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9 10	Attorneys for Plaintiff Environmental Health Advocates, Inc.	
11	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
12	IN AND FOR THE COUNTY OF ALAMEDA	
13	ENVIRONMENTAL HEALTH	Case No. 25CV124226
14	ADVOCATES, INC.,	[PROPOSED] CONSENT JUDGMENT
15	Plaintiff, v.	(Health & Safety Code § 25249.6 et seq. and Code Civ. Proc. § 664.6)
16	PHARMA COSMETICS INC., a Delaware	Code Civ. 110c. 9 004.0)
17	corporation; and DOES 1 through 100, inclusive,	
18	Defendants.	
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1. <u>INTRODUCTION</u>

1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA" or "Plaintiff") and Pharma Cosmetics Inc. ("Defendant" or "Pharma") with EHA and Pharma each individually referred to as a "Party" and collectively referred to as the "Parties."

1.2 Plaintiff

EHA is a corporation organized in the state of California and states that it is acting in the interest of the general public. It states that it seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.3 Defendant

Pharma employs ten or more individuals and for purposes of this Consent Judgment only, is a "person in the course of doing business" for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 et seq. ("Proposition 65").

1.4 General Allegations

EHA alleges that Pharma manufactures, imports, sells, and distributes for sale Neova Cu3 Transforming Gel Recovery Mask that contains diethanolamine ("DEA"). EHA further alleges that Pharma does so without providing a sufficient health hazard warning as required by Proposition 65 and related Regulations. Pharma denies these allegations and asserts that its products are safe and in compliance with all applicable laws, rules and regulations.

1.5 Notice of Violation

On or around November 15, 2024, EHA served Defendant Pharma, DermaGlobe, Inc., and the California Attorney General, and all other required public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 ("Notice"). The Notice alleged that Pharma had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to diethanolamine ("DEA") contained in face masks products, including but not limited to Neova Cu3 Transforming Gel Recovery Mask manufactured or processed by Pharma that allegedly contain DEA and are imported, sold, shipped, delivered, or distributed for sale to consumers in California by

Releasees (as defined in section 4.1).

No public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

1.6 Product Description

The products covered by this Consent Judgment are face mask products, including but not limited to Neova Cu3 Transforming Gel Recovery Mask manufactured or processed by Pharma that allegedly contain DEA and are imported, sold, shipped, delivered, or distributed for sale to consumers in California by Releasees (as defined in section 4.1) ("Covered Products").

1.7 State of the Pleadings

On or around May 22, 2025, EHA filed a Complaint against Pharma for the alleged violations of Proposition 65 that are the subject of the Notice ("Complaint").

1.8 No Admission

Pharma denies the material factual and legal allegations of the Notice and Complaint and maintains that all of the Covered Products it has manufactured, imported, sold, and/or distributed for sale in California, including Covered Products, have been, and are, in compliance with all applicable laws, rules and regulations. Nothing in this Consent Judgment shall be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect Pharma's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this Court has jurisdiction over Pharma as to the allegations in the Complaint, that venue is proper in the County of Alameda, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" means the date on which this Consent Judgment is approved and entered as a judgment of the Court, as discussed in Section 5.

2. INJUNCTIVE RELIEF

2.1 Reformulation of the Covered Products

Beginning thirty (30) days after the Effective Date, Pharma shall be permanently enjoined from manufacturing, distributing, or directly selling in the State of California any Covered Product that has a DEA content above the Reporting Limit of 10 mg/kg when analyzed pursuant to liquid chromatography/tandem mass spectrometry (LC/MS/MS), inductively coupled mass-spectroscopy (ICP-MS) or other method of analysis utilized by the International Organization for Standardization (ISO) for qualitative and quantitative screening of cosmetics and cosmetic raw materials.

2.2 Clear and Reasonable Warnings

Commencing on the Effective Date, Pharma agrees any Covered Product sold in California, exceeding the Reformulation Standard set forth in section 2.1 above, and which are distributed or directly sold by Pharma in the State of California on or after the Effective Date, shall contain a "clear and reasonable" Proposition 65 warning, within the meaning of Section 25249.6 of the Act. Pharma agrees that each warning shall be prominently placed with such conspicuousness, as compared with other words, statements, designs, or devices as to render it likely to be seen, read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner compliant with Title 27 California Code of Regulations Sections 25600 et seq., clearly indicating which listed chemical(s) is/are implicated, so as to minimize the risk of consumer confusion.

