

UNITED STATES DISTRICT COURT  
 DISTRICT OF SOUTH CAROLINA  
 CHARLESTON DIVISION

COMMISSIONERS OF PUBLIC WORKS OF	)	Action No. 2:24-cv-02935-RMG
THE CITY OF CHARLESTON (d.b.a.	)	
Charleston Water System), Individually and on	)	<u>CLASS ACTION</u>
Behalf of All Others Similarly Situated,	)	
	)	STIPULATION OF SETTLEMENT
Plaintiff,	)	
	)	
vs.	)	
	)	
DUDE PRODUCTS INC.	)	
	)	
Defendant.	)	
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Representative Plaintiff Commissioners of Public Works of the City of Charleston (“Plaintiff”), on behalf of itself and all Settlement Class Members (defined below), and Defendant Dude Products Inc. (“Defendant” or “Dude Products”) (collectively, the “Settling Parties”) hereby enter into this Stipulation of Settlement (“Stipulation”), subject to approval of the Court.

WHEREAS, Defendant sells personal wipes labelled as being “flushable” in the United States under the brand name “DUDE Wipes” and has done so in the past.

WHEREAS, on May 9, 2024, Plaintiff filed this Action, alleging common law causes of action for nuisance, trespass, strict products liability—defective design, strict products liability—failure to warn, and negligence against Defendant, in connection with the manufacturing, design, marketing and/or sale of flushable wipes, which lawsuit is currently pending as *Commissioners of Public Works of the City of Charleston (D.B.A. Charleston Water System) v. Dude Products, Inc.*, Civil Action No. No. 2:21-cv-42-RMG (D.S.C.). In the Action, Plaintiff seeks injunctive relief and class certification pursuant to Federal Rules of Civil Procedure 23(a) and (b)(2), on behalf of itself, as well as a nationwide class and a South Carolina class of entities that own and/or operate sewage or wastewater conveyance and treatment systems, including municipalities, authorities and wastewater districts (“STP Operators”).

WHEREAS, Plaintiff alleges that the flushability-related claims made on the labeling and packaging of the wipe products sold by Defendant are false, deceptive, or misleading.

WHEREAS, Defendant denies that this case is suitable for class treatment other than in the context of a settlement, and denies and continues to deny any wrongdoing or legal liability for any alleged wrongdoing; does not admit or concede any actual or potential fault, wrongdoing, or legal liability in connection with any facts or claims that have been or could have been alleged by

Plaintiff; and contends that neither Plaintiff nor any of the proposed Settlement Class Members have been injured or are entitled to any relief.

WHEREAS, to avoid the costs, disruption, and distraction of further litigation, and without admitting the validity of any allegations made by Plaintiff, or any liability with respect thereto, Defendant has concluded that it is desirable to settle the claims against it, which will be dismissed on the terms reflected in this Stipulation.

WHEREAS, Plaintiff believes the claims against Defendant alleged in the Action have merit, but, based on Plaintiff's independent testing of Defendant's flushable wipe product, the knowledge of Plaintiff's counsel through this and other litigation regarding flushable wipes, and Plaintiff's counsel's work with consultants who have long studied flushable wipes and non-flushable wipes, Plaintiff and Plaintiff's counsel remain of the view that a settlement of the claims against Defendant in the Action on the terms reflected in this Stipulation is fair, reasonable, adequate, and in the best interests of Plaintiff and the Settlement Class.

WHEREAS, the agreement reflected in this Stipulation is substantively identical to recent settlements with other flushable wipes manufacturers and retailers in *Commissioners of Public Works of the City of Charleston (D.B.A. Charleston Water System) v. Costco Wholesale Corporation, et al.*, No. 2:21-cv-42-RMG (D.S.C.) that were reached after protracted, arm's-length negotiations over several years;

WHEREAS, the Settling Parties recognize the tremendous time and expense that would be incurred by further litigation in this matter and the uncertainties inherent in any such litigation, and that their interests would be best served by a settlement of the litigation;

WHEREAS, until the class settlement is final (*i.e.*, approved by the district court and no longer subject to judicial review), this Stipulation and its entire contents are governed by Rule 408

of the Federal Rules of Evidence and the parallel provisions of the Evidence Codes of each of the 50 states and the District of Columbia. Until that time, nothing in this Stipulation is binding on any Settling Party or the Settlement Class Members, whether by way of agreement, estoppel, or reliance, except as necessary to seek approval of such binding and final class settlement. The Settling Parties further agree that neither the existence of this Stipulation nor its recitals may be cited or relied upon by any tribunal, except as concerns the approval of and compliance with this Stipulation.

