State of California - Department of Justice - Attorney General's Office - Proposition 65 Enforcement Reporting

FORM JUS 1501 (03-01)

Attention: Prop 65 Coordinator, 1515 Clay Street, Suite 2000, Oakland, CA 94612

PRIVATE ENFORCEMENT FILING - Health and Safety Code section 25249.7(e) and (f)

## REPORT OF SETTLEMENT

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	PLAINTIFF(S)				
PARTIES TO THE ACTION	DEFENDANT(S) INVOLVED IN SETTLEMENT				
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	SUBMITTED TO COURT? COURT, RE	PAYMENT: ATTORNEYS FEES  TER ENTRY OF JUDGMENT BY PORT OF ENTRY OF JUDGMENT BUBMITTED TO ATTORNEY GENER	PAYMENT: OTHER  DATE SETTLEMENT SIGNED  ALL / /	For Internal Use Only	
	COPY OF SETTLEMENT MUST BE ATTACHED				
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	ORGANIZATION			TELEPHONE NUMBER	
	ADDRESS			FAX NUMBER	
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**FILING INSTRUCTIONS:** This form can be completed online and printed. If electronic filing is not available, mail the completed form with a copy of the settlement to the attention of the Prop 65 Coordinator at the address shown above. If you need additional space to complete this form please use an attachment.

### SETTLEMENT AGREEMENT BETWEEN MONARCH LLC AND CONAIR LLC

Monarch Action, LLC) ("Monarch") and Conair LLC ("Defendant") (collectively the "Parties") enter into this agreement ("Settlement Agreement") for the purpose of avoiding prolonged and costly litigation to settle Monarch's allegations that Defendant violated California Health and Safety Code section 25249.6 et seq. ("Proposition 65"). The effective date of this Settlement Agreement shall be the date upon which it is fully executed by all Parties hereto (the "Effective Date").

#### I. Recitals

- A. MONARCH is a California-based entity that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.
- B. MONARCH alleges that Defendant manufactures, imports, sells, or distributes for sale in the State of California hair accessories in bags that contain Di [2-Ethylhexyl] Phthalate ("DEHP") **and** storage organizer products that contain Di-isodecyl Phthalate ("DIDP") without first providing a clear and reasonable warning as required by Proposition 65.
- C. DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm.
- D. DIDP is listed pursuant to Proposition 65 as a chemical known to cause reproductive or developmental toxicity.
  - E. The products covered by this Settlement Agreement are:
  - a. hair accessories in bags manufactured by or for Defendant, imported by or for Defendant, or distributed or sold by or for Defendant to others, including, but not limited to, 300 pcs Black Hairbands Scunci ("Covered Product 1").
  - b. storage organizer products manufactured by or for Defendant, imported by or for Defendant, or distributed or sold by or for Defendant to others, including, but not limited to, pop Arazzi Clear Small Organizer Item #362445 ("Covered Product 2," and together with Covered Product 1, "Covered Products").
- F. On January 1, 1988, the Governor of California added DEHP to the list of chemicals known to the State to cause reproductive cancer.

- G. On October 24, 2003, the Governor of California added DEHP to the list of chemicals known to the State to cause reproductive toxicity.
- H. On April 20, 2007, the Governor of California added DIDP to the list of chemicals known to the State to cause reproductive cancer.
- I. These additions took place more than twelve (12) months before MONARCH served its "60-Day Notice of Violation" which is further described below.
  - J. DEHP is referred to hereinafter as the "Listed Chemical 1."
  - K. DIDP is referred to hereinafter as the "Listed Chemical 2."
- L. On or about October 9, 2023, MONARCH served Defendant and Target Corporation, as well as certain relevant public enforcement agencies, with a document entitled "60-Day Notice of Violation" advising of its intent to sue for violations of Proposition 65 arising from or related to Covered Product 1 containing Listed Chemical 1.
- M. On or about December 13, 2023, MONARCH served Defendant and CVS Pharmacy, Inc., as well as certain relevant public enforcement agencies, with a document entitled "60-Day Notice of Violation" advising of its intent to sue for violations of Proposition 65 arising from or related to Covered Product 2 containing Listed Chemical 2.
- N. The October 9, 2023 and December 13, 2023 60-Day Notice of Violation are collectively referred to herein as the Notices.
- O. The Notices alleged Defendant violated Proposition 65 by failing to warn consumers in California that use of a Covered Products exposed users to the respective Listed Chemicals.
- P. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the same allegations against Defendant.
- Q. Defendant denies the material, factual, and legal allegations contained in the Notices and maintains that all products, including but not limited to the Covered Products, that it has manufactured, sold, distributed, and/or offered for sale in California comply with any and all applicable laws, regulations, ordinances, and standards, including but not limited to Proposition 65. Defendant enters into this Settlement merely to avoid the costs associated with litigation.
- R. The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as alleged in the Notices and as set forth below concerning the Parties' and the Covered Products' compliance with Proposition 65 (the "Dispute").

