

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

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

FORM JUS 1501
(03-01)

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

REPORT OF SETTLEMENT

Please print or type required information Original Filing Supplemental Filing Corrected Filing

PARTIES TO THE ACTION	PLAINTIFF(S)			
	DEFENDANT(S) INVOLVED IN SETTLEMENT			
CASE INFO	COURT DOCKET NUMBER		COURT NAME	
	SHORT CASE NAME			
REPORT INFO	INJUNCTIVE RELIEF			
	PAYMENT: CIVIL PENALTY		PAYMENT: ATTORNEYS FEES	PAYMENT: OTHER
	WILL SETTLEMENT BE SUBMITTED TO COURT? <input type="checkbox"/> Yes <input type="checkbox"/> No	IF YES, AFTER ENTRY OF JUDGMENT BY COURT, REPORT OF ENTRY OF JUDGMENT MUST BE SUBMITTED TO ATTORNEY GENERAL		DATE SETTLEMENT SIGNED / /
	COPY OF SETTLEMENT MUST BE ATTACHED			
FILER INFO	NAME OF CONTACT			
	ORGANIZATION			TELEPHONE NUMBER ()
	ADDRESS			FAX NUMBER ()
	CITY	STATE	ZIP 91406	E-MAIL ADDRESS

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.

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2 Thomas G. Adams, Esq., Of Counsel (SBN 270808)
3 **GREENBAUM LAW FIRM**
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5 Van Nuys CA 91406
6 Telephone: (310) 200-2631
7 Facsimile: (424) 243-7689
8 Email: dgreenbaum@greenbaumlawfirm.com

9 Attorneys for PLAINTIFF
10 MONARCH LLC

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES

13 MONARCH LLC,) CASE NO. 24STCV11972
14 Plaintiff,)
15 vs.) **[PROPOSED] STIPULATED CONSENT**
16 MCC BRANDS, LLC,) **JUDGMENT AS TO DEFENDANT MCC**
17 Defendant.) **BRANDS, LLC**
18 Date Filed: May 13, 2024

19 Plaintiff MONARCH LLC (“Plaintiff”), and MCC BRANDS, LLC (“Defendant”) hereby
20 enter into this Stipulated Consent Judgment (“Consent Judgment”) as follows:

21 WHEREAS, on or about October 9, 2023, Plaintiff, through Plaintiff’s counsel, served a 60
22 Day Notice (the “Notice”) on Defendant, the California Attorney General, the District Attorneys of
23 every County in the State of California, and the City Attorneys for every City in the State of
24 California with a population greater than 750,000 (collectively, “Public Prosecutor(s)”) alleging that
25 Defendant violated California's Safe Drinking Water and Toxic Enforcement Act of 1986,
26 California Health and Safety Code § 25249.6, et seq., and its implementing regulations
27 (collectively, “Proposition 65”) and that Plaintiff intended to file an enforcement action in the
28 public interest;

1 WHEREAS, Plaintiff alleges Defendant manufactured and/or distributed and/or sold
2 vinyl/mesh art bag products, containing Di-(2-ethylhexyl) phthalate (“DEHP”) (collectively the
3 “Covered Products”) that were sold or distributed for sale in California and further alleges that those
4 Covered Products expose consumers in the State of California to DEHP, which is listed by the State
5 of California pursuant to California Health and Safety Code § 25249.8;

6 WHEREAS, Plaintiff further alleges persons in the State of California were exposed to
7 DEHP in Covered Products without being provided the Proposition 65 warning set out at California
8 Health and Safety Code § 25249.6 and its implementing regulations ("Proposition 65 Warning");

9 WHEREAS, Defendant denies the allegations of the Notice, and denies it has violated
10 Proposition 65 and expressly denies it has engaged in any wrongdoing whatsoever;

11 WHEREAS, Plaintiff seeks to provide the public with Proposition 65 warnings and believes
12 this objective is achieved by the actions described in this Consent Judgment; and

13 WHEREAS, Plaintiff and Defendant wish to resolve their differences without the delay and
14 expense of litigation.

15 NOW THEREFORE BE IT RESOLVED AND AGREED UPON AS BETWEEN
16 PLAINTIFF ACTING IN THE PUBLIC INTEREST AND DEFENDANT AS FOLLOWS:

17 **1. INTRODUCTION**

18 **1.1 Parties.** This consent judgment (“Consent Judgment”) is entered into by and
19 between plaintiff MONARCH, LLC (“MONARCH” or “Plaintiff”) and MCC BRANDS, LLC
20 (“MCC” or “Defendant”). MONARCH and Defendant are referred to individually as a “Party” and
21 collectively as the “Parties.”)