NOW THEREFORE, in consideration of the promises and mutual covenants set forth herein, it is hereby STIPULATED AND AGREED, by and among the Settling Parties to this Stipulation, through their respective attorneys, subject to approval of the Court pursuant to Fed. R. Civ. P. 23 and satisfaction of all the terms and conditions set forth herein, that the released claims shall be compromised, settled, released, and dismissed with prejudice, upon and subject to the following terms.

## **I. DEFINITIONS**

1.1 “Action” means *Commissioners of Public Works of the City of Charleston v. Dude Products Inc.*, Case No. 2:24-cv-02935-RMG, pending in the United States District Court for the District of South Carolina, Charleston Division.

1.2 “Class Counsel” means the law firms of Robbins Geller Rudman & Dowd LLP and AquaLaw PLC, subject to approval by the Court.

1.3 “Complaint” means the Class Action Complaint filed against Defendant in this Action.

1.4 “Court” means the United States District Court for the District of South Carolina, Charleston Division.

1.5 “Defendant” means Dude Products, Inc.

1.6 “Defendant’s Released Claims” means any and all claims Defendant may have against Plaintiff, each and all of the Settlement Class Members, and/or Class Counsel, including those for damages or injunctive relief arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Action, including, but not limited to, Unknown Claims.

1.7 “Defense Counsel” means the law firm of Barnes & Thornburg.

1.8 “Effective Date” means the later of: (a) the expiration of the time to appeal the final judgment and order with no appeal having been filed; (b) if any such appeal is filed, the termination of such appeal on terms that affirm the final judgment and order or dismiss the appeal with no material modification of the final judgment and order; or (c) the expiration of the time to obtain any further appellate review of the final judgment and order. A modification or reversal on appeal of the amount of the attorneys’ fees and expenses awarded by the Court to counsel for Plaintiff and the Settlement Class or the amount of any class representative service award shall not prevent the settlement agreement from becoming final and effective if all other aspects of the final judgment and order have been affirmed.

1.9 “Fee and Expense Application” means Class Counsel’s application to the Court for an award of Class Counsel’s attorneys’ fees and expenses in connection with the settlement of the claims against Defendant in this Action, as well as any interest thereon.

1.10 “Fee and Expense Award” means an order by the Court granting Class Counsel’s Fee and Expense Application in whole or in part.

1.11 “Final Approval Hearing” means the hearing at or after which the Court will consider whether or not to issue a Final Judgment.

1.12 “Final Judgment” means the order issued by the Court finally approving the Stipulation in all material respects as fair, reasonable, and adequate under Rule 23(e)(2), and the judgment entered pursuant to that order after the Final Approval Hearing, a form of which is attached hereto as Exhibit A.

1.13 “Formula” means base formula and substrate combination.

1.14 “Notice” means the notice of Settlement pursuant to Federal Rule of Civil Procedure 23(e)(1) to be disseminated as set forth in §7 below, the form of which is attached hereto as Exhibit B. The Settling Parties understand that “[u]nlike Rule 23(b)(3), Rule 23(b)(2) neither requires that absent class members be given notice of class certification nor allows class members the opportunity to opt-out of the class action.” *Thorn v. Jefferson-Pilot Life Ins.*, 445 F.3d 311, 330 & n.25 (4th Cir. 2006).

1.15 “Plaintiff” means Commissioners of Public Works of the City of Charleston.

1.16 “Plaintiff’s Released Claims” means any and all claims of Plaintiff and the Settlement Class Members for injunctive relief that arise from or relate to the claims and allegations in the Complaint, including Unknown Claims, and the acts, facts, omissions, or circumstances that were or could have been alleged by Plaintiff in the Action, including but not limited to all claims for injunctive relief related to any wipe products (flushable and non-flushable) currently or formerly manufactured, marketed, or sold by Defendant or any of its affiliates or licensees. For the avoidance of doubt, “Plaintiff’s Released Claims” do not include claims for damages or other monetary relief, including, but not limited to, claims for monetary relief under the law of nuisance.

1.17 “Preliminary Approval Order” means a Court order, providing for, among other things, preliminary approval of the Settlement.

1.18 “Product” means moist wipes products labeled as flushable under the name “DUDE Wipes” or other flushable wipes sold in the United States by Defendant under its brand.

1.19 “Released Parties” means the parties receiving a release, including Plaintiff, Class Counsel, Defendant, and their present, former, and future, direct and indirect, parents, subsidiaries, affiliates, assigns, divisions, predecessors, and successors, and all of their respective officers, agents, administrators, and employees, Defendant’s Counsel, and all Settlement Class Members.

1.20 “Releasing Parties” means the parties granting a release, including Plaintiff, all Settlement Class Members, and Defendant.