- S. By execution of this Settlement Agreement, the Parties do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine.
- T. Nothing in this Settlement Agreement shall be construed as an admission against interest by any Party of any fact, conclusion of law, issue of law, or violation of law.
- U. Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission against interest or evidence of fault, wrongdoing, or liability by Defendant, its officers, directors, employees, or parents, subsidiaries, or affiliated corporations, or any person acting for Defendant, or any direct or indirect customer of Defendant who sold or sells the Covered Products, in any administrative or judicial proceeding or litigation in any court, agency, or forum.
- V. Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that MONARCH or Defendant may have against one another in any other legal proceeding as to allegations unrelated to the Dispute or claims released herein.

#### II. Release

- A. This Settlement Agreement is a full, final, and binding resolution between MONARCH, individually and *not* in its representative capacity, and:
  - 1. Defendant, and its owners, parent companies, subsidiaries, corporate affiliates, sister and related companies, employees, shareholders, members, officers, directors, insurers, agents, attorneys, predecessors, successors, and assigns (collectively the "Releasees"), and
  - 2. All entities to whom Releasees directly or indirectly has or will provide, distribute, or sell the Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees, including Target Corporation and CVS Pharmacy, Inc., and their owners, parent companies, subsidiaries, corporate affiliates, sister and related companies, employees, shareholders, members, officers, directors, insurers, agents, attorneys, predecessors, successors, and assigns ("Downstream Releasees"), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has

been, could have been, or may in the future be asserted against the Releasees and/or Downstream Releasees regarding the Covered Products.

- B. The Parties agree compliance with the terms of this Settlement Agreement by Defendant shall be deemed to be compliance with Proposition 65 by Releasees and Downstream Releasees with respect to any exposures to the Listed Chemicals in the respective Covered Products manufactured, distributed, or sold by Defendant after the Effective Date.
- C. The Covered Products subject to this Settlement Agreement are limited to those manufactured by or for Defendant, or imported by or for Defendant, or distributed by or for Defendant, or sold by or for Defendant.
- D. MONARCH, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, but not in its capacity as representative of the public, hereby waives and releases with respect to the Covered Products all rights to institute or participate in, directly or indirectly, any form of legal action, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) (collectively the "Claims"), against Releasees and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in respect of any Covered Products.
- E. MONARCH acknowledges that it is familiar with Section 1542 of the 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 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.

MONARCH, its past and current agents, representatives, attorneys, successors, and/or assignees, in its individual and *not* representative capacity, expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of Civil Code section 1542, as well as under any other state or federal statute or

common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters.

#### III. Defendant's Duties

- A. Commencing on the Effective Date, Defendant shall not manufacture, import, sell, or distribute for sale in the State of California any Covered Products unless it either:
  - 1. contains the Listed Chemicals in a concentration less than or equal to 1,000 parts per million ("ppm") (0.1%) when analyzed pursuant to a scientifically reliable application of any scientifically reliable methodology for determining Listed Chemical 1 or Listed Chemical 2 in a substance of the form of the Covered Products herein; or
    - 2. exhibits a warning in compliance with this Settlement Agreement.
- B. Whenever a clear and reasonable warning is required under Subsection (A)(2) for a Covered Product offered for sale in the State of California, it shall state one of the warnings described in Subsection C below in such a conspicuous and prominent manner as to be likely to be read and understood by the consumer prior to or at the time of the sale or purchase.
- C. The Parties agree that any of the following warning shall constitute a Compliant Warning for the Listed Chemical in the Covered Product:
  - 1. the text, "WARNING: This product can expose you to chemicals including Di(2-ethylhexyl) phthalate (DEHP), which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information, go to <a href="https://www.P65Warnings.ca.gov">www.P65Warnings.ca.gov</a>."
  - 2. the text, "WARNING: Cancer and Reproductive Harm www.P65Warnings.ca.gov", accompanied by and placed to the right of a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline sized to be no smaller than the word, "WARNING" as provided by regulations adopted on or about August 30, 2016.
  - 3. the text, "WARNING: This product can expose you to chemicals including Di-isodecyl Phthalate (DIDP), which is known to the State of California to cause birth defects or other reproductive harm. For more information, go to <a href="https://www.P65Warnings.ca.gov">www.P65Warnings.ca.gov</a>."
  - 4. the text, "WARNING: Reproductive Harm www.P65Warnings.ca.gov", accompanied by and placed to the right of a symbol consisting of a black exclamation point

in a yellow equilateral triangle with a bold black outline sized to be no smaller than the word, "WARNING" as provided by regulations adopted on or about August 30, 2016.

- a. The triangular warning symbol specified in Subsections (3)(2) and (3)(4) shall be in yellow with a black exclamation mark; *provided however*, the symbol may be printed in black and white if the Covered Product label is not printed against a yellow background.
- 5. Where a consumer product provides a warning in language(s) other than English, the warning must also be provided in the other language(s) in addition to English.
- D. The Parties agree the specifications for Compliant Warnings in this Settlement Agreement comply with Proposition 65 and its regulations as of the Effective Date. Defendant may alternatively use any Proposition 65 warning permitted by Proposition 65 or its implementing regulations in effect at the time Defendant manufactures or distributes the Covered Products.
- E. Products that were supplied to third parties by Defendant up to the Effective Date shall be deemed exempted from the requirements of this Section and shall be permitted to be sold through as previously manufactured, packaged and labeled.

## IV. Payments

- A. **Payment from Defendant**. Within ten (10) business days of the Effective Date, Defendant shall make the Total Settlement Payment of \$23,000.00.
- B. **Allocation of Payments**. The Total Settlement Payment shall be paid in three (3) separate checks made payable and allocated as follows:
  - 1. **Civil Penalty.** Defendant shall pay \$7,500.00 as a civil penalty pursuant to Health & Safety Code section 25249.7(b). The civil penalty shall be apportioned in accordance with Health & Safety Code section 25249.12 (25% to MONARCH and 75% to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA")).
    - a. Accordingly, the OEHHA portion of the civil penalty payment in the amount of \$5,625.00 shall be made payable to OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be delivered along with a 1099 as follows: Attn: Fiscal Operations Branch Chief, Office of Environmental Health Hazard Assessment, P.O. Box 4010, MS #19B, Sacramento, CA 95812-4010.

- b. The MONARCH portion of the civil penalty payment in the amount of \$1,875.00 shall be made payable to MONARCH and associated with taxpayer identification number 88-0835494. This payment shall be delivered along with a 1099 to MONARCH, 573 N Olive St, Ventura, CA 93001.
- 2. **Attorney's Fees and Costs.** A reimbursement of MONARCH's attorney's fees and costs in the amount of \$15,500.00 payable to the "Greenbaum Law Firm," and associated with taxpayer identification number 46-4580172. This payment shall be delivered to the Greenbaum Law Firm, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406 ("GLF") along with a 1099 for the same amount.
- V. Reporting the Settlement Agreement. MONARCH shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' execution of this Settlement Agreement.
- VI. Execution in Counterparts and Facsimile. This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document. A facsimile or portable document format (PDF) signature shall be as valid as the original.
- VII. Entire Agreement. This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments, and understandings. No other agreements, oral or otherwise, exist to bind any of the Parties.
- VIII. Modification of Settlement Agreement. Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

## IX. Application of Settlement Agreement

- A. This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, MONARCH and the Releasees and Downstream Releasees identified in Section 2, Subsection (2)(A) above.
- B. Defendant's compliance with this Settlement Agreement shall constitute compliance with Proposition 65 by the Releasees and Downstream Releasees regarding the Listed Chemical 1 and Listed Chemical 2 in the Covered Products.
- C. The Parties agree that compliance by Defendant with this Settlement Agreement constitutes compliance with Proposition 65 with respect to exposure to Listed Chemical 1 and Listed Chemical 2 from use of the Covered Products.

D. It is Defendant's understanding that the commitments it has agreed to herein, and actions to be taken by Defendant under this Settlement Agreement, would confer a significant benefit to the general public, as set forth in Code of Civil Procedure section 1021.5 and Cal. Admin. Code tit. 11, section 3201. As such, it is the intent of Defendant that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Defendant's failure to provide a warning concerning exposure to Listed Chemical 1 and Listed Chemical 2 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 Defendant is in material compliance with this Settlement Agreement.

# X. Enforcement of Settlement Agreement

- A. Any Party may file suit before the Superior Court of the County of San Francisco, consistent with the terms and conditions set forth in Subsections (B) and (C) of this Settlement Agreement, to enforce the terms and conditions contained in this Settlement Agreement.
- B. No action to enforce this Settlement Agreement may be commenced or maintained unless the Party seeking enforcement or alleging violation notifies the other Party, pursuant to the Notification Requirements in Section XI, below, of the specific acts alleged to breach this Settlement Agreement at least 30 days before serving or filing any action and the entity receiving the notice fails to comply with the requirements set forth in Subsection (C) below.
- C. Within those 30 days (or such additional time as the Parties may mutually agree upon) of receiving the notice described in Subsection (B) supra, Defendant and MONARCH shall meet and confer on the alleged violation. Should the Parties be unable to resolve the dispute, any Party may seek relief under Subsection (B) above.

# **XI.** Notification Requirements

A. Any notice required or permitted hereunder shall be effective if sent in writing and sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party to the following designees:

For MONARCH:	For Conair LLC:	
Daniel N. Greenbaum, Esq.		
Email: dgreenbaum@greenbaumlawfirm.com	Sean Close, Esq.	
	Conair LLC	
	1 Cummings Point Road	
	Stamford, CT 06902	
	With a copy to:	
	Bao M. Vu, Esq.	
	Stoel Rives LLP	
	1 Montgomery St. Suite 3230	
	San Francisco, CA 94104	

- B. Any Party may change its designee(s) for purposes of notification by providing written notice of such change pursuant to this section.
- **XII.** Severability. If after the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

## XIII. Governing Law.

- A. The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California.
- B. This Settlement Agreement shall have no application to Covered Products which are not sold to California consumers.
- C. If Proposition 65 is repealed, preempted, or otherwise rendered inapplicable by reason of law generally, or as to the Covered Product, then Defendant shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, any Covered Product that are so affected.
- D. The Parties, including their counsel, have participated in the preparation of this Settlement Agreement and this Settlement Agreement is the result of the joint efforts of the Parties.

E. This Settlement Agreement was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel.

F. Each Party to this Settlement Agreement agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Settlement Agreement and, in this regard, the Parties hereby waive California Civil Code section 1654.

#### XIV. Authorization

A. Each signatory to this Settlement Agreement certifies they are fully authorized by the Party they represent to stipulate to this Settlement Agreement and to enter into and execute the Settlement Agreement on behalf of the Party represented and legally bind that Party.

B. The undersigned have read, understand, and agree to all the terms and conditions of this Settlement Agreement.

C. Except as explicitly provided herein, each Party is to bear its own fees and costs.

**AGREED TO:** 

Dated: Oct 30, 2024 MONARCH LLC

By: Sayward Halling
Sayward Halling (Oct 30, 2024 13:02 PDT)

Dated: 10/28/2024 CONAIR LLC

By:

SVP & General Counsel