of California Health & Safety Code § 25249.6, for failing to warn California consumers and customers that use of the *Rata & Co.*® quenching hyaluronic acid sheet masks, # 88-8153-183181-000499-13-6, will expose them to DEA. No public enforcer has diligently prosecuted the allegations set forth in the Second March Notice.
- 1.3.4 The February Notice, the First March Notice, and the Second March Notice are collectively referred to herein, as the "Notices."
 - 1.3.5 Action. On February 2, 2024, Plaintiffs filed a complaint (the "Complaint").
- 1.4 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations contained in the Complaint filed in this matter, that venue is proper in the County of San Francisco, and that this Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Action based on the facts alleged therein and in the Notices.
- 1.5 Defendant expressly denies the material allegations contained in Plaintiffs' Notices and Complaint and maintains that it has not violated Proposition 65 or any other law or legal duty. Defendant expressly denies any liability of an of the claims asserted and the facts alleged in the Complaint and the Notices. Nothing in this Consent Judgment shall be construed as an admission

by Defendant of any fact, finding, issue of law, or violation of law; nor shall compliance with this Consent Judgment constitute or be construed as an admission by Defendant of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Defendant. This Consent Judgment is the product of negotiation and compromise and is accepted by the Parties solely for the purpose of settling, compromising, and resolving the issues in dispute in this Action.

2. **DEFINITIONS**

- Covered Products. The term "Covered Products" means sheet face mask products manufactured, distributed, shipped into California and offered for sale in California by Lanocorp including but not limited to the following: (a) *By Nature*® sheet face masks, # 1288-084799696-000499-12-8, (b) *Rata & Co.*® brightening Vitamin C & collagen sheet masks, # 1288-085294367-000499-12-8, and (c) *Rata & Co.*® quenching hyaluronic acid sheet masks, # 88-8153-183181-000499-13-6.
- 2.2 **Effective Date.** The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.
- 2.3 **Compliance Date.** "Compliance Date" shall mean ninety (90) days after the Effective Date.

3. <u>INJUNCTIVE RELIEF: REFORMULATION AND/OR WARNINGS</u>

3.1 Reformulation Standard for Covered Products.

3.1.1 **DEA Free Reformulated Product.** "DEA Free Reformulated Product" shall mean Covered Products that meet the following standard: DEA content that is not detectable (i.e., zero) or below the Reporting Limit (defined herein) when analyzed pursuant to liquid chromatography/tandem mass spectrometry (LC/MS/MS), inductively coupled mass-spectroscopy (ICP-MS) or other method of analysis utilized by the International Organization for Standardization (ISO) for qualitative and quantitative screening of cosmetics and cosmetic raw materials. If a new or distinct test method is developed to test for DEA in Covered Products that more accurately measures consumer exposure, Defendant may request modification to this Section of the Consent Judgment pursuant to Section 10.

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The Warning or Alternative Warning must comply with the regulations set forth in §§ 25601 and 25603. A Warning or Alternative Warning provided pursuant to §§ 3.2.1(a) – (b) must print the word "WARNING:" in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word "WARNING:" must be a black exclamation point in a yellow equilateral triangle with a black outline, except that if the sign or label for the Covered Product does not use the color yellow, the symbol may be in black and white. The symbol must be in a size no smaller than the height of the word "WARNING:". The Warning or Alternative Warning shall be affixed to or printed on the Covered Product's packaging or labeling, or on a placard, shelf tag, sign or electronic device or automatic process, providing that the Warning or Alternative Warning 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 under customary conditions of purchase or use. The Warning or Alternative Warning may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the Covered Product and shall be at least the same size as those other safety warnings. If consumer information is provided in a foreign language, Lanocorp shall provide the Warning or Alternative Warning in the foreign language.

In addition to affixing the Warning or Alternative Warning to the Covered Product's packaging or labeling, the Warning or Alternative Warning shall be posted on websites where Lanocorp offers Products for sale to consumers in California. The requirements of this Section shall be satisfied if the Warning or Alternative Warning, or a clearly marked hyperlink using the word "WARNING," appears on the product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase. To comply with this Section, Lanocorp shall (a) post the Warning or Alternative Warning on its own website and, if it has the ability to do so, on the websites of its third-party internet sellers; and (b) if it does not have the ability to post the Warning or Alternative Warning on the websites of its third-party internet sellers, Lanocorp will provide such sellers with written notice in accordance with Title 27, California Code of Regulations, § 25600.2. Third-party internet sellers of Covered Products that have been provided

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1001 I Street

Sacramento, CA 95814

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A copy of the check payable to OEHHA shall be mailed to Brodsky Smith at the address set forth above as proof of payment to OEHHA.

