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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

APS&EE, LLC, a limited liability company,)
Plaintiff,)
v.)
VALUE SOURCE, INC., a corporation, and)
DOES 1 through 100, inclusive,)
Defendants.)

CASE NO. 24STCV20967

[PROPOSED] CONSENT JUDGMENT

Judge: Hon. Lia Martin

Dept.: 3

Compl. Filed: August 19, 2024

Unlimited Jurisdiction

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1 **1. RECITALS**

2 **1.1 The Parties**

3 **1.1.1** This Consent Judgment (“Consent Judgment”) is entered into by and
4 between APS&EE, LLC (“Plaintiff”) and Value Source, Inc. (“Defendant”). Plaintiff and
5 Defendant shall hereinafter collectively be referred to as the “Parties.”

6 **1.1.2** Plaintiff is an organization based in California with an interest in
7 protecting the environment, improving human health and the health of ecosystems, and
8 supporting environmentally sound practices, which includes promoting awareness of exposure to
9 toxic chemicals and reducing exposure to hazardous substances found in consumer products.

10 **1.1.3** Plaintiff alleges that Defendant is a person in the course of doing business
11 as the term is defined in California *Health & Safety Code* section 25249.6 et seq. (“Proposition
12 65”).

13 **1.2 Allegations**

14 **1.2.1** Plaintiff alleges that Defendant sold 1) Stechcol by Coastline Imports
15 brand of saucers and saucer/mug sets, including but not limited to “Snowball”, Marshalls No.
16 8028-2821-849208-81 (hereinafter, “Saucer/Mug Sets”), and 2) Grace Teaware mugs, including
17 but not limited to “lemons” HomeGoods D31, S878670, C0810, T1, FLS 0124 (“Grace Teaware
18 Mugs” and with “Saucer/Mug Sets” collectively referred to as the “Products”), in the State of
19 California causing users in California to be exposed to hazardous levels of Lead without
20 providing “clear and reasonable warnings”, in violation of Proposition 65. Lead is potentially
21 subject to Proposition 65 warning requirements because it is listed as known to cause cancer and
22 birth defects or other reproductive harm.

23 **1.2.2** On September 26, 2023, Plaintiff sent a Sixty-Day Notice of Violation
24 (the “September 26 Notice”) to Defendant and the various public enforcement agencies
25 regarding the alleged violation of Proposition 65 with respect to the saucers in the Saucer/Mug
26 Sets. On March 6, 2024, Plaintiff sent a Sixty-Day Notice of Violation (the “March 6 Notice”) to
27 Defendant and the various public enforcement agencies regarding the alleged violation of
28 Proposition 65 with respect to the Products. On June 13, 2024, Plaintiff sent a Supplemental

1 Sixty-Day Notice of Violation (the “June 13 Notice”) to Defendant and the various public
2 enforcement agencies regarding the alleged violation of Proposition 65 with respect to the
3 Products. The September 26 Notice, March 6 Notice, and June 13 Notice shall hereinafter
4 collectively be referred to as the “Notices”. On August 19, 2024, Plaintiff, acting in the public
5 interest, filed the instant action (the “Complaint”) in the Superior Court for the County of Los
6 Angeles, alleging violations of Proposition 65 related to the Products.

7 **1.2.3** On July 31, 2019, in a previous Proposition 65 action related to exposure
8 to Lead from Defendant’s mugs, a Consent Judgment executed by Plaintiff and Defendant was
9 entered by the Court in Los Angeles County Superior Court, Case No. 19STCV13113
10 (hereinafter, the “2019 Consent Judgment”). Defendant denied all allegations in the notices and
11 complaint associated with Plaintiff’s prior action in the 2019 Consent Judgment. However, the
12 2019 Consent Judgment included specific injunctive relief related to reformulation or clear and
13 reasonable warnings. Plaintiff alleges that Defendant violated the 2019 Consent Judgment with
14 respect to the Grace Teaware Mugs identified herein. Defendant denies those allegations and also
15 disputes that this Court has jurisdiction over the alleged violations of the 2019 Consent
16 Judgment.

