

## SETTLEMENT AGREEMENT

### 1. INTRODUCTION

#### 1.1 Parties

This Settlement Agreement is entered into by and between Environmental Health Advocates, Inc. (“EHA”), on the one hand, and Batallure Beauty LLC (“Batallure”), on the other hand, with EHA and Batallure each individually referred to as a “Party” and collectively as the “Parties.” EHA is a corporation in the State of California serving in the interest of the general public by seeking to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. EHA alleges that Batallure is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6 *et seq.* (“Proposition 65”).

#### 1.2 General Allegations

EHA alleges that Batallure manufactures, sells, and/or distributes for sale in California, powdered face makeup products that contain Titanium Dioxide (“TiO<sub>2</sub>”) and that it does so without first providing the health hazard warning required by Proposition 65. TiO<sub>2</sub> is listed pursuant to Proposition 65 as a chemical known to cause cancer.

#### 1.3 Product Description

The products covered by this Settlement Agreement are defined as, and expressly limited to Browfection Brow Powder Duo (“Covered Products”), that are manufactured, sold or distributed for sale in California by Batallure.

#### 1.4 Notices of Violation

On or around August 3, 2023, EHA served Batallure, the California Attorney General, and certain other public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 (“Notice”). The Notice alleged that TiO<sub>2</sub> had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to TiO<sub>2</sub> contained in Covered Products.

To the best of the parties’ knowledge, no public enforcer has commenced or is otherwise

prosecuting an action to enforce the violations alleged in the Notice.

### **1.5 No Admission**

The Parties enter into the Settlement Agreement to settle disputed claims between them as set forth herein and in the Notice concerning Batallure compliance with Proposition 65. Batallure denies the material, factual, and legal allegations in the Notice and maintains that all of the products it 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 Settlement Agreement shall be construed as an admission by Batallure of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Batallure of any fact, finding, conclusion of law, issue of law, or violation of law, such being specifically denied by Batallure. This Section shall not, however, diminish or otherwise affect Batallure's obligations, responsibilities, and duties under this Settlement Agreement. Notwithstanding the allegations in the Notice, Batallure maintains that it has not knowingly manufactured, or caused to be manufactured, the Covered Products for sale in California in violation of Proposition 65.

### **1.6 Effective Date**

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Settlement Agreement is executed by the Parties.

## **2. INJUNCTIVE RELIEF**

### **2.1 General Warning Requirements**

Commencing on the Effective Date, Batallure agrees any Covered Product sold in California shall contain a Proposition 65 warning. Batallure agrees that each warning shall be prominently placed with such conspicuousness, as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Covered Products the warning applies, so as to minimize the risk of consumer confusion.

For purposes of this Settlement Agreement, a clear and reasonable warning for the Covered

Products shall consist of a warning affixed to the packaging, label, tag, directly to each Covered Products sold in California by Batallure, or on a placard, shelf tag, sign or electronic device or automatic process that contains one of the following statements:

- 1) **⚠ WARNING:** This product can expose you to chemicals including Titanium Dioxide, which is known to the State of California to cause cancer. For more information go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

OR

- 2) **⚠ WARNING:** Cancer– [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

This warning statement shall be prominently displayed on the Covered Products, on the packing 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 the warning statement 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 warning statement displayed on the 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 Batallure where Covered Products are sold into California. Such warning shall constitute compliance with Proposition 65 with respect to the Listed Chemical in the Covered Products for any Covered Products in existing inventory that had not been reformulated and were distributed and/or sold by Batallure or any of the Releasees after the Effective Date. There shall be no obligation for Batallure to provide a warning for Covered Products that entered the stream of commerce prior to the Effective Date, and the Section 4 release applies to all such Covered Products.

Batallure shall be deemed to comply with its obligations under this Agreement if it discontinues sales of the Covered Products in California on or after the Effective Date.

(i) Changes in Warning Regulations or Statutes

In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Covered Products and the chemical at issue, which are different than those set forth above, Batallure shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. If regulations or legislation are enacted providing that Proposition 65 warnings as to TiO<sub>2</sub> in this product are no longer required, a lack of warning by Batallure will not thereafter be a breach of this Agreement. Batallure shall instruct any third-party website to which it sells its Covered Products to include the same warning as a condition of selling the Covered Products.

**2.3 Grace Period for Existing Inventory of Covered Products**

The injunctive requirements of Section 2 shall not apply to Covered Products that are already in the stream of commerce as of the Effective Date, which Covered Products are expressly subject to the releases provided in Section 4.1. For the avoidance of doubt, Covered Products in the stream of commerce specifically include, but are not limited to, Covered Products in the process of manufacture.

**3. MONETARY SETTLEMENT TERMS**

**3.1 Civil Penalty Payment**

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, Battalure EWC agrees to pay two thousand five hundred (\$2,500.00) 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 the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount retained by EHA. Battalure shall issue two separate checks for the initial civil penalty payment to (a) “OEHHA” and (b) Environmental Health Advocates, Inc. as follows:

- One payment of \$1,875.00 to OEHHA, due 14 (fourteen) days after the Effective Date.
- One payment of \$625.00 to EHA, due 14 (fourteen) days after the Effective Date.

All payments owed to OEHHA (EIN: 68-0284486), pursuant to this Section 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 Non-United States Postal Service Delivery:

Mike Gyurics  
Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
1001 I Street  
Sacramento, CA 95814

All penalty payments owed to EHA shall be sent to:

Isaac Fayman  
Environmental Health Advocates  
225 Broadway, Suite 1900  
San Diego, CA 92101

### **3.2 Attorney Fees and Costs**

The Parties reached an accord on the compensation due to EHA and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Batallure agrees to pay thirty-seven thousand five hundred dollars (\$37,500.00) to EHA and its counsel for all fees and costs incurred in investigating, bringing this matter the attention of Batallure, and negotiating a settlement. The thirty-seven thousand five hundred dollars (\$37,500.00) in Attorney's Fees and Costs shall be payable to Entorno Law, LLP as follows:

- One payment of \$30,000.00, due fourteen (14) days after the Effective Date ("First Installment").
- One payment of \$7,500.00, due thirty (30) days after the Effective Date ("Second Installment"). However, if the First Installment is timely made, then EHA agrees to waive the Second Installment.

All payments required under this Section shall be delivered to:

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

### **3.4 Tax Documentation**

Batallure agrees to provide a completed IRS 1099 for its payments to, and EHA agrees to provide IRS W-9 forms for, each of the payees under this Settlement Agreement. The Parties acknowledge that Batallure cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after EWC receives the requisite W-9 forms from EHA's counsel.

## **4. CLAIMS COVERED AND RELEASED**

### **4.1 EHA's Release of Batallure and Downstream Entities**

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf and not on behalf of the public, and Batallure for all claims that can or could have been asserted by EHA, on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors and assignees, against: (a) Batallure; (b) any entity to whom Batallure directly or indirectly distributes or sells the Covered Products, including, but not limited

to, its downstream distributors (including but not limited to European Wax Center, Inc. and EWC P&T, LLC), wholesalers, customers, cooperative members, licensees and retailers (including, but not limited to, T.J. Maxx of CA, LLC, EWC E34th, LLC and Wax Center Partners Intermediate Holdco LLC); and (c) , the respective parents, subsidiaries, franchisees, affiliated entities under common ownership, directors, officers, members, employees, and attorneys, of the persons and entities described in (a) through (b) above (the persons and entities identified in (a) through (c) above are collectively referred to as the "Releasees"), based on the failure to warn about exposures to TiO<sub>2</sub> required under Proposition 65 in the Covered Products manufactured before the Effective Date, as alleged in the Notice, or for any other reason.

In further consideration of the promises and agreements herein contained, EHA on its own behalf and not on behalf of the public, on behalf of its past and current agents, representatives, attorneys, successors and assignees hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against Battalure and Releasees including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses including, but not exclusively, investigation fees, expert fees and attorney fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to TiO<sub>2</sub> required under Proposition 65 in the Covered Products manufactured before the Effective Date.

#### **4.2 Battalure 's Release of EHA**

Battalure, on its own behalf and on behalf of 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 it in this matter, or with respect to the Covered Products.

#### **4.3 California Civil Code Section 1542**

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Covered Products will develop or be discovered. EHA on behalf of itself only, on one hand, and Battalure on behalf of itself only, on the other hand, acknowledge

that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

EHA and Battalure each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

**5 PUBLIC BENEFIT**

It is Battalure 's understanding that the commitments it has agreed to herein, and actions to be taken by EWC under this Settlement Agreement confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of Battalure that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to Battalure's alleged failure to provide a warning concerning actual or alleged exposure to TiO<sub>2</sub> prior to use of the Covered Products it has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Covered Products addressed in this Settlement Agreement, provided that Battalure is in material compliance with this Settlement Agreement.

**6. SEVERABILITY**

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement 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 Settlement Agreement shall be governed by the laws of the State of



California and apply 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 Batallure may provide written notice to EHA of any asserted change, and shall have no further injunctive obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected.

In the event that the California Office of Health Hazard Assessment adopts a regulation or safe use determination, or issues an interpretive guidelines that exempts Covered Products from meeting the requirements of Proposition 65; or if titanium dioxide 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 of First Amendment rights with respect to titanium dioxide in Covered Products or products substantially similar to Covered Products, then Batallure shall be relieved of its obligations to comply with Section 2 herein.

**8. ENFORCEMENT**

Only a Party to this Settlement Agreement may enforce this Settlement Agreement. Should a Party wish to enforce any portion of this Settlement Agreement against another Party, it must provide the other Party with a written notice of the claim and meeting and confer for at least thirty (30) days prior to proceeding with an enforcement motion. In any action to enforce the terms of this Settlement Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

**9. NOTICE**

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Batallure:

Will Wagner  
Arnold & Porter Kaye Scholer LLP  
10th Floor, Three Embarcadero Center  
San Francisco, California 94111-4024  
Will.wagner@arnoldporter.com

For EHA:

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

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

**10. COUNTERPARTS; FACSIMILE SIGNATURES**

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

**11. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)**

EHA and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

**12. MODIFICATION**

This Settlement Agreement may be modified only by written agreement of the Parties.

**13. AUTHORIZATION**

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

**AGREED TO:**

**AGREED TO:**

Date: 08/08/2023

Date: 08/09/2023

By:   
ENVIRONMENTAL HEALTH  
ADVOCATES, INC.

By:   
BATALLURE BEAUTY LLC