4.2 Attorneys' Fees. Within thirty (30) days of the Effective Date, Lanocorp shall pay \$45,000.00 to Brodsky Smith as complete reimbursement for Plaintiffs' attorneys' fees and costs incurred as a result of investigating, bringing this matter to the attention of Lanocorp, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure § 1021.5. Payment owed to Brodsky Smith pursuant to this Section shall be delivered to c/o Evan Smith at the payment address identified in §4.1.1.

5. CLAIMS COVERED AND RELEASED

5.1 The Parties have entered this Consent Judgment as a full and final settlement of all claims arising under Proposition 65 relating to the alleged exposure to DEA from Covered Products ("Released Products"), and as to all claims pursuant to Health and Safety Code §25249.7(d) that were raised or could have been raised in the Notices or Action, arising from the failure to warn under Proposition 65 regarding the presence of DEA in such Released Products. Provided that Lanocorp has complied with the terms of this Agreement, this Consent Judgment is a full, final, and binding resolution between Plaintiffs acting on their own behalf and the public interest, and Lanocorp, and its parents, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their predecessors, successors and assigns and attorneys ("Defendant Releasees"), and all entities from whom they directly or indirectly obtain, source, acquire or manufacture Covered Products and to whom they directly or indirectly distribute or sell Covered Products, including but not limited to manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees retailers, including but not limited to, the TJX Companies, Inc. dba Marshalls; The TJX Operating Companies, Inc.; The TJX Companies, Inc. and their respective parents, subsidiaries, and affiliates, franchisees, and cooperative members ("Downstream Releasees"), of all claims for violations of Proposition 65 based on failure to warn about alleged

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exposure to DEA from use of the Covered Products manufactured by Lanocorp prior to the Compliance Date.

- 5.2 It is the Parties' intention that this Consent Judgment shall have preclusive effect such that no other actions by private enforcers, whether purporting to act in his, her, or its interests or the public interest shall be permitted to pursue and take any action with respect to any violation of Proposition 65 based on exposure to DEA from use of the Covered Products that was alleged in the Complaint, or that could have been brought pursuant to the Notices against Lanocorp and the Downstream Releasees ("Proposition 65 Claims"). Lanocorp's compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 by Lanocorp with regard to exposure to DEA from use of the Covered Products.
- 5.3 In addition to the foregoing, Plaintiffs, on behalf of themselves, their past and current agents, representatives, attorneys, and successors and assignees, and not in their representative capacity, hereby waive all rights to institute or participate in, directly or indirectly, any form of legal action and releases Lanocorp, Defendant Releasees, and Downstream Releasees from any and all manner of actions, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent. now or in the future, with respect to any alleged violations of Proposition 65 or any other statutory or common law claims related to or arising from Covered Products manufactured, distributed, or sold by Lanocorp, Defendant Releasees or Downstream Releasees that have been or could have been asserted by Plaintiffs regarding the failure to warn about exposure to DEA arising in connection with the Released Products manufactured, distributed, sold or offered for sale by Lanocorp prior to the Compliance Date. With respect to the foregoing waivers and releases in this paragraph, Plaintiffs hereby specifically waive any and all rights and benefits which they now have. or in the future may have, conferred by virtue of the provisions of § 1542 of the California 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

1	Christchurch, New Zealand	
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3	With copy to:	
4	Hazel Ocampo Greenberg Traurig, LLP	
5	12830 El Camino Real, Suite 350 San Diego, CA 92130	
6	And	
7	For Plaintiffs:	
8	Evan Smith Brodsky Smith	
9	9465 Wilshire Blvd., Ste. 300 Beverly Hills, CA 90212	
10	Any party, from time to time, may specify in writing to the other party a change of address to —	
11	which all notices and other communications shall be sent.	
12	9. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>	
13	9.1 This Consent Judgment may be executed in counterparts and by facsimile, each of	
14	which shall be deemed an original, and all of which, when taken together, shall constitute one and	
15	the same document.	
16	10. MODIFICATION AND ENFORCEMENT	
17	10.1 This Consent Judgment may be modified from time to time by express written	
18	agreement of the Parties to which any such modification would apply, with the approval of the	
19	Court, or by an order of this Court upon motion and in accordance with law. Notwithstanding the	
20	foregoing, if a California court enters judgment in the Action or another Proposition 65 enforcement	
21	action over exposure to DEA in Covered Products or product substantially similar to Covered	
22	Products that imposes different injunctive relief than what is set forth in this Consent Judgment,	
23	Defendant may seek to modify Section 3 of this Consent Judgment to conform with the injunctive	
24	relief provided in such judgment. Plaintiffs have a right to oppose any such modification, but they	
25	shall not withhold their approval without good cause shown.	
26	Only Plaintiffs may enforce the terms of this Consent Judgment. If a dispute arises	
27	with respect to either Party's compliance with the terms of this Consent Judgment, the Parties shall	