1.21 “Settlement” means the settlement of this Action as between Plaintiff and Defendant as set forth in this Stipulation.

1.22 “Settlement Class” means “All STP Operators in the United States (including its states, districts, or territories) whose systems were in operation between May 9, 2021 and the date of preliminary approval.”

1.23 “Settlement Class Member” means a person or entity that falls within the definition of the Settlement Class.

1.24 “Settlement Class Period” means the period between May 9, 2021 and the date of preliminary approval.

1.25 “Settling Parties” means Plaintiff, Defendant, and all Settlement Class Members.

1.26 “Unknown Claims” means Plaintiff’s Released Claims and all of Defendant’s Released Claims that any of the Settling Parties or Settlement Class Members do not know or suspect to exist in his, her, or its favor at the time of the release, which if known by him, her, or it, might have affected his, her, or its decision not to object to this Settlement or release of the Released Parties, Plaintiff, Class Counsel, or Settlement Class Members. With respect to any and

all Plaintiff's Released Claims and Defendant's Released Claims, the Settling Parties stipulate and agree that upon the Effective Date, the Settling Parties shall, to the fullest extent permitted by law, fully, finally, and forever expressly waive and relinquish with respect to such claims, any and all provisions, rights, and benefits of Section 1542 of the California Civil Code and any and all similar provisions, rights, and benefits conferred by any law of any state or territory of the United States or principle of common law that is similar, comparable, or equivalent to Section 1542 of the California Civil Code, which provides:

**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.**

1.27 The plural of any term defined herein includes the singular, and vice versa.

## **II. SETTLEMENT TERMS**

### **1. Rule 23(b)(2) Class Certification**

1.1 The Settling Parties consent to certification of the Settlement Class for the claims raised against Defendant in this Action pursuant to Fed. R. Civ. P. 23(b)(2), for purposes of settlement only.

1.2 Defendant does not agree to certification of the Settlement Class for any purpose other than to effectuate this Stipulation. In the event that this Stipulation is terminated pursuant to its terms or is not approved in all material respects by the Court, or such approval is reversed, vacated, or modified in any material respect by this or any other court, the certification of the Settlement Class shall be deemed vacated, the Action shall proceed as if the Settlement Class had never been certified, and no reference to the Settlement Class, this Stipulation, or any documents,



communications, or negotiations related in any way thereto shall be made for any purpose in this Action or any other action or proceeding.

**2. Consideration to the Settlement Class: Injunctive Relief, and Associated Commitments by Defendant**

2.1 In consideration for the Releases (Paragraphs 3.1 and 4.1 below), Defendant has agreed to be bound by the following permanent injunction in the Court's Final Judgment approving the Settlement of the claims made by Plaintiff and the putative Classes against Defendant in the Action:

**a. Product and Testing Criteria**

(i) Defendant commits to meeting the current International Water Services Flushability Group ("IWSFG") Publicly Available Specification ("PAS") 3 (Disintegration Test) (hereinafter referred to as "IWSFG 2020: PAS 3") flushability specifications for the Product manufactured on or after 18 months of the date of the Settlement Agreement ("Compliance Date"), whereby the average percentage of the total initial dry mass of the sample (as described in IWSFG 2020: PAS 3) passing through a 25 mm sieve for the five test pieces drawn from each of the four (or, at Defendant's election, more) packages of the Product (as further detailed below) after 30 minutes of testing shall be equal to or greater than 80% (at the temperature (20 degrees Celsius +/-2 degrees), volume (4 liters) and RPM (18) specified in IWSFG 2020: PAS 3). If Defendant is able to attain IWSFG compliance prior to 18 months of the date of the Settlement Agreement, it can provide written notice to Plaintiff, which will initiate the two-year performance monitoring verification period set forth in Paragraph 2.1(b)(ii).

(ii) Defendant commits that it will not sell flushable wipes containing plastics, as defined in Section 5.3.5 of IWSFG 2020: PAS 2, in the United States.

(iii) Once the Product meets the IWSFG 2020: PAS 3 specification and all other IWSFG 2020 specifications, Defendant may represent that Product is IWSFG 2020 compliant for a period of at least five years, subject to the on-going testing requirements set forth herein, irrespective of whether IWSFG adopts heightened testing specifications.

(iv) In the event that exigent circumstances (such as supply chain disruptions) render the Compliance Date unworkable, Defendant commits to promptly notify Plaintiff within 14 days of becoming aware that compliance may be delayed, and keep Plaintiff apprised of the expected date upon which compliant Products will be manufactured. Likewise, Plaintiff agrees that if such exigent circumstances make future compliance with IWSFG 2020: PAS 3 temporarily unworkable, no breach of this Stipulation or violation of the resulting Final Judgment will have been deemed to occur should Defendant cure the compliance defect expeditiously.

