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CENTER FOR ENVIRONMENTAL HEALTH

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN FRANCISCO

CENTER FOR ENVIRONMENTAL HEALTH, **Plaintiff,** **v.** **AESOP USA, INC., *et al.*,** **Defendants.**	Case No. CGC-25-623997 **[PROPOSED] CONSENT JUDGMENT AS TO DEFENDANT WALMART INC.**

1. INTRODUCTION

1.1 The Parties to this Consent Judgment are the Center for Environmental Health, a California non-profit corporation ("CEH"), and Walmart Inc. (referred to herein as "Settling Defendant"). [1] CEH and Settling Defendant (the "Parties") enter into this Consent Judgment to settle certain claims asserted by CEH against Settling Defendant as set forth in the operative complaint ("Complaint") in the above-captioned matter.

[1] The term "Settling Defendant" only refers to Walmart Inc. It does not include any subsidiaries of Walmart Inc. or any other entity related to Walmart Inc.

1.2 On January 14, 2025 and June 30, 2025, CEH provided 60-day Notices of Violation of Proposition 65 to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000, and to Settling Defendant, alleging that Settling Defendant violated Proposition 65 by exposing persons to Bisphenol S ("BPS") contained in thermal receipt paper without first providing a clear and reasonable Proposition 65 warning.

1.3 Settling Defendant is a corporation that purchases for use, causes to be purchased for use, provides, offers to provide, and sells thermal receipt paper in the State of California or has done so in the past.

1.4 On April 3, 2025, CEH filed the original Complaint in the above-captioned matter naming Settling Defendant as a defendant to the action. On July 21, 2025, CEH filed the First Amended Complaint. On May 18, 2026, CEH filed the operative Second Amended Complaint (the "Complaint").

1.5 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Settling Defendant as to the acts alleged in the Complaint, that venue is proper in the County of San Francisco, and that this Court has jurisdiction to enter and enforce this Consent Judgment as a full and final resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein with respect to Covered Products that Settling Defendant manufactured, distributed, purchased for use, sold, offered to sell, provided, or offered to provide.

1.6 Nothing in this Consent Judgment is or shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument, or defense the Parties may have in any other pending or future legal proceedings. This Consent Judgment is the product of negotiation

and compromise and is accepted by the Parties solely for purposes of settling, compromising, and resolving issues disputed in this action.

2. DEFINITIONS

2.1 "Compliance Date" means ninety (90) days after the Effective Date.

2.2 "Covered Products" means thermal receipt paper used to print receipts and thermal receipt paper sold under the Pen + Gear tradename.

2.3 "BPS Free" means Covered Products that have no BPS intentionally added.

2.4 "Effective Date" means the date of entry of this Consent Judgment.

3. INJUNCTIVE RELIEF

3.1 **Reformulation of Covered Products Used At Settling Defendant's California Locations.** As of the Compliance Date, Settling Defendant shall only purchase, distribute, or cause to be distributed for use in its California locations Covered Products that are BPS Free and shall have notified each of its California locations to only accept for use Covered Products that are BPS Free.

3.2 **Reformulation of Covered Products Sold At Settling Defendant's California Locations.** As of the Compliance Date, Settling Defendant shall not sell or offer for sale Covered Products in or to California that are not BPS Free.

3.3 Settling Defendant may, in accordance with the enforcement terms in Section 4 below, rely on written specifications/representations, test results, or a certificate of compliance from its Covered Products supplier(s) to comply with the foregoing obligations.

4. ENFORCEMENT

4.1 **General Enforcement Provisions**. The Parties may, by motion or application for an order to show cause before this Court, enforce the terms and conditions contained in this Consent Judgment. The Parties shall meet and confer on the alleged violation of this Consent Judgment before bringing any such motion or application.

4.2 **Enforcement of Section 3**.

