

Counsel for Plaintiff
CENTER FOR ENVIRONMENTAL HEALTH

CENTER FOR ENVIRONMENTAL HEALTH,) Case No. CGC-24-615036
a non-profit corporation,)

VS.

Defendants.

Case No. CGC-24-615036

**[PROPOSED] CONSENT
JUDGMENT AS TO GRUPO AGC
LLC**

1.1 The parties to this Consent Judgment (“Parties”) are the Center for

Environmental Health (“CEH”) and defendant Grupo AGC LLC (“Settling Defendant”). CEH and Settling Defendant are referred to collectively as the “Parties.”

1.2 Settling Defendant is a limited liability company that manufactures, distributes, and/or sells liquid soaps, such as shampoo, that contain coconut oil diethanolamine condensate (also known as cocamide diethanolamine, coconut diethanolamide, and coconut oil

1 diethanolamide) (hereinafter, “cocamide DEA”) in the State of California or has done so in the
2 past.

3 1.3 On March 15, 2024, CEH served a 60-Day Notice of Violation under
4 Proposition 65 (The Safe Drinking Water and Toxic Enforcement Act of 1986, California Health
5 & Safety Code §§ 25249.5, *et seq.*) (“Notice”) to Settling Defendant, the California Attorney
6 General, the District Attorneys of every County in the State of California, and the City Attorneys
7 for every City in the State of California with a population greater than 750,000. The Notice
8 alleges violations of Proposition 65 with respect to the presence of cocamide DEA in liquid soaps
9 such as shampoo that Settling Defendant manufactured, distributed, sold, or offered for sale in
10 California.

11 1.4 On May 29, 2024, CEH filed the operative complaint in this matter
12 (“Complaint”) naming Settling Defendant as a defendant.

13 1.5 For purposes of this Consent Judgment only, the Parties stipulate that: (i) this
14 Court has jurisdiction over the allegations of violations contained in the Complaint and personal
15 jurisdiction over Settling Defendant as to the acts alleged in the Complaint; (ii) venue is proper in
16 the County of San Francisco; (iii) this Court has jurisdiction to enter this Consent Judgment; and
17 (iv) that Settling Defendant employs ten or more persons.

18 1.6 Nothing in this Consent Judgment is, or shall be construed as, an admission by
19 the Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall compliance
20 with the Consent Judgment constitute or be construed as an admission by the Parties of any fact,
21 conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall
22 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any
23 other legal proceeding. This Consent Judgment is the product of negotiation and compromise and
24 is accepted by the Parties for purposes of settling, compromising, and resolving issues disputed in
25 this action.

1 **2. DEFINITIONS**

2 2.1 “Covered Products” means liquid soaps, such as shampoo, body soap, and
3 hand soap.

4 2.2 “Effective Date” means the date on which this Consent Judgment is entered
5 by the Court.

6 **3. INJUNCTIVE RELIEF**

7 3.1 **Reformulation.** As a result of CEH’s Notice and Complaint, Settling
8 Defendant reformulated the Covered Products to remove cocamide DEA. As of the Effective
9 Date, Settling Defendant shall not manufacture, distribute, sell, or offer for sale any Covered
10 Products that contain cocamide DEA that will be sold or offered for sale to California consumers.
11 For purposes of this Consent Judgment, a product “contains cocamide DEA” if cocamide DEA is
12 an intentionally added ingredient in the product and/or part of the product formulation.

13 3.2 **Specification to Suppliers.** If Settling Defendant continues to distribute
14 and/or sell or offer for sale the Covered Products in California, it shall issue specifications to its
15 manufacturers and/or suppliers of any Covered Products that will be available to California
16 consumers, requiring that Covered Products not contain cocamide DEA.

17 3.3 **Action Regarding Specific Products.**

18 3.3.1 On or before the Effective Date, Settling Defendant shall cease selling and/or
19 distributing the following products if such products contain cocamide DEA in California: (1) Árbol
20 Verde Shampoo with Hispanic Herbs shampoo with Copalchi, Rosemary, Aloe Vera, Mexican
21 Loeselia, and Walnut shell; (2) Árbol Verde Shampoo with Hispanic Herbs shampoo with
22 Bergamot, Flaxseed, Horsetail and Blueberry; and (3) Árbol Verde Shampoo with Hispanic Herbs
23 shampoo with Chia, Jojoba, Aloe and Pear (the “Section 3.3 Products”). On or before the Effective
24 Date, Settling Defendant shall also: (i) cease shipping the Section 3.3 Products, which contain
25 cocamide DEA to any of its immediate downstream customers that it knows resell the Section 3.3
26 Products in California; and (ii) send instructions to its immediate downstream customers that it
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1 knows resell the Section 3.3 Products, which contain cocamide DEA in California instructing them
2 to not sell any Section 3.3 Products to California consumers.

3 3.3.2 Within sixty days of the Effective Date, Settling Defendant shall provide
4 CEH with written certification confirming compliance with the requirements of this Section.

5 **4. ENFORCEMENT**

6 4.1 Plaintiff may, by motion or application for an order to show cause before the
7 Superior Court of San Francisco County, enforce the terms and conditions contained in this
8 Consent Judgment. Prior to bringing any motion or application to enforce the requirements of
9 Section 3 above, Plaintiff shall provide Settling Defendant with a Notice of Violation setting forth
10 the basis for the alleged violation. The Parties shall then meet and confer regarding the basis for
11 the anticipated motion or application in an attempt to resolve it informally, including providing
12 Settling Defendant with a reasonable opportunity of at least thirty days to cure any alleged
13 violation. Should such attempts at informal resolution fail, Plaintiff may file an enforcement
14 motion or application. This Consent Judgment may only be enforced by the Parties. To the
15 extent that Settling Defendant can demonstrate that it distributed or sold the Covered Product
16 subject to the Notice of Violation prior to the Effective Date, the sale of such Covered Product
17 will not constitute a violation of the terms of this Consent Judgment.

18 **5. PAYMENTS**

19 5.1 **Payments by Settling Defendant.** Settling Defendant shall pay the total sum of
20 \$82,500 as a settlement payment as further set forth in this Section according to the following
21 schedule.

22 5.2 **Allocation of Payments.** The total settlement amount for Settling Defendant
23 shall be paid in the amounts specified below and delivered as set forth below. All payments
24 under Section 5 shall be made by check. Any failure by Settling Defendant to comply with the
25 payment terms herein shall be subject to a stipulated late fee to be paid by Settling Defendant in
26 the amount of \$250 for each day the full payment is not received after the applicable payment due
27 date set forth in Section 5.1. The late fees required under this Section shall be recoverable,
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1 together with reasonable attorneys' fees and costs, in the event of a successful enforcement
2 proceeding brought pursuant to Section 4 of this Consent Judgment. The funds paid by Settling
3 Defendant shall be allocated as set forth below between the following categories and made
4 payable as follows:

5 5.2.1 A civil penalty in the amount of \$11,239 pursuant to Health &
6 Safety Code § 25249.7(b). The civil penalty shall be apportioned in accordance with Health &
7 Safety Code § 25249.12 (25% to CEH and 75% to the State of California's Office of
8 Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of
9 the civil penalty payment of \$8,429 shall be made payable to OEHHA and associated with
10 taxpayer identification number 68-0284486. This total payment shall be made in two payments
11 with the first payment of \$4,215 due within fourteen calendar days of the Effective Date and the
12 second payment of \$4,214 due within sixty calendar days of the Effective Date. Each payment
13 shall be delivered as follows:

14 For United States Postal Service Delivery:

15 Attn: Mike Gyurics
16 Fiscal Operations Branch Chief
17 Office of Environmental Health Hazard Assessment
18 P.O. Box 4010, MS #19B
19 Sacramento, CA 95812-4010

20 For Non-United States Postal Service Delivery:

21 Attn: Mike Gyurics
22 Fiscal Operations Branch Chief
23 Office of Environmental Health Hazard Assessment
24 1001 I Street, MS #19B
25 Sacramento, CA 95814

26 The CEH portion of the civil penalty payment for \$2,810 shall be made payable to the
27 Center for Environmental Health and associated with taxpayer identification number 94-3251981.
28 This total amount shall be made in two payments with the first payment of \$1,405 due within
fourteen calendar days of the Effective Date and the second payment of \$1,405 due within sixty
calendar days of the Effective Date. Each payment shall be delivered to Lexington Law Group,
LLP, 503 Divisadero Street, San Francisco, CA 94117.

1 5.2.2 An Additional Settlement Payment (“ASP”) in the amount of
2 \$8,429 to CEH in lieu of civil penalty pursuant to Health & Safety Code § 25249.7(b), and
3 California Code of Regulations, Title 11, § 3204. CEH will use these funds to support CEH
4 programs and activities that seek to educate the public about toxic chemicals, including cocamide
5 DEA, work with industries interested in moving toward safer alternatives, advocate with
6 government, businesses, and communities for business practices that are safe for human health
7 and the environment, and thereby reduce the public health impacts and risks of exposure to
8 cocamide DEA, and other toxic chemicals in consumer products sold in California. CEH shall
9 obtain and maintain adequate records to document that ASPs are spent on these activities and
10 CEH agrees to provide such documentation to the Attorney General within thirty days of any
11 request from the Attorney General. The payment pursuant to this Section shall be made payable
12 to the Center for Environmental Health and associated with taxpayer identification number 94-
13 3251981. The total amount due under this Section shall be made in two payments with the first
14 payment of \$4,214 due within fourteen calendar days of the Effective Date and the second
15 payment of \$4,215 due within sixty calendar days of the Effective Date. Each payment shall be
16 delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco, CA 94117.

17 5.2.3 Settling Defendant shall pay \$62,832 as a reimbursement of a
18 portion of Plaintiff’s reasonable attorneys’ fees and costs. The total attorneys’ fees and cost
19 reimbursement are as follows: (a) \$52,867 payable to the Lexington Law Group, LLP and
20 associated with taxpayer identification number 88-4399775; and (b) \$9,965 payable to the Center
21 for Environmental Health and associated with taxpayer identification number 94-3251981. The
22 total amounts due under this Section shall be made in four payments delivered as follows: within
23 fourteen calendar days of the Effective date, Settling Defendant shall deliver to Lexington Law
24 Group, LLP, 503 Divisadero Street, San Francisco, CA 94117 (a) a check in the amount of
25 \$26,434 made payable to Lexington Law Group, LLP and (b) a check in the amount of \$4,982
26 made payable to the Center for Environmental Health; within sixty calendar days of the Effective
27 Date (a) a second check in the amount of \$26,433 made payable to Lexington Law Group, LLP
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1 and (b) a second check in the amount of \$4,983 made payable to the Center for Environmental
2 Health.

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4 **5.3 Failure to Comply With Payment Obligations.** Notwithstanding the
5 provisions of the Enforcement of Judgments Law and Code of Civil Procedure § 708.160, in the
6 event that Settling Defendant does not comply fully with its payment obligations under Section 5,
7 in addition to any other enforcement mechanism available to CEH, CEH may obtain an order
8 requiring Settling Defendant to submit to a Debtors Exam. In the event that Settling Defendant
9 fails to submit to any such Debtors Exam ordered by the Court, CEH may seek an order holding
10 Settling Defendant in contempt of Court.

11 **6. MODIFICATION**

12 **6.1 Written Consent.** This Consent Judgment may be modified from time to
13 time by express written agreement of the Parties with the approval of the Court, or by an order of
14 this Court upon motion and in accordance with law.

15 **6.2 Meet and Confer.** Any Party seeking to modify this Consent Judgment shall
16 attempt in good faith to meet and confer with all affected Parties prior to filing a motion to
17 modify the Consent Judgment.

18 **7. CLAIMS COVERED AND RELEASED**

19 **7.1** Provided that Settling Defendant complies in full with its obligations under
20 Section 5, this Consent Judgment is a full, final, and binding resolution between CEH on behalf
21 of itself and the public interest and the following parties: (1) Settling Defendant, (2) Settling
22 Defendant's parents, subsidiaries, affiliated entities that are under common ownership, directors,
23 officers, employees, agents, shareholders, successors, assigns, and attorneys ("Defendant
24 Releasees"), and (3) each entity to whom they directly or indirectly distribute or sell Covered
25 Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees,
26 cooperative members, licensors, and licensees, including Target Corporation ("Downstream
27 Defendant Releasees") of any violation of Proposition 65 that was or could have been asserted in
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1 the Complaint against Settling Defendant, Defendant Releasees, and Downstream Defendant
2 Releasees, based on failure to warn about alleged exposure to cocamide DEA contained in
3 Covered Products that were sold by Settling Defendant to any Downstream Defendant Releasees
4 prior to the Effective Date.

5 7.2 Compliance with the terms of this Consent Judgment by Settling Defendant
6 and Defendant Releasees shall constitute compliance with Proposition 65 by Settling Defendant,
7 Defendant Releasees, and Downstream Defendant Releasees with respect to any alleged failure to
8 warn about cocamide DEA in Covered Products manufactured, distributed, or sold by Settling
9 Defendant after the Effective Date.

10 7.3 Nothing in this Section 7 affects Plaintiff's right to commence or prosecute an
11 action under Proposition 65 against any person other than Settling Defendant, Defendant
12 Releasees, or Downstream Defendant Releasees.

13 **8. NOTICE**

14 8.1 When CEH is entitled to receive any notice under this Consent Judgment, the
15 notice shall be sent by first class and electronic mail to:

16 Patrick Carey
17 Lexington Law Group, LLP
18 503 Divisadero Street
19 San Francisco, CA 94117
pcarey@lexlawgroup.com

20 8.2 When Settling Defendant is entitled to receive any notice under this Consent
21 Judgment, the notice shall be sent by first class and electronic mail to:

22 George Salmas
23 Salmas Law
24 1880 Century Park East, Suite 611
25 Los Angeles, CA 90067
george.salmas@thefoodlawyers.com

26 8.3 Any Party may modify the person and address to whom the notice is to be sent
27 by sending the other Party notice by first class and electronic mail.
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9.1 This Consent Judgment shall become effective upon entry by the Court. Plaintiff shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendant shall support entry of this Consent Judgment.

9.3 If this Consent Judgment is not entered by the Court, it shall be of no force or effect and shall never be introduced into evidence or otherwise used in any proceeding for any purpose other than to allow the Court to determine if there was a material breach of Section 9.1.

10.1 The terms of this Consent Judgment shall be governed by the laws of the State of California.

11.1 Should Plaintiff prevail on any motion, application for an order to show cause, or other proceeding to enforce a violation of this Consent Judgment, Plaintiff shall be entitled to its reasonable attorneys' fees and costs incurred as a result of such motion or application. Should a Settling Defendant prevail on any motion application for an order to show cause or other proceeding, that Settling Defendant may be awarded its reasonable attorneys' fees and costs against Plaintiff as a result of such motion or application upon a finding by the Court that Plaintiff's prosecution of the motion or application lacked substantial justification. For purposes of this Consent Judgment, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure §§ 2016, *et seq.*

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11.3 Except as otherwise provided in this Consent Judgment, each Party shall bear its own attorneys' fees and costs.

11.4 Nothing in this Section 11 shall preclude a Party from seeking an award of sanctions pursuant to law.

12. ENTIRE AGREEMENT

12.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto only to the extent that they are expressly incorporated herein. No supplementation, modification, waiver or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

13. SUCCESSORS AND ASSIGNS

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

14. RETENTION OF JURISDICTION

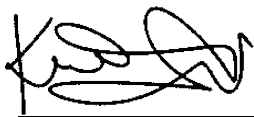
14.1 This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment.

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IT IS SO STIPULATED:

Dated: April 3, 2025

CENTER FOR ENVIRONMENTAL HEALTH



Kizzy Charles-Guzman
Chief Executive Officer

Dated: _____, 2025

GRUPO AGC LLC

Signature

Printed Name

Title

1 IT IS SO STIPULATED:
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CENTER FOR ENVIRONMENTAL HEALTH

Kizzy Charles-Guzman
Chief Executive Officer
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12 Dated: Apr 12 5, 2025
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GRUPO AGC LLC

Signature
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Jose Carlos Atristain Gutierrez

Printed Name
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Title
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