(v) For the avoidance of any doubt, Defendant will not recall the Product and is permitted to sell through any product manufactured prior to the Compliance Date.

**b. Testing Implementation/Monitoring**

(i) If Plaintiff elects, Defendant and/or other flushable wipes manufacturers that supply flushable wipes to Defendant, as applicable, will meet with Plaintiff (virtually if requested by Defendant) after the final Stipulation of Settlement is signed to discuss the Product's performance and Defendant's plan to achieve the performance criteria for wipes manufactured on or after 18 months of the date of the Settlement Agreement.

(ii) Defendant and/or other flushable wipes manufacturers that supply flushable wipes to Defendant, as applicable, at their election, will submit to and either (1) host periodic independent testing of the Product, including funding of Reasonable Costs for a Plaintiff-selected representative to participate in the same, or (2) submit the Product at their cost to a

mutually acceptable lab for independent testing (Parties agree in advance that the Integrated Paper Services (“IPS”) lab and SGS are acceptable independent labs), beginning on the Compliance date in accordance with agreed-to IWSFG 2020: PAS 3 testing protocols. The PAS 3 testing will be conducted approximately every four months for a period of 24 months with five test pieces drawn from each of at least four (or more at Defendant’s election) packages of each formula of the Product manufactured on or after the Compliance Date (or such earlier manufacture date that Defendant indicates to Plaintiff that the Product is IWSFG 2020: PAS 3 compliant) to be selected by Plaintiff. Plaintiff will provide Defendant with the lot number for the test pieces to confirm the manufacturer, formula, and the manufacturing date. The monitoring period will end after 24 months of successful Product performance.

(iii) If any performance verification tests find that the Product is not compliant with IWSFG 2020: PAS 3, Defendant has the right to object to the results of that testing and submit its own results or data. If the results or data submitted with Defendant’s objection finds that the Product is compliant with IWSFG 2020: PAS 3 and the Parties cannot resolve inconsistent results, Defendant shall submit the Product to IPS for independent testing, in accordance with IWSFG 2020: PAS 3 testing protocols, within 60 days of receiving the conflicting results. If the Product is thereafter found non-compliant, Defendant shall have 120 days to regain compliance in its wiper manufacturing operations.

(iv) Reasonable Costs, as noted in Paragraph 2.1(b)(ii), consist of reimbursement of Plaintiff’s selected representative for up to 12 hours of testing per testing cycle (*i.e.*, three times per year) at a flat rate of \$2,800 dollars per testing cycle for Plaintiff’s selected representative.

**c. Label Changes**

(i) Defendant will add or cause to be added certain labeling changes, as described below, for its non-flushable wipes products nationwide by the Compliance Date.

(ii) Defendant will add or cause to be added prominent language or illustration on their DUDE brand non-flushable wipes products identifying the non-flushable wipes products as “non-flushable” or instructing users not to flush the non-flushable wipes products (*e.g.*, “Do Not Flush”), consistent with the provisions in Paragraph 2.1(c)(iii).

(iii) Defendant will ensure that its DUDE brand non-flushable wipes products labeling will meet the current “do not flush” labeling standards set forth in Chapter 590 of Assembly Bill No. 818 of California State, which took effect on July 1, 2022 (“AB818”), Section 3 of House Bill 2565 of Washington State, which took effect on March 26, 2020 (“HB2565”), and Section 1 of House Bill 2344 of Oregon State, which took effect on September 25, 2021 (“HB2344”), to the extent such products are “Covered Products” as defined in AB818, HB2565, and HB2344. Defendant agrees to exceed the standards herein insofar as it will include “do not flush” symbols or warnings (or cause such warnings to be included), or disposal instructions, on not only the principal display panel, but also at least two additional panels of packaging for non-flushable wipes products, except for packages that only have two panels.

(iv) Upon request, Defendant will provide one representative labeling for each of their DUDE brand non-flushable wipes products to Plaintiff to confirm that it complies with the required labeling changes.

(v) For the avoidance of any doubt, Defendant will not recall the Product and is permitted to sell through any product manufactured prior to the Compliance Date.

**d. Acknowledgement and Endorsement**

(i) After Defendant implements the injunctive relief described herein, the Product shall be deemed “flushable,” biodegradable, safe for sewer systems, and capable of breaking down after flushing, as advertised, subject to compliance with the testing provisions in Paragraphs 2.1(a)(ii) above.

(ii) After Defendant implements the injunctive relief described herein, Plaintiff will take the following steps to endorse the Product: (1) provide its endorsement of compliