

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
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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)
15 Plaintiff,)
16) **[PROPOSED] STIPULATED CONSENT**
17 vs.) **JUDGMENT AS TO DEFENDANT MCC**
18) **BRANDS, LLC**
19 MCC BRANDS, LLC,)
20) Date Filed: May 13, 2024
21 Defendant.)
22)
23)
24)
25)
26)
27)
28)

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

31 WHEREAS, on or about October 9, 2023, Plaintiff, through Plaintiff’s counsel, served a 60
32 Day Notice (the “Notice”) on Defendant, the California Attorney General, the District Attorneys of
33 every County in the State of California, and the City Attorneys for every City in the State of
34 California with a population greater than 750,000 (collectively, “Public Prosecutor(s)”) alleging that
35 Defendant violated California’s Safe Drinking Water and Toxic Enforcement Act of 1986,
36 California Health and Safety Code § 25249.6, et seq., and its implementing regulations
37 (collectively, “Proposition 65”) and that Plaintiff intended to file an enforcement action in the
38 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
18 **1. INTRODUCTION**

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

23 **1.2 Plaintiff.** MONARCH is a California limited liability corporation that seeks to
24 promote awareness of exposures to toxic chemicals and improve human health by reducing or
25 eliminating hazardous substances contained in consumer products.
26
27
28

1 **1.3 Settling Defendant.** Defendant employs ten (10) or more persons and is a person in
2 the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of
3 1986, Health and Safety Code §25249.6 *et seq.* (“Proposition 65”).

4 **1.4 Products Covered.** The products covered by this Consent Judgment are vinyl/mesh
5 art bag products products, including, but not limited to, KINGART® 19" x 25" Vinyl/Mesh Bag
6 with Handle, that are manufactured, sold, or distributed for sale in California by Defendant and
7 contain Di-(2-ethylhexyl) phthalate ("DEHP"), (collectively, the “Covered Products”).

8 **1.5 General Allegations.** MONARCH alleges that Defendant manufactures, imports,
9 sells, or distributes, for sale in the state of California, the Covered Products without first providing a
10 clear and reasonable warning required by Proposition 65. DEHP is a chemical listed under
11 Proposition 65 as a chemical known to the state to cause birth defects and reproductive toxicity.

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

18 **1.7 Complaint.** On May 13, 2024, MONARCH filed the instant complaint in the
19 Superior Court in and for the County of Los Angeles against Defendant and DOES 1-100, alleging
20 violations of California Health & Safety Code § 25249.6, based on exposures to DEHP contained in
21 the Covered Products sold in the State of California (the “Complaint”).

22 **1.8 No Admission.** Defendant denies the material, factual, and legal allegations
23 contained in the Notice and Complaint and maintains that all the products it has manufactured, sold,
24 or distributed for sale in California, including the Covered Products, have been, and are, in
25 compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission by
26 Defendant of any fact, finding, conclusion of law, issue of law, or violation of law; nor shall
27 compliance with this Consent Judgment constitute or be construed as an admission by Defendant of
28 any fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically

1 denied by Defendant. This section shall not, however, diminish or otherwise affect Defendant's
2 obligations, responsibilities, and duties under this Consent Judgment.

3 **1.9 Consent to Jurisdiction.** For purposes of this Consent Judgment only and subject to
4 Section 1.8, the Parties stipulate that: this Court has jurisdiction over Defendant as to the allegations
5 in the Complaint, venue is proper in the County of Los Angeles, the Defendant has employed ten or
6 more persons during time periods relevant to the Complaint, and this Court has jurisdiction over the
7 Parties to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65.

8 **1.10 Effective Date.** For purposes of this Consent Judgment, the term "Effective Date"
9 shall mean the date the Consent Judgment is approved and entered by the Court.

10 11 **2. INJUNCTIVE RELIEF: COMPLIANT PRODUCTS AND WARNINGS**

12 **2.1 Warning Standards on Covered Products.**

13 (a) Defendant agrees, promises, and represents that, as of the Effective Date, to the
14 extent it ships or sells Covered Products into California, Defendant will either:

- 15 1) provide the Section 2.1(b) warning on each Covered Product.
- 16 2) cease offering the Covered Products without a Section 2.1(b) warning for sale in
17 California unless such Covered Products contain DEHP in concentrations less
18 than or equal to 1000 parts per million ("ppm") when analyzed pursuant to U.S.
19 Environmental Protection Agency testing methodologies 3580A and 8270C or
20 any other scientifically reliable methodology for determining the concentration of
21 DEHP in the Covered Products.