For purposes of this Settlement Agreement, a clear and reasonable warning for the Covered Products shall consist of a product-specific warning via one or more of the following methods: (1) A posted sign, shelf tag, or shelf sign for the consumer product at each point of display of the product; (2) Any electronic device or process that automatically provides the warning to the purchaser (not applicable to internet purchases, which are subject to the provisions of § 25602(b)); (3) A warning directly affixed to the product's label or tag; or (4) A short-form warning on the Covered Products' label that complies with the content requirements set forth in §§ 25603(b) and 25603(a). Specifically, pursuant to § 25603(a) – (d), one of the following statements must be utilized:

WARNING:" [or] "CA WARNING:" [or] "CALIFORNIA WARNING:" This product can expose you to chemicals including diethanolamine ("DEA"), which is known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.

OR

SHORT FORM

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2) WARNING: [or] "CA WARNING:" [or] "CALIFORNIA WARNING: Cancer risk from exposure to diethanolamine ("DEA"). See www.P65Warnings.ca.gov.

OR

SHORT FORM 3)

3) WARNING: "[or] "CA WARNING:" [or] "CALIFORNIA WARNING: Can expose you to diethanolamine ("DEA"), a carcinogen. See www.P65Warnings.ca.gov.

SHORT FORM ON A PRODUCT MANUFACTUR ED/LABELED PRIOR TO 1/1/28, REGARDLESS OR

4) **WARNING:** Cancer- www.P65Warnings.ca.gov.

The triangle above shall be yellow on the warning statement. Where the sign, label, or shelf tag for the product is not printed using the color yellow, the symbol may be printed in black and white. The symbol shall be placed to the left of the warning text, in a size no smaller than the height of the word, "WARNING." A short-form warning must be provided on a product in a type size that complies with Cal. Code Regs Tit. 27, § 25601(c). Where a sign, labeling, or label as defined in Section 25600.1 is used to provide a warning that includes consumer information about a product in a language other than English, the warning must also be provided in that language in addition to English.

As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent Covered Products are sold online, a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 must be provided via of the following methods: (1) A warning on the product display page; (2) A clearly marked hyperlink using the word "WARNING" or the words "CA WARNING" or "CALIFORNIA WARNING" on the product display page that links to the warning; or (3) An otherwise prominently displayed warning provided to the purchaser prior to completing the purchase. If a warning

is provided using the short-form label content pursuant to Section 25602(a)(4), the warning provided on the website may use the same content. For purposes of this section, a warning is not prominently displayed if the purchaser must search for it in the general content of the website. For internet purchases made prior to 1/1/28, a retail seller is not responsible under Section 25600.2(e)(4) for conspicuously posting or displaying the new warning online until 60 calendar days after the retailer receives a warning or a written notice under Section 25600.2(b) and (c) which updates a short-form warning compliant with Section 25603(c) with content compliant with Section 25603(b). These requirements extend to any websites under the exclusive control of Pharma where Covered Products are sold into California. In addition, Pharma shall instruct any third-party website to which it directly sells its Covered Products to include the same online warning, as set forth above, as a condition of selling the Covered Products in California.

There shall be no obligation for Pharma to provide a warning for Covered Products that entered the stream of commerce prior to the Effective Date, and the Section 4 release applies to all such Covered Products.

(i) Changes in Warning Regulations or Statutes

In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Covered Products and the chemical at issue, which are different than those set forth above, Pharma shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. If regulations or legislation are enacted providing that Proposition 65 warnings as to diethanolamine ("DEA") in this product are no longer required, Defendant may move for modification of the agreement pursuant to the modification provision in Section 12.

2.3 Sell-Through Period

Notwithstanding anything else in this Consent Judgment, Covered Products that are manufactured, packaged, or put into commerce on or before the date this Agreement is executed shall be subject to the release of liability pursuant to this Consent Judgment, without regard to when such Covered Products were, or are in the future, distributed or sold to customers. As a result, the obligations

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of Pharma, or any Releasees (if applicable), stated in this Section 2 do not apply to Covered Products manufactured, packaged, or put into commerce between the date this Agreement is executed and the Effective Date.

3. MONETARY SETTLEMENT TERMS

3.1 Settlement Amount

Pharma shall pay fifty thousand dollars (\$50,000) in settlement and total satisfaction of all the claims referred to in the Notice(s), the Complaint, and this Consent Judgment. This includes civil penalties in the amount of five thousand dollars (\$5,000) pursuant to Health and Safety Code section 25249.7(b) and attorneys' fees and costs in the amount of forty-five thousand dollars (\$45,000) pursuant to Code of Civil Procedure section 1021.5.

3.2 Civil Penalty

The portion of the settlement attributable to civil penalties shall be allocated according to Health and Safety Code section 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) of the penalty paid to EHA individually. The five thousand dollars (\$5,000) in civil penalties shall be paid as follows:

- One payment of \$3,750 to OEHHA, due 14 days after the date the Court approves EHA's motion to approve this Consent Judgment.
- One payment of \$1,250 to EHA, due 14 days after the date the Court approves EHA's motion to approve this Consent Judgment.

All payments owed to EHA shall be delivered to the following address:

Environmental Health Advocates 225 Broadway, Suite 2100 San Diego, CA 92101

All payments owed to OEHHA (EIN: 68-0284486) shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment

P.O. Box 4010 Sacramento, CA 95812-4010

For Federal Express 2-Day Delivery:

Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 1001 I Street Sacramento, CA 95814

Pharma agrees to provide EHA's counsel with a copy of the check payable to OEHHA, simultaneous with its penalty payment to EHA.

Plaintiff and its counsel will provide completed IRS 1099, W-9, or other tax forms as required. Relevant information is set out below:

- "Environmental Health Advocates, Inc." (EIN: 84-2322975) at the address provided above.
- "Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.

All payments referenced in this section shall be paid within fourteen (14) days of the date the Court approves EHA's motion to approve this Consent Judgment.

3.3 Attorney's Fees and Costs

The portion of the settlement attributable to attorneys' fees and costs shall be paid to EHA's counsel, who are entitled to attorneys' fees and costs incurred by it in this action, including but not limited to investigating potential violations, bringing this matter to Pharma's attention, as well as litigating and negotiating a settlement in the public interest.

Pharma shall provide its payment for civil penalty and for attorneys' fees and costs to EHA's counsel by physical check or by electronic means, including wire transfers, at Pharma's discretion, as follows: forty-five thousand dollars (\$45,000) in Attorney's Fees and Costs shall be paid as follows:

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- Payment 1: One payment of \$5,000, due 14 days after the date the Court approves EHA's motion to approve this Consent Judgment.
- Payment 2: One payment of \$10,000, due 1 month after the due date of Payment 1.
- Payment 3: One payment of \$10,000, due 1 month after the due date of Payment 2.
- Payment 4: One payment of \$10,000, due 1 month after the due date of Payment 3.
- Payment 5: One payment of \$10,000, due 1 month after the due date of Payment 4.

The attorney fee payments shall be made payable to Entorno Law, LLP and delivered to:

Noam Glick Entorno Law, LLP 225 Broadway, Suite 1900 San Diego, CA 92101

4. CLAIMS COVERED AND RELEASE

4.1 EHA's Public Release of Proposition 65 Claims

Plaintiff, acting on its own behalf and in the public interest, releases Pharma, and its parents, subsidiaries, affiliated entities under common ownership or control, its directors, officers, principals, agents, employees, attorneys, insurers, accountants, predecessors, successors, and assigns ("Defendant Entities"), each entity to whom Defendant directly or indirectly distributes, ships, or sells the Covered Products, including but not limited to downstream distributors, wholesalers, customers, retailers (including but not limited to Pharma Cosmetics Inc.), and marketplaces franchisees, franchisors, cooperative members, suppliers, licensees, and licensors, and all of the foregoing entities' owners, directors, officers, agents, principals, employees, attorneys, insurers, accountants, representatives, predecessors, successors, and assigns (collectively referred to as the "Releasees") from all claims for violations of Proposition 65 for exposures to DEA up through the Effective Date based on exposure to DEA from Covered Products as set forth in the Notice(s). Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to DEA from Covered Products as set forth in the Notice(s). This Consent Judgment is a full, final, and binding resolution of all claims under Proposition 65 that were or could have been asserted against Pharma and/or Releasees for failure to comply with Proposition 65 for alleged exposure to DEA from Covered Products. This release does not extend to any third-party retailers selling the product on a website who, after receiving

instruction from Pharma to include a warning as set forth above in section 2.2, do not include such a warning.

4.2 EHA's Individual Release of Claims

EHA, in its individual capacity, also provides a release to Pharma and/or Releasees, which shall be a full and final accord and satisfaction of, as well as a bar to, all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities, and demands of every nature, character, and kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to DEA in Covered Products manufactured, imported, sold, or distributed by Pharma before the Effective Date.

4.3 Pharma's Release of EHA

Pharma on its own behalf, and on behalf of Releasees as well as its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against them, in this matter or with respect to the Covered Products.

4.4 No Other Known Claims or Violations.

EHA and EHA's counsel affirm that they are not presently aware of any actual or alleged violations of Proposition 65 by Pharma or for which Pharma bears legal responsibility other than those that are fully resolved by this Consent Judgment.

4.5 California Civil Code Section 1542

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Covered Products will develop or be discovered. EHA on behalf of itself only, on one hand, and Pharma on behalf of itself only, on the other hand, acknowledge that this Consent Judgment is expressly intended to cover and include all such claims up through the Effective Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads 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.

EHA and Pharma each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5. COURT APPROVAL

This Consent Judgment is not effective until it is approved by the Court and shall be null and void if it is not approved by the Court within one year after it has been fully executed by the Parties, or by such additional time as the Parties may agree to in writing.

6. <u>SEVERABILITY</u>

Subsequent to the Court's approval and entry of this Consent Judgment, if any provision is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

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7. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the state of California as applied within the state of California. In the event that Proposition 65 is repealed, or is otherwise rendered inapplicable for reasons, including but not limited to changes in the law; or in the event the California Office of Health Hazard Assessment adopts a regulation or safe use determination, or issues an interpretive guideline that exempts Covered Products from meeting the requirements of Proposition 65; or if DEA cases are permanently enjoined by a court of competent jurisdiction; or if Proposition 65 is determined to be preempted by federal law or a burden on First Amendment rights with respect to DEA in Covered Products or Covered Products substantially similar to Covered Products, then Pharma may seek relief from the injunctive obligations imposed by this Consent Judgment to the extent any Covered Products are so affected by modifying the agreement via the mechanisms set forth in Section 12.

8. <u>ENFORCEMENT</u>

In any action to enforce the terms of this Consent Judgment, the prevailing party shall be entitled to its reasonable attorneys' fees and costs. EHA shall first give Pharma 30 days' notice to cure any alleged violation before bringing an enforcement action.

9. NOTICE

Unless otherwise specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered, or certified mail, return receipt requested; or (iii) a recognized overnight courier; and (iv) with a copy by email; to the following addresses:

If to Pharma:

If to EHA:

Stephen T. Holzer	Noam Glick
Lewitt Hackman	Entorno Law, LLP
16633 Ventura Boulevard, 11th Floor	225 Broadway, Suite 2100
Encino, California 91436 – 1865	San Diego, CA 92101
sholzer@Lewitthackman.com	noam@entornolaw.com

Any Party may, from time to time, specify in writing to the other, a change of address to which

notices and other communications shall be sent.

10. <u>COUNTERPARTS</u>; <u>DIGITAL SIGNATURES</u>

This Consent Judgment may be executed in counterparts and by facsimile signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

11. POST EXECUTION ACTIVITIES

EHA agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which motion EHA shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually employ their reasonable best efforts, including those of their counsel, to support the entry of this agreement as judgment, and to obtain judicial approval of their settlement in a timely manner. For purposes of this Section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to any objection that any third-party may make, and appearing at the hearing before the Court if so requested.

12. MODIFICATION

This Consent Judgment may be modified by: (i) a written agreement of the Parties and entry of a modified consent judgment thereon by the Court; or (ii) a successful motion or application of any Party, and the entry of a modified consent judgment thereon by the Court.

13. <u>AUTHORIZATION</u>

The undersigned are authorized to execute this Consent Judgment and acknowledge that they have read, understand, and agree to all of the terms and conditions contained herein.

14. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet and confer in person, or by telephone, and/or in writing and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand.

This Consent Judgment contains the sole and entire agreement and understanding of the Parties 2 with respect to the entire subject matter herein, and any and all prior discussions, negotiations, 3 commitments, and understandings related hereto. No representations, oral or otherwise, express or 4 implied, other than those contained herein have been made by any Party. No other agreements, oral or 5 otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party. 6 AGREED TO: AGREED TO: 8 11/20/25 9 10 By: 11 ENVIRONMENTAL HEALTH PHARMA COSMETICS INC. ADVOCATES, INC. 12 13 14 IT IS SO ORDERED. 15 Date: 16 17 JUDGE OF THE SUPERIOR COURT 18 19 20 21 22 23 24 25 26 27

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ENTIRE AGREEMENT