17 **1.3 No Admissions**

18 Defendant denies all allegations in Plaintiff’s Notices and Complaint and maintains that
19 the Products have been, and are, in compliance with all laws, and that Defendant has not violated
20 Proposition 65 or the 2019 Consent Judgment. This Consent Judgment shall not be construed as
21 an admission of liability by Defendant but to the contrary as a compromise of claims that are
22 expressly contested and denied. However, nothing in this section shall affect the Parties’
23 obligations, duties, and responsibilities under this Consent Judgment.

24 **1.4 Compromise**

25 The Parties enter into this Consent Judgment in order to resolve the controversy
26 described above in a manner consistent with prior Proposition 65 settlements and consent
27 judgments that were entered in the public interest and to avoid prolonged and costly litigation
28 between them.

1 **1.5 Jurisdiction and Venue**

2 For purposes of this Consent Judgment only, the Parties stipulate that the above-entitled
3 Court has jurisdiction over Defendant as to the allegations in the Complaint, that venue is proper
4 in Los Angeles County, and that this Court has jurisdiction to enter and enforce the provisions of
5 this Consent Judgment pursuant to California Code of Civil Procedure Section 664.6 and
6 Proposition 65.

7 **1.6 Effective Date**

8 The “Effective Date” shall be the date this Consent Judgment is approved and entered by
9 the Court.


10 **2. INJUNCTIVE RELIEF**

11 **2.1 General Warnings Requirements**

12 As of the Effective Date, Defendant shall not distribute for sale in California, sell or offer
13 for sale the Products in California unless (a) the Products produce a test result no higher than 1.0
14 microgram of lead based on a wipe sample collected using NIOSH Method 9100 or equivalent
15 from the part of the Product that contains Decorations (“Reformulated Product”), or (b) the
16 Products are distributed, sold, or offered for sale with a clear and reasonable warning as
17 described below in Section 2.2. “Decorations” is defined as all colored artwork, designs and/or
18 markings on the surface of the Products (including all surfaces of saucers but excluding the
19 interior surface of mugs). The warning requirement set forth in Section 2.2 shall not apply to
20 Products that have already been placed in the stream of commerce downstream from Defendant,
21 or are otherwise out of Defendant’s possession and control, prior to the Effective Date.

22 **2.2 Clear And Reasonable Warnings**

23 For purposes of this Consent Judgment, a clear and reasonable warning for the Products
24 shall consist of a warning as follows:
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1  **WARNING:** This product can expose you to Lead which is known
2 to the State of California to cause cancer and birth
3 defects or other reproductive harm. For more
4 information go to www.P65Warnings.ca.gov.

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6 2.2.1 Instead of the word “**WARNING:**”, Defendant may use the words “**CA**
7 **WARNING:**” or “**CALIFORNIA WARNING:**” in all capital letters and bold print. The
8 warning shall be accompanied by a symbol consisting of a black exclamation point in a yellow
9 equilateral triangle with a bold black outline. Where the label for the product is not printed using
10 the color yellow, the symbol may be printed in black and white. The symbol shall be placed to
11 the left of the text of the warning, in a size no smaller than the height of the word(s)
12 “**WARNING**”, **CA WARNING:**”, or “**CALIFORNIA WARNING.**”

13 2.2.2 Alternatively, the warning may be a short-form warning that complies with Title
14 27, California Code of Regulations § 25603(b) and (c) pertaining to lead which is known as both
15 a carcinogen and a reproductive toxicant.¹

16 2.2.3 Additionally, if the Product contains consumer information in a foreign language,
17 the warning must be provided in the foreign language.

18 2.2.4 The Products shall carry said warning directly on each unit, label, or package,
19 with such conspicuousness as compared with other words, statements or designs as to render it
20 likely to be read and understood by an ordinary consumer prior to sale. A Product that is sold by
21 Defendant on the internet to persons located in California shall also provide the warning message
22 by a clearly marked hyperlink on the product display page, or otherwise prominently displayed
23 to the purchaser before the purchaser completes his or her purchase of the Product.

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27 ¹ The Parties acknowledge and understand these regulations provide different requirements for
28 Products manufactured and labeled before and after January 1, 2028.

1 **2.3 2019 Consent Judgment**

2 Defendant reaffirms its agreement to fully comply with Section 2 of the 2019 Consent
3 Judgment with respect to the Grace Teaware mugs identified in this matter. By adhering to the
4 injunctive requirements of this Consent Judgment with respect to the Grace Teaware mugs, the
5 Parties agree that Defendant is in compliance with the 2019 Consent Judgment.