22 **1.2 Plaintiff.** MONARCH is a California limited liability corporation that seeks to
23 promote awareness of exposures to toxic chemicals and improve human health by reducing or
24 eliminating hazardous substances contained in consumer products.

25 **1.3 Settling Defendant.** Defendant employs ten (10) or more persons and is a person in
26 the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of
27 1986, Health and Safety Code §25249.6 *et seq.* (“Proposition 65”).

28 **1.4 Products Covered.** The products covered by this Consent Judgment are vinyl/mesh
art bag products products, including, but not limited to, KINGART® 19" x 25" Vinyl/Mesh Bag

1 with Handle, that are manufactured, sold, or distributed for sale in California by Defendant and
2 contain Di-(2-ethylhexyl) phthalate ("DEHP"), (collectively, the "Covered Products").

3 **1.5 General Allegations.** MONARCH alleges that Defendant manufactures, imports,
4 sells, or distributes, for sale in the state of California, the Covered Products without first providing a
5 clear and reasonable warning required by Proposition 65. DEHP is a chemical listed under
6 Proposition 65 as a chemical known to the state to cause birth defects and reproductive toxicity.

7 **1.6 Notice of Violation.** On October 9, 2023, MONARCH served Defendant and the
8 requisite public enforcement agencies with a 60-Day Notice of Violation (the "Notice") alleging
9 that Defendant violated Proposition 65 when it failed to warn its customers and consumers in
10 California that the Covered Products expose users to DEHP. To the best of the Parties' knowledge,
11 no public enforcer has commenced and is diligently prosecuting the allegations set forth in the
12 Notice.

13 **1.7 Complaint.** On May 13, 2024, MONARCH filed the instant complaint in the
14 Superior Court in and for the County of Los Angeles against Defendant and DOES 1-100, alleging
15 violations of California Health & Safety Code § 25249.6, based on exposures to DEHP contained in
16 the Covered Products sold in the State of California (the "Complaint").

17 **1.8 No Admission.** Defendant denies the material, factual, and legal allegations
18 contained in the Notice and Complaint and maintains that all the products it has manufactured, sold,
19 or distributed for sale in California, including the Covered Products, have been, and are, in
20 compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission by
21 Defendant of any fact, finding, conclusion of law, issue of law, or violation of law; nor shall
22 compliance with this Consent Judgment constitute or be construed as an admission by Defendant of
23 any fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically
24 denied by Defendant. This section shall not, however, diminish or otherwise affect Defendant's
25 obligations, responsibilities, and duties under this Consent Judgment.

26 **1.9 Consent to Jurisdiction.** For purposes of this Consent Judgment only and subject to
27 Section 1.8, the Parties stipulate that: this Court has jurisdiction over Defendant as to the allegations
28 in the Complaint, venue is proper in the County of Los Angeles, the Defendant has employed ten or

1 more persons during time periods relevant to the Complaint, and this Court has jurisdiction over the
2 Parties to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65.

3 **1.10 Effective Date.** For purposes of this Consent Judgment, the term “Effective Date”
4 shall mean the date the Consent Judgment is approved and entered by the Court.

5
6 **2. INJUNCTIVE RELIEF: COMPLIANT PRODUCTS AND WARNINGS**

7 **2.1 Reformulation Standards.** As of the Effective Date, unless a warning is provided in
8 compliance with Section 2.2 below, Defendant shall not manufacture for sale in California any
9 Covered Products unless such Covered Products contain DEHP in concentrations less than or equal
10 to 1000 parts per million (“ppm”) when analyzed pursuant to U.S. Environmental Protection
11 Agency testing methodologies 3580A and 8270C or any other scientifically reliable methodology
12 for determining the concentration of DEHP in the Covered Products.