4.2.1 Prior to bringing any motion or application to enforce the requirements of Section 3 above, CEH shall provide Settling Defendant with a notice setting forth the factual basis for the alleged violation of Section 3 and any test results or other data establishing that the Covered Product was not BPS Free ("Notice of Violation"). For purposes of enforcement, a detection in excess of 200 parts per million ("ppm") of total BPS content creates a rebuttable presumption that a Covered Product is not BPS Free. The Notice of Violation must include (i) a copy of the receipt(s) or other allegedly violative thermal paper, (ii) if a receipt does not contain a register number, a description and/or photograph of the location of the register from which such receipt was printed sufficient to allow Settling Defendant to identify the register, or a description of the location from which other allegedly violative Covered Products were found, and (iii) any test results or other data establishing that the Covered Product was not BPS Free.

4.2.2 Settling Defendant shall provide its response to the Notice of Violation within 45 days.

4.2.2.1 If Settling Defendant's response to a Notice of Violation served under this Section 4 demonstrates the Covered Product used at the location identified in the Notice of Violation was obtained directly or indirectly from an upstream supplier that is a party to a consent judgment providing substantially equivalent or more protective reformulation requirements from this set of related cases, CEH shall take no further action against Settling Defendant except as set forth herein. If the upstream supplier successfully demonstrates the Covered Product was BPS Free, CEH shall notify Settling Defendant, which may then respond in accordance with Section 4.2.2.2 or clean the identified register.

4.2.2.2 If thermal receipt paper printed at one of Settling Defendant's locations is the Covered Product at issue in the Notice of Violation, Settling Defendant may respond to a Notice of Violation by providing tests of the thermal receipt paper used in the register identified in the Notice of Violation before and after a receipt is printed.

(1) If the thermal receipt paper before printing contains less than 200 ppm of total BPS and the thermal receipt paper after printing contains less than 200 ppm of total BPS, Settling Defendant shall provide CEH with a sample of the Covered Product printed from the register so that CEH may confirm the testing. In the event that CEH's test of the Covered Product shows that the product contains more than 200 ppm of total BPS, the Parties shall meet and confer regarding an appropriate remedy. In the event the Parties are unable to reach an agreement, CEH may bring a motion to enforce the Consent Judgment. In the event that CEH's test of the Covered Product confirms that there is less than 200 ppm, CEH shall take no further action on the Notice of Violation.

(2) If the thermal receipt paper before printing contains more than 200 ppm of total BPS, Settling Defendant's response to the Notice of Violation shall identify all known direct and indirect suppliers of the thermal receipt paper and provide CEH with a sample of the thermal receipt paper from the register identified in the Notice of Violation before printing. If the direct or indirect suppliers of the thermal receipt paper are not party to a consent judgment providing substantially equivalent or more protective reformulation requirements, Settling Defendant shall take commercially reasonable steps to obtain an alternative supplier or work with its current supplier to ensure compliant Covered Product is procured moving forward. If Settling Defendant is unable to do so within 90 days following its receipt of the NOV, it shall meet and confer with CEH regarding an appropriate remedy.

(3) If the thermal receipt paper before printing contains less than 200 ppm of total BPS and the thermal receipt paper after printing contains 200 ppm or more of total BPS, Settling Defendant shall take steps to clean each

register identified in the Notice of Violation pursuant to manufacturer recommendations in order to reduce the potential for future contamination, and shall include in its response to the Notice of Violation confirmation that such cleaning has been or will be promptly undertaken.

(4) CEH shall not be entitled to any monetary remedy for alleged violation of this Consent Judgment from any Settling Defendant who complies with the injunctive relief in subsections 4.2.2.2(2) and (3) in response to a First Notice of Violation.

4.2.3 If a Pen + Gear product sold by Settling Defendant is the Covered Product at issue in the Notice of Violation, the Notice of Violation shall include photographs of the product tested together with the test results for the Covered Product. In response to the Notice of Violation, Settling Defendant may contest the Notice of Violation by providing test results showing that the Covered Product had less than 200 ppm of total BPS. Settling Defendant shall provide CEH with a sample of the Covered Product so that CEH may confirm the testing. In the event that CEH's test of the Covered Product shows that the product contains more than 200 ppm of total BPS, the Parties shall meet and confer regarding an appropriate remedy. In the event the Parties are unable to reach an agreement, CEH may bring a motion to enforce the Consent Judgment. In the event that CEH's test of the Covered Product confirms that there is less than 200 ppm, CEH shall take no further action on the Notice of Violation.

4.2.4 If, in response to a first Notice of Violation, Settling Defendant does not or is unable to produce the testing described in Sections 4.2.2.2 or 4.2.2.3, CEH shall take no further action against Settling Defendant if it demonstrates the following in response to a first Notice of Violation under this Consent Judgment: (i) the thermal receipt paper used at the location at which the allegedly violative Covered Product was provided was obtained from a direct or indirect supplier that had provided a written specification, test result, or certificate of compliance that the Covered Product was BPS Free, and (ii) the alleged violation has been cured by Settling Defendant.

4.2.5 After the first Notice of Violation, subsequent Notices of Violation shall be subject to the provisions of Sections 4.1 and 4.2. Should attempts at informal resolution fail, CEH may file its enforcement motion or application. The prevailing party on any motion to enforce this Consent Judgment shall be entitled to its reasonable attorneys' fees and costs associated with the motion.

4.2.6 The Parties agree that a Notice of Violation shall not be considered a first Notice of Violation for purposes of section 4.2 if either (a) the Covered Product was (i) released by this Consent Judgment or (ii) otherwise complied with its injunctive terms, or (b) the Notice of Violation was (i) withdrawn, (ii) successfully contested, or (iii) Settling Defendant had not previously received a Notice of Violation for Covered Products supplied by the same supplier.

4.3 **Remedies.** In the event that CEH and Settling Defendant are unable to resolve a Notice of Violation at a retail location that it owns or operates, CEH may seek injunctive relief in the form of an order from the Court requiring Settling Defendant to provide a clear and reasonable warning of exposures to BPS in thermal receipt paper at the location(s) identified in the Notice of Violation or on the label of the Pen + Gear product as applicable, unless Settling Defendant changes suppliers of thermal receipt paper or cleans the printer(s) identified in the Notice of Violation. Nothing in this Section 4 shall impact the Court's authority in an enforcement proceeding to impose appropriate monetary remedies, if any, including penalties, Additional Settlement Payments, and sanctions.

5. PAYMENTS

5.1 **Total Settlement Payment.** Within ten (10) days of the Effective Date, Settling Defendant shall pay the total settlement amount of $40,000 and no cents as a settlement payment as further set forth in this Section. Any payment by Settling Defendant shall be deemed to be timely and not subject to a late charge and/or other penalty if (1) postmarked (if sent by the United States Postal Service) or (2) delivered to an overnight carrier (e.g. Fed Ex), on or before the deadline set forth in this paragraph.

5.2 **Allocation of Payments.** The total settlement amount for Settling Defendant shall be paid in four separate checks or in two electronic transfers, one to LLG's IOLTA account and one to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA"), in the amounts specified below and delivered as set forth below. Any failure by Settling Defendant to comply with the payment terms herein shall be subject to a stipulated late fee to be paid by Settling Defendant in the amount of $100 for each day the full payment is not received after the applicable payment due date set forth in Section 5.1. The late fees required under this Section shall be recoverable, together with reasonable attorneys' fees, in an enforcement proceeding brought pursuant to Section 4 of this Consent Judgment. The funds paid by Settling Defendant shall be allocated as set forth below between the following categories and made payable as follows:

5.2.1 $8,280 as a civil penalty pursuant to Health & Safety Code § 25249.7(b). The civil penalty payment shall be apportioned in accordance with Health & Safety Code § 25249.12 (25% to CEH and 75% to OEHHA). Accordingly, the OEHHA portion of the civil penalty payment for $6,210 shall be made payable to OEHAA and associated with taxpayer identification number 68-0284486. Unless addressed by an electronic transfer, this payment shall be delivered as follows:

For United States Postal Service Delivery:

Attn: Mike Gyurics
Deputy Director for Administrative Services
Office of Environmental Health Hazard Assessment
P.O. Box 4010, MS #19B
Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Attn: Mike Gyurics
Deputy Director for Administrative Services
Office of Environmental Health Hazard Assessment
1001 I Street, MS #19B
Sacramento, CA 95814

Unless addressed by an electronic transfer, the CEH portion of the civil penalty payment of $2,070 shall be made payable to the Center for Environmental Health and associated with

taxpayer identification number 94-3251981. Unless addressed by an electronic transfer, this payment shall be delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco, CA 94117.

5.2.2 $6,120 as an Additional Settlement Payment ("ASP") to CEH pursuant to Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 3204. CEH will use such funds to continue its work educating and protecting people from exposures to toxic chemicals, including BPS, in thermal paper and other products. CEH may also use a portion of such funds to monitor compliance with this Consent Judgment and to purchase and test Settling Defendants' products to confirm compliance. CEH shall obtain and maintain adequate records to document that ASPs are spent on these activities and CEH agrees to provide such documentation to the Attorney General within thirty (30) days of any request from the Attorney General. Unless addressed by an electronic transfer, the payment pursuant to this Section shall be made payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. Unless addressed by an electronic transfer, this payment shall be delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco, CA 94117.

5.2.3 $25,600 as a reimbursement of a portion of CEH's reasonable attorneys' fees and costs. Unless addressed by an electronic transfer, the attorneys' fees and cost reimbursement shall be made payable to the Lexington Law Group, LLP and associated with taxpayer identification number 88-4399775. Unless addressed by an electronic transfer, this payment shall be delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco, CA 94117.

5.2.4 To summarize, if Settling Defendant pays by check, it shall deliver the checks made out to the payees and in the amounts set forth below:

Payee	**Type**	**Amount**	**Deliver To**
OEHHA	Penalty	$6,210	OEHHA per Section 5.2.1
Center For Environmental Health	Penalty	$2,070	LLG

Payee	Type	Amount	Deliver To
Center For Environmental Health	ASP	$6,120	LLG
Lexington Law Group, LLP	Fee and Cost	$25,600	LLG

In the alternative, if Settling Defendant pays by electronic transfer, it may render such payment in accordance with the wire transfer or ACH instructions for CEH and OEHHA provided to Settling Defendants' counsel concurrently with CEH's signature. Any electronic transfer to the LLG IOLTA account shall be associated with taxpayer identification number 94-6001385. Any electronic transfer shall be made to the payees and in the amounts set forth below:

Payee	Type	Amount	Deliver To
OEHHA	Penalty	$6,210	OEHHA (bank information to be provided by counsel for CEH)
Lexington Law Group, LLP IOLTA	Combined Penalty and ASP to CEH, Fee and Cost to LLG	$33,790	Lexington Law Group, LLP IOLTA (bank information to be provided by counsel for CEH)

6. MODIFICATION AND DISPUTE RESOLUTION

6.1 **Modification.** This Consent Judgment may be modified from time to time by express written agreement of the Parties, with the approval of the Court, or by an order of this Court upon motion.

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

7. CLAIMS COVERED AND RELEASE

7.1 Provided that Settling Defendant complies in full with its obligations under Section 5 hereof, this Consent Judgment is a full, final, and binding resolution between CEH on behalf of itself and the public interest and Settling Defendant and its parents, subsidiaries,

franchisees, licensees, affiliated entities that are under common ownership, directors, officers, employees, agents, shareholders, predecessors, successors, assigns, and attorneys, including, but not limited to, Wal-Mart.com USA, LLC, Wal-Mart Stores East, Inc., Wal-Mart Stores East, LP, and Walmart Apollo, LLC ("Defendant Releasees"), of (i) any violation of Proposition 65 based on failure to warn about alleged exposure to BPS from Covered Products that Settling Defendant distributed, purchased for use, sold, offered to sell, provided, or offered to provide prior to the Compliance Date and (ii) for all conduct that complies with Section 3 of this Consent Judgment. For the avoidance of doubt, this release applies to Covered Product inventory at Settling Defendant's retail locations as of the Compliance Date.

7.2 Provided that Settling Defendant complies in full with its obligations under Section 5 hereof, CEH, for itself and its agents, successors, and assigns, releases, waives, and forever discharges any and all claims against Settling Defendant and Defendant Releasees arising from any violation of Proposition 65 or any other statutory or common law claims that have been or could have been asserted by CEH regarding the failure to warn about exposure to BPS arising from or in connection with Covered Products that Settling Defendant distributed, purchased for use, sold, offered to sell, provided, or offered to provide prior to the Compliance Date and for all future conduct that complies with Section 3 of this Consent Judgment as applicable.

7.3 Provided that Settling Defendant complies in full with its obligations under Section 5 hereof, compliance with the terms of this Consent Judgment by Settling Defendant shall constitute compliance with Proposition 65 by Settling Defendant and Defendant Releasees with respect to any alleged failure to warn about BPS in Covered Products that Settling Defendant distributes, purchases for use, sells, offers to sell, provides, or offers to provide for use in California after the Compliance Date.

8. PROVISION OF NOTICE

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

Mark Todzo
Patrick Carey
Lexington Law Group, LLP
503 Divisadero Street
San Francisco, CA 94117
mtodzo@lexlawgroup.com
pcarey@lexlawgroup.com

8.2 When Settling Defendant is entitled to receive any notice under this Consent Judgment, the notice shall be sent by certified mail to:

Gregory S. Berlin
Clayton M. Kinsey
Alston & Bird LLP
350 South Grand Avenue
51st Floor
Los Angeles, CA 90071
Greg.berlin@alston.com
Clayton.kinsey@alston.com

And

Walmart Inc.
c/o C T Corporation System
330 North Brand Boulevard, Suite 700
Glendale, CA 91203

8.3 Any Party may modify the person and address to whom the notice is to be sent by sending the other Party notice by first class and electronic mail.

9. COURT APPROVAL

9.1 This Consent Judgment shall become effective upon the date notice is provided to Settling Defendant that it is approved by the Court. CEH shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendant shall not oppose entry by the Court and will cooperate in good faith to provide information to the Attorney General and/or the Court to facilitate approval of this Consent Judgment.

9.2 If this Consent Judgment is not entered by the Court, it shall be of no force or effect and shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

10. GOVERNING LAW AND CONSTRUCTION

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

11. ATTORNEYS' FEES

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 Settling Defendant prevail on any motion application for an order to show cause or other proceeding, 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.*

11.2 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. RETENTION OF JURISDICTION

13.1 This Court shall retain jurisdiction over this matter to implement or modify the Consent Judgment.

14. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT

14.1 Each signatory to this Consent Judgment certifies that they are fully authorized by the Party they represent to stipulate to this Consent Judgment and to enter into and execute the Consent Judgment on behalf of the Party represented and legally to bind that Party.

15. SUCCESSORS AND ASSIGNS

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

16. NO EFFECT ON OTHER SETTLEMENTS

16.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim against an entity that is not a Settling Defendant to this Consent Judgment on terms that are different from those contained in this Consent Judgment.

16.2 If CEH enters into any consent judgment ("Settlement Document") with any other entity with respect to an alleged failure to warn of alleged exposures to BPS in receipts or thermal receipt paper in which it agrees to different injunctive terms, Settling Defendant may thereafter seek to modify this Consent Judgment to adopt those injunctive terms and comply with them instead of those presently set forth in Section 3. If Settling Defendant seeks to adopt these different injunctive terms, they shall provide notice to CEH consistent with Section 6 of this Consent Judgment and CEH agrees to meet and confer in accordance with that provision and not to oppose Settling Defendant's request for modification provided that the products at issue in the Settlement Document are substantially similar to the Covered Products.

17. EXECUTION IN COUNTERPARTS

17.1 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document.

IT IS SO ORDERED, ADJUDGED, AND DECREED.

Dated: _____

_____
Judge of the Superior Court

IT IS SO STIPULATED:

Dated: October 22, 2026

CENTER FOR ENVIRONMENTAL HEALTH

_____
Kizzy Charles-Guzman
CEO

Dated: _____, 2026

WALMART INC.

_____
Signature

_____
Printed Name

_____
Title

Docusign Envelope ID: E0636D59-0136-88F0-8153-BEB7E24DCC0E

17. EXECUTION IN COUNTERPARTS

17.1 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document.

IT IS SO ORDERED, ADJUDGED, AND DECREED.

Dated: _____

_____
Judge of the Superior Court

IT IS SO STIPULATED:

Dated: _____, 2026

CENTER FOR ENVIRONMENTAL HEALTH

_____
Kizzy Charles-Guzman
CEO

Dated: October 20, 2026 | 11:05 CDT

WALMART INC.

Megan Redmond
_____
Signature

Megan Redmond
_____
Printed Name

Lead Attorney, Litigation
_____
Title