6 **3. PAYMENTS**

7 **3.1 Civil Penalty Pursuant To Proposition 65**

8 In settlement of all claims referred to in this Consent Judgment, Defendant shall pay a
9 total civil penalty of one thousand five hundred dollars (\$1,500.00) to be apportioned in
10 accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$1,125.00)
11 for State of California Office of Environmental Health Hazard Assessment (“OEHHA”), and the
12 remaining 25% (\$375.00) for Plaintiff.

13 Defendant shall issue these payments collectively as part of the total payment described
14 below in Section 3.2 via wire transfer to Law Offices of Lucas T. Novak. After receipt of the
15 wire transfer, Law Offices of Lucas T. Novak shall be responsible for forwarding the respective
16 payments to OEHHA and APS&EE.

17 **3.2 Reimbursement Of Plaintiff’s Fees And Costs**

18 Defendant shall reimburse Plaintiff’s reasonable experts’ and attorney’s fees and costs
19 incurred in prosecuting the instant action for all work performed through execution and approval
20 of this Consent Judgment, in the amount of thirteen thousand five hundred dollars (\$13,500.00).
21 Accordingly, Defendant shall remit total payment via wire transfer to Law Offices of Lucas T.
22 Novak in the amount of fifteen thousand dollars (\$15,000.00), which includes the civil penalty
23 described in Section 3.1, within five (5) business days of the Effective Date. Wire instructions
24 have been exchanged between the Parties’ counsel.

25 **4. RELEASES**

26 **4.1 Plaintiff’s Release Of Defendant**

27 This Consent Judgment is a full, final, and binding resolution between Plaintiff, acting in
28 its individual capacity, and in the public interest, in consideration of the promises and monetary

1 payments contained herein, and Defendant of any violation of Proposition 65 regarding alleged
2 failure to warn about lead exposure from the Products that was or could have been asserted by
3 Plaintiff against any of Defendant's parents, subsidiaries, affiliated entities under common
4 ownership, directors, officers, employees, attorneys, and each entity to whom either Defendant
5 directly or indirectly distributes or sells the Products ("Releasees"), including its downstream
6 distributors and retailers, from any alleged Proposition 65 violation claims asserted in Plaintiff's
7 Notices or Complaint, as well as any alleged violation of the 2019 Consent Judgment, regarding
8 failure to warn about Lead exposure from the Products sold by Defendant before and up to the
9 Effective Date.

10 In further consideration of the promises and agreements herein contained, Plaintiff on its
11 own behalf and on behalf of its past and current agents, successors, and/or assignees, hereby
12 waives all rights to institute or participate in, directly or indirectly, any form of legal action, and
13 releases all claims that it may have against the Defendant and Releasees, including, without
14 limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages,
15 costs, fines, penalties, losses, or expenses, including, without limitation, investigation fees,
16 expert fees, and attorneys' fees, arising under Proposition 65 for failure to warn about exposures
17 to the Listed Chemical from Products distributed, sold, or distributed for sale in California by
18 Defendant prior to the Effective Date.

19 **4.2 Defendant's Release Of Plaintiff**

20 Defendant, by this Consent Judgment, waives all rights to institute any form of legal
21 action against Plaintiff, its shareholders, directors, members, officers, employees, attorneys,
22 experts, successors and assignees for actions or statements made or undertaken, whether in the
23 course of investigating claims or seeking enforcement of Proposition 65 against Defendant in
24 this matter or related to the Products. If any Released Party should institute any such action, then
25 Plaintiff's release of said Released Party in this Consent Judgment shall be rendered void and
26 unenforceable.

1 **4.3 Waiver Of Unknown Claims**

2 It is possible that other claims not known to the Parties arising out of the facts alleged in
3 the Notices and relating to the Products will develop or be discovered. Plaintiff on behalf of itself
4 only, on one hand, and Defendant, on the other hand, acknowledge that this Consent Judgment is
5 expressly intended to cover and include all such claims up through the Effective Date, including
6 all rights of action therefor. The Parties acknowledge that the claims released in Sections 4.1 and
7 4.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542
8 as to any such unknown claims. California Civil Code § 1542 reads as follows:

9 Each of the Parties acknowledges that it is familiar with Section 1542 of California Civil
10 Code which provides as follows:

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

17 Each of the Parties waives and relinquishes any right or benefit it has or may have under
18 Section 1542 of California Civil Code or any similar provision under the statutory or non-
19 statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights
20 and benefits. The Parties acknowledge that each may subsequently discover facts in addition to,
21 or different from, those that it believes to be true with respect to the claims released herein. The
22 Parties agree that this Consent Judgment and the releases contained herein shall be and remain
23 effective in all respects notwithstanding the discovery of such additional or different facts.