meet and confer in writing and endeavor to resolve the dispute in an amicable manner. No action may be filed in the absence of such good faith attempt to resolve the dispute beforehand. Should an exceedance of the reformulation standard(s) in Section 3.1 be alleged, Lanocorp must be provided with written notice and data supporting such an allegation and thirty (30) days to address the allegations before an enforcement motion may be filed. No violation of this Consent Judgment shall be deemed to occur if Lanocorp demonstrates that its own testing of the Covered Product at issue is in accordance with Section 3.1. In any action to enforce the terms of this Consent Judgment, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

10.3 The inability of Defendant to comply with any deadline set forth in this Consent Judgment due to an act of terrorism, fire, earthquake, civil disorders, war, or act of God that is beyond the reasonable control of Defendant shall be grounds to move for modification of the deadlines set forth in this Consent Judgment.

11. <u>COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)/COURT APPROVAL</u>

- 11.1 Plaintiffs agree to comply with the requirements set forth in California Health & Safety Code § 25249.7(f) and to promptly bring a Motion for Approval of this Consent Judgment. Defendant agrees it shall support approval of such Motion.
- This Consent Judgment shall not be effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved by the Court. In such case, the Parties agree to meet and confer on how to proceed and if such agreement is not reached within 30 days, the case shall proceed on its normal course.
- 11.3 If the Court approves this Consent Judgment and is reversed or vacated by an appellate court, the Parties shall meet and confer as to whether to modify the terms of this Consent Judgment. If the Parties do not jointly agree on a course of action to take, the case shall proceed on its normal course on the trial court's calendar.

12. ATTORNEY'S FEES

- 12.1 A Party who unsuccessfully brings or contests an action arising out of this Consent Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs.
- 12.2 Nothing in this Section shall preclude a Party from seeking an award of sanctions pursuant to law.

13. RETENTION OF JURISDICTION

13.1 This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment.

14. SUCCESSORS AND ASSIGNS

14.1 This Consent Judgment shall apply to and be binding upon Plaintiffs and Settling Defendant, and their respective divisions, subdivisions, and subsidiaries, and the successors or assigns of any of them.

The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this document and certify that he or she is fully authorized by the Party he or she represents to execute the Consent Judgment on behalf of the Party represented and legally bind that Party. Except as explicitly provided herein each Party is to bear its own fees and costs. AGREED TO: AGREED TO: Date: 22 LO April 2025 Date: By: The Mchier LandCORP USA INC. EMA BELL **AGREED TO:** By:_____PRECILA BALABBO IT IS SO ORDERED, ADJUDGED AND DECREED: Dated: Judge of Superior Court

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AUTHORIZATION

1	15. <u>AUTHORIZATION</u>
2	15.1 The undersigned are authorized to execute this Consent Judgment on behalf of their
3	respective Parties and have read, understood, and agree to all of the terms and conditions of this
4	document and certify that he or she is fully authorized by the Party he or she represents to execute
5	the Consent Judgment on behalf of the Party represented and legally bind that Party. Except as
6	explicitly provided herein each Party is to bear its own fees and costs.
7	ACREED TO
8	AGREED TO: AGREED TO:
9	Date: Date:
10	By:
11	EMA BELL LANOCORP USA INC.
12	AGREED TO:
13	Date: 4 \23\25
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15	By:PRECILA BALABBO
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6	explicitly provided herein each Party is to bear its own fees and costs.
7	AGREED TO: AGREED TO:
8	AGREED TO.
9	Date: 4 23 25 Date:
10	By:By:By:
11	EMA BELL LANOCORP USA INC.
12	AGREED TO:
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14	Date:
15	By:PRECILA BALABBO
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23	IT IS SO ORDERED, ADJUDGED AND DECREED:
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25	Dated: Judge of Superior Court
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