13 **2.2 Warning Standards.** Defendant agrees, promises, and represents that, as of the
14 Effective Date, to the extent it ships or sells Covered Products that do not meet the reformulation
15 standards set forth above in Section 2.1, Defendant will provide warnings on such Covered Products
16 that comply with Proposition 65. The warnings shall be provided in a conspicuous and prominent
17 manner such that they will be likely to be read or seen by the consumer prior to sale or purchase.
18 The Parties agree that the warning set forth below shall constitute compliance with Proposition 65
19 with respect to any Covered Products that are not reformulated:



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

24 **2.3 Internet Warnings.** For any Covered Product sold over the internet by Defendant,
25 the Warning shall appear prior to check-out on the primary product page, or as a popup when a
26 California address is input into the shipping instructions, or on the check-out page when a
27 California delivery address is indicated for any purchase of any Covered Product. The Warning may
28 be provided with a conspicuous hyperlink stating "WARNING" in all capital and bold letters so
long as the hyperlink goes directly to a page prominently displaying the Warning without content

1 that detracts from the Warning. Defendant will instruct any third-party website sellers to provide
2 Warnings as a condition of selling the Covered Product.

3 **2.4 Language Other Than English Warnings.** If the consumer information on the
4 product is in a language other than English, the required Warning Label will also be included in that
5 same language.

6 **2.5 Covered Products in the Stream of Commerce.** Any Covered Products that have
7 been distributed, shipped, or sold by Defendant prior to the Effective Date, shall not be subject to
8 the requirements of Sections 2.1-2.4.

9
10 **3. MONETARY RELIEF**

11 **3.1 Payment from Defendant.** Within ten (10) business days of the Effective Date,
12 Defendant shall make the Total Settlement Payment of \$22,500.00.

13 **3.2 Allocation of Payments.** The Total Settlement Payment shall be paid in three (3)
14 separate checks made payable and allocated as follows:

15 **3.2.1 Civil Penalty.** Defendant shall pay \$4,000.00 as a civil penalty pursuant to
16 Health & Safety Code § 25249.7(b). The civil penalty shall be apportioned in accordance with
17 Health & Safety Code § 25249.12 (25% to MONARCH and 75% to the State of California’s Office
18 of Environmental Health Hazard Assessment (“OEHHA”). Accordingly, the OEHHA portion of
19 the civil penalty payment in the amount of \$3,000.00 shall be made payable to OEHHA and
20 associated with taxpayer identification number 68-0284486. This payment with Form 1099 shall be
21 delivered as follows:

22 For United States Postal Service Delivery:

23 Fiscal Operations Branch Chief
24 Office of Environmental Health Hazard Assessment
25 P.O. Box 4010, MS #19B
26 Sacramento, CA 95812-4010

27 For Non-United States Postal Service Delivery:

28 Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street, MS #19B
Sacramento, CA 95814

1 The MONARCH portion of the civil penalty payment in the amount of \$1,000.00 shall be
2 made payable to MONARCH, LLC and associated with taxpayer identification number 88-
3 0835494. This payment shall be delivered with Form 1099 to MONARCH, 573 N Olive Street,
4 Ventura, CA 93001.

5 **3.2.2 Attorney's Fees and Costs.** A reimbursement of MONARCH's attorney's
6 fees and costs in the amount of \$18,500.00 payable to "Greenbaum Law Firm," and associated
7 with taxpayer identification number 46-4580172. This payment shall be delivered, with Form
8 1099, to the Greenbaum Law Firm, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406.

9 **4. CLAIMS COVERED AND RELEASED**

10 4.1 **Public Release.** This Consent Judgment is a full, final, and binding resolution
11 between MONARCH and Defendant of any violation of Proposition 65 that was or could have been
12 asserted by MONARCH, acting on behalf of itself and in a representative capacity in the public
13 interest under Health & Safety Code § 25249.7, against Defendant, its parents, subsidiaries, affiliated
14 entities, manufacturers, suppliers, directors, officers, employees, attorneys, and the predecessors,
15 successors, or assigns of each of them, and each entity to whom Defendant directly or indirectly
16 exports, distributes or sells the Covered Products, including, without limitation, distributors,
17 wholesalers, customers, retailers, franchisees, cooperative members, and licensees, including but not
18 limited to Walmart, ("Releasees"), based on failure to warn of alleged exposures to DEHP from
19 Covered Products manufactured, sold, or distributed for sale in California by Defendant prior to the
20 Effective Date. The release in this Section applies to all Covered Products that Defendant
21 manufactured, distributed, or sold prior to the Effective Date, regardless of the date any other
22 Releasee distributes or sells the Covered Products.

23 Compliance with the terms of this Consent Judgment shall constitute compliance with
24 Proposition 65 by Defendant and the Releasees with respect to DEHP in Covered Products
25 manufactured, sold, or distributed on and after the Effective Date.

26 **5. MONARCH's Individual Release of Claims.** In further consideration of the promises and
27 agreements herein contained, MONARCH, on its own behalf and on behalf of its past and current
28 agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute
or participate in, directly or indirectly, any form of legal action, and releases all claims that it may

1 have against Defendant and Releasees, including, without limitation, all actions and causes of action,
2 suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses,
3 including, without limitation, investigation fees, expert fees, and attorneys' fees arising under
4 Proposition 65 for unwarned exposures to DEHP from Covered Products manufactured, sold, or
5 distributed for sale by Defendant prior to the Effective Date. The releases in Section 4.1 are provided
6 in MONARCH's individual capacity and are not releases on behalf of the public.

7 **6. Defendant's Release of MONARCH.** Defendant, on its own behalf and on behalf of its past
8 and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all
9 claims that it may have against MONARCH and its attorneys and other representatives, for any and
10 all actions taken, or statements made by MONARCH and its attorneys and other representatives in
11 the course of investigating the claims set forth in the Complaint or otherwise seeking to enforce
12 Proposition 65 against it in this matter.

13 **7. Release of Unknown Claims.** It is possible that other claims not known to the Parties arising
14 out of the facts contained in the Notice, or alleged in the Complaint, relating to the Covered
15 Products, will hereafter be discovered or developed. MONARCH, on behalf of itself only,
16 acknowledges that this Consent Judgment is expressly intended to cover and include all such claims
17 through and including the Effective Date, including all rights of action therefor. MONARCH
18 acknowledges that the claims released in Section 4.1 may include unknown claims, and nevertheless
19 MONARCH intends to release such claims, and in doing so waives California Civil Code § 1542,
20 which reads as follows:

21 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
22 **CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR**
23 **AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM**
24 **OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT**
25 **WITH THE DEBTOR.**

26 MONARCH understands and acknowledges that the significance and consequence of this
27 waiver of California Civil Code § 1542 is that, even if MONARCH suffers future damages arising
28 out of or resulting from, or related directly or indirectly to, in whole or in part, the Covered
Products, including but not limited to any exposure to, or failure to warn with respect to exposure

1 to, the Covered Products, MONARCH will not be able to make any claim for those damages against
2 Defendant or any of the Releasees.

3 **8. COURT APPROVAL.** This Consent Judgment is not effective until it is approved and
4 entered by the Court.

5 **9. GOVERNING LAW.** The terms of this Consent Judgment shall be governed by the laws of
6 the State of California and apply within the State of California. In the event that Proposition 65 is
7 repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Covered
8 Products, then Defendant may provide written notice to MONARCH of any asserted change in the
9 law, and with the exception of Sections 3.1 and 3.2 above, have no further obligations pursuant to
10 this Consent Judgment, with respect to, and to the extent that, the Covered Products are so affected.
11 None of the terms of this Consent Judgment shall have any application to Covered Products sold
12 outside of the State of California.

13 **10. NOTICE.** Unless specified herein, all correspondence and notices required to be provided
14 pursuant to this Consent Judgment shall be in writing and sent by any Party to the other by: (i)
15 personal delivery; (ii) first-class, registered or certified mail, return receipt requested; or (iii) a
16 recognized overnight courier at the following addresses:

17 To Defendant:

18 Christopher Smith, Esq.
19 Greenspoon Marder, LLP
20 1875 Century Park East, Suite 1900
Los Angeles, California 90067

To MONARCH:

Daniel N. Greenbaum
Greenbaum Law Firm
7120 Hayvenhurst Ave., Suite 320
Van Nuys, CA 91406

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

23 **11. COUNTERPARTS; FACSIMILE AND PDF SIGNATURES.** This Consent Judgment
24 may be executed in counterparts, and by facsimile or portable document format (PDF) signature,
25 each of which shall be deemed an original, and all of which, when taken together, shall constitute
26 one and the same document.

1 **12. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f).** Plaintiff agrees to
2 comply with the reporting form requirements referenced in California Health & Safety Code §
3 25249.7(f).

4 **13. POST EXECUTION ACTIVITIES.** The Parties acknowledge that, pursuant to California
5 Health & Safety Code § 25249.7(f), MONARCH is obligated to file a noticed motion to obtain
6 judicial approval of this Consent Judgment. Upon the Parties' execution of this Consent Judgment,
7 MONARCH promptly shall proceed to submit this Consent Judgment to the Court with a motion
8 seeking Court approval.

9 **14. MODIFICATION.** This Consent Judgment may only be modified by a written instrument
10 executed by the Party or Parties to be bound thereby, and after approval by the Court upon a noticed
11 motion. Any motion to modify shall be served on all Parties and the Office of the Attorney General.

12 **15. DISPUTE RESOLUTION.** If MONARCH determines at a future date that a violation of
13 this Consent Judgment has occurred, MONARCH shall provide notice to Defendant. Prior to
14 bringing any action to enforce any requirement of this Consent Judgment, the party alleging a
15 violation of this Consent Judgment shall provide the other party with written notice of the grounds
16 for such allegation together with all supporting information as well as a complete demand for the
17 relief sought. The Parties shall then meet and confer regarding the basis for the allegation to resolve
18 the matter informally, including providing the party alleged to be in violation with a reasonable
19 opportunity of at least thirty (30) days to cure any alleged violation. Should such attempt at informal
20 resolution fail, the party alleging a violation may file its lawsuit seeking the proposed relief.

21 **16. AUTHORIZATION.** The undersigned are authorized to execute this Consent Judgment on
22 behalf of their respective Parties and have read, understood, and agree to all of the terms and
23 conditions of this Consent Judgment.

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AGREED TO:
Date: Sep 15, 2024

AGREED TO:
Date: 9/10/2024

By: Sayward Halling
Sayward Halling (Sep 15, 2024 10:55 PDT)

By: [Signature]

MONARCH LLC

MCC BRANDS, LLC

[PROPOSED] JUDGMENT

Please note that on _____, 2024 at ____ am, Plaintiff MONARCH LLC’s (“Plaintiff”) Motion for Court Approval of Settlement Agreement and Entry of consent Judgment as to Defendant MCC Brands, LLC. came for a hearing before this Court in Department 38, the Honorable Maureen Duffy-Lewis presiding. Counsel for Plaintiff did [not] appear; counsel for Defendant did [not] appear.

After full consideration of the points and authorities and related pleadings submitted, the Court GRANTED Plaintiff’s Motion pursuant to and in accordance with Health and Safety Code §25249.7(f)(4).

The Court reviewed the above Settlement Agreement and makes the following findings pursuant to Health & Safety Code § 25249.7(f)(4):

- a. The injunctive relief required by the Settlement Agreement complies with Health & Safety Code § 25249.7;
- b. The reimbursement of fees and costs to be paid pursuant to the Settlement Agreement is reasonable under California law; and
- c. The civil penalty amount to be paid pursuant to Settlement Agreement is reasonable.

_____ Date

_____ Judge of the Superior Court