24 **5. DEEMED COMPLIANCE WITH PROPOSITION 65**

25 The Parties agree that compliance by Defendant with this Consent Judgment constitutes
26 compliance with Proposition 65 with respect to exposure to lead from the Decorations of the
27 Products.

28 **6. COURT APPROVAL**

 Upon execution of this Consent Judgment by all Parties, Plaintiff shall file a noticed
Motion for Approval and Entry of Consent Judgment in the above-entitled Court. This Consent

Judgment is not effective until it is approved and entered by the Court. It is the intention of the Parties that the Court approve this Consent Judgment, and in furtherance of obtaining such approval, the Parties and their respective counsel agree to mutually employ their best efforts to support the entry of this agreement in a timely manner, including cooperating on drafting and filing any papers in support of the required motion for judicial approval.

7. ENFORCEMENT OF JUDGMENT

The terms of this Consent Judgment shall be enforced by the Parties by noticed motion or request for an order to show cause before the Court giving the notice required by law. A Party may enforce any of the terms and conditions of this Consent Judgment only after that Party first provides 60 days' notice to the Party allegedly failing to comply with the terms and conditions of this Consent Judgment and attempts to resolve such Party's failure to comply in an open and good faith manner. Defendant shall be entitled to receive the following information: the date(s) the alleged violation(s) was observed; the location at which the Product(s) were offered for sale; photographs of the entire Product and product labeling; and the test data obtained by Plaintiff regarding the Product(s), including which parts of the Product(s) was/were tested, which may be provided following execution of a Confidentiality Agreement between the Parties.

8. MODIFICATION

This Consent Judgment may be modified only by further stipulation of the Parties and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

9. SEVERABILITY

Should any part or provision of this Consent Judgment for any reason be declared by a Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

10. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the State of California. This Consent Judgment is entered into in the State of California and may only be enforced in the State of California.

1 **11. NOTICES**

2 All correspondence and notice required to be provided under this Consent Judgment shall
3 be in writing and delivered personally or sent by first class or certified mail addressed as follows:
4

5 TO DEFENDANT:	TO PLAINTIFF:
6 Dennis E. Raglin, Esq.	Lucas T. Novak, Esq.
7 Steptoe LLP	Law Offices of Lucas T. Novak
8 633 West 5th Street, 19th Floor	8335 W Sunset Blvd., Suite 217
Los Angeles, California 90071	Los Angeles, CA 90069

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10 **12. NO EFFECT ON OTHER AGREEMENTS**

11 Nothing in this Consent Judgment shall be construed to affect any of the rights or
12 obligations of either Party as set forth in any other agreement in which either Party is a signatory.

13 **13. COUNTERPARTS**

14 This Consent Judgment may be executed in counterparts, each of which shall be deemed
15 an original, and all of which, when taken together, shall constitute the same document. Execution
16 and delivery of this Consent Judgment by e-mail, facsimile, or other electronic means shall
17 constitute legal and binding execution and delivery. Any photocopy of the executed Consent
18 Judgment shall have the same force and effect as the originals.

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1 **14. AUTHORIZATION**

2 The undersigned are authorized to execute this Consent Judgment on behalf of their
3 respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions
4 of this Consent Judgment. Each Party warrants to the other that it is free to enter into this
5 Consent Judgment and is not subject to any conflicting obligation that will or might prevent or
6 interfere with the execution or performance of this Consent Judgment by said Party.

7
8 **AGREED TO:**

9 Date: 4/12/25

10 By: 

11 Authorized Representative of APS&EE, LLC

12
13 **AGREED TO:**

14 Date: April 9th, 2025

15 By: grace ma

16 Authorized Representative of Value Source, Inc.

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18 **IT IS SO ORDERED.**

19 Dated: _____

JUDGE OF THE SUPERIOR COURT