22 (b) The warnings required by Section 2.1(a) shall be provided in a conspicuous and
23 prominent manner such that they will be likely to be read or seen by the consumer prior to or at the
24 time of the sale or purchase. The warning set forth below shall be required for each Covered
25 Product:

- 26 1) the text, "**WARNING:** This product can expose you to chemicals, including Di-
27 (2-ethylhexyl) phthalate (DEHP), which are known to the State of California to
28 cause cancer and birth defects or other reproductive harm. For more information
go to www.P65Warnings.ca.gov." accompanied by and placed to the right of a

1 symbol consisting of a black exclamation point in a yellow equilateral triangle
2 with a bold black outline sized to be no smaller than the word, "WARNING" as
3 provided by regulations adopted on or about August 30, 2016;

- 4 2) the text, "**WARNING: Cancer and/or Reproductive Harm –**
5 www.P65Warnings.ca.gov." accompanied by and placed to the right of a
6 symbol consisting of a black exclamation point in a yellow equilateral triangle
7 with a bold black outline sized to be no smaller than the word, "WARNING" as
8 provided by regulations adopted on or about August 30, 2016.

9 The triangular warning symbol specified in Section 2.1(b)(1) and 2.1(b)(2) shall be in yellow with a
10 black exclamation mark; *provided however*, the symbol may be printed in black and white if the
11 Covered Product label is not printed using the color yellow.

12 **2.2 Internet Warnings.** For any Covered Product sold over the internet by Defendant,
13 the Warning shall appear prior to check-out on the primary product page, or as a popup when a
14 California address is input into the shipping instructions, or on the check-out page when a
15 California delivery address is indicated for any purchase of any Covered Product. The Warning may
16 be provided with a conspicuous hyperlink stating "WARNING" in all capital and bold letters so
17 long as the hyperlink goes directly to a page prominently displaying the Warning without content
18 that detracts from the Warning. Defendant will instruct any third-party website sellers to provide
19 Warnings as a condition of selling the Covered Product.

20 **2.3 Language Other Than English Warnings.** If the consumer information on the
21 product is in a language other than English, the required Warning Label will also be included in that
22 same language.

23 **2.4 Covered Products in the Stream of Commerce.** Any Covered Products that have
24 been distributed, shipped, or sold by Defendant prior to the Effective Date, shall not be subject to
25 the requirements of Sections 2.1-2.4.

26
27 **3. MONETARY RELIEF**

28 **3.1 Payment from Defendant.** Within ten (10) business days of the Effective Date,
Defendant shall make the Total Settlement Payment of \$22,500.00.

1 **3.2 Allocation of Payments.** The Total Settlement Payment shall be paid in three (3)
2 separate checks made payable and allocated as follows:

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

10 For United States Postal Service Delivery:

11 Fiscal Operations Branch Chief
12 Office of Environmental Health Hazard Assessment
13 P.O. Box 4010, MS #19B
14 Sacramento, CA 95812-4010

15 For Non-United States Postal Service Delivery:

16 Fiscal Operations Branch Chief
17 Office of Environmental Health Hazard Assessment
18 1001 I Street, MS #19B
19 Sacramento, CA 95814

20 The MONARCH portion of the civil penalty payment in the amount of \$1,000.00 shall be
21 made payable to MONARCH, LLC and associated with taxpayer identification number 88-
22 0835494. This payment shall be delivered with Form 1099 to MONARCH, 573 N Olive Street,
23 Ventura, CA 93001.

24 **3.2.2 Attorney’s Fees and Costs.** A reimbursement of MONARCH’s attorney’s
25 fees and costs in the amount of \$18,500.00 payable to “Greenbaum Law Firm,” and associated
26 with taxpayer identification number 46-4580172. This payment shall be delivered, with Form
27 1099, to the Greenbaum Law Firm, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406.

28 **4. CLAIMS COVERED AND RELEASED**

4.1 Public Release. This Consent Judgment is a full, final, and binding resolution
between MONARCH and Defendant of any violation of Proposition 65 that was or could have been

1 asserted by MONARCH, acting on behalf of itself and in a representative capacity in the public
2 interest under Health & Safety Code § 25249.7, against Defendant, its parents, subsidiaries, affiliated
3 entities, manufacturers, suppliers, directors, officers, employees, attorneys, and the predecessors,
4 successors, or assigns of each of them, and each entity to whom Defendant directly or indirectly
5 exports, distributes or sells the Covered Products, including, without limitation, distributors,
6 wholesalers, customers, retailers, franchisees, cooperative members, and licensees, including but not
7 limited to Walmart, (“Releasees”), based on failure to warn of alleged exposures to DEHP from
8 Covered Products manufactured, sold, or distributed for sale in California by Defendant prior to the
9 Effective Date. The release in this Section applies to all Covered Products that Defendant
10 manufactured, distributed, or sold prior to the Effective Date, regardless of the date any other
11 Releasee distributes or sells the Covered Products.

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

15 **5. MONARCH’s Individual Release of Claims.** In further consideration of the promises and
16 agreements herein contained, MONARCH, on its own behalf and on behalf of its past and current
17 agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute
18 or participate in, directly or indirectly, any form of legal action, and releases all claims that it may
19 have against Defendant and Releasees, including, without limitation, all actions and causes of action,
20 suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses,
21 including, without limitation, investigation fees, expert fees, and attorneys’ fees arising under
22 Proposition 65 for unwarned exposures to DEHP from Covered Products manufactured, sold, or
23 distributed for sale by Defendant prior to the Effective Date. The releases in Section 4.1 are provided
24 in MONARCH’s individual capacity and are not releases on behalf of the public.

25 **6. Defendant’s Release of MONARCH.** Defendant, on its own behalf and on behalf of its past
26 and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all
27 claims that it may have against MONARCH and its attorneys and other representatives, for any and
28 all actions taken, or statements made by MONARCH and its attorneys and other representatives in

1 the course of investigating the claims set forth in the Complaint or otherwise seeking to enforce
2 Proposition 65 against it in this matter.

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

11 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
12 **CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR**
13 **AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM**
14 **OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT**
15 **WITH THE DEBTOR.**

16 MONARCH understands and acknowledges that the significance and consequence of this
17 waiver of California Civil Code § 1542 is that, even if MONARCH suffers future damages arising
18 out of or resulting from, or related directly or indirectly to, in whole or in part, the Covered
19 Products, including but not limited to any exposure to, or failure to warn with respect to exposure
20 to, the Covered Products, MONARCH will not be able to make any claim for those damages against
21 Defendant or any of the Releasees.

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

24 **9. GOVERNING LAW.** The terms of this Consent Judgment shall be governed by the laws of
25 the State of California and apply within the State of California. In the event that Proposition 65 is
26 repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Covered
27 Products, then Defendant may provide written notice to MONARCH of any asserted change in the
28 law, and with the exception of Sections 3.1 and 3.2 above, have no further obligations pursuant to
this Consent Judgment, with respect to, and to the extent that, the Covered Products are so affected.

1 None of the terms of this Consent Judgment shall have any application to Covered Products sold
2 outside of the State of California.

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

7 To Defendant:

8 Christopher Smith, Esq.
9 Greenspoon Marder, LLP
10 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

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

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

17 **12. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f).** Plaintiff agrees to
18 comply with the reporting form requirements referenced in California Health & Safety Code §
19 25249.7(f).

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

25 **14. MODIFICATION.** This Consent Judgment may only be modified by a written instrument
26 executed by the Party or Parties to be bound thereby, and after approval by the Court upon a noticed
27 motion. Any motion to modify shall be served on all Parties and the Office of the Attorney General.
28

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

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

13
14 AGREED TO:

AGREED TO:

15
16 Date: ^{Oct 5, 2024} _____

Date: 10/4/2024

17
18
19 By: Sayward Halling
Sayward Halling (Oct 5, 2024 09:47 PDT)

By: [Signature]

20 MONARCH, LLC

MCC BRANDS, LLC

1 **[PROPOSED] JUDGMENT**

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

6 After full consideration of the points and authorities and related pleadings submitted, the Court
7 GRANTED Plaintiff’s Motion pursuant to and in accordance with Health and Safety Code
8 §25249.7(f)(4).

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

- 11 a. The injunctive relief required by the Settlement Agreement complies with Health &
12 Safety Code § 25249.7;
- 13 b. The reimbursement of fees and costs to be paid pursuant to the Settlement Agreement
14 is reasonable under California law; and
- 15 c. The civil penalty amount to be paid pursuant to Settlement Agreement is reasonable.
- 16
17
18

19 _____
Date

Judge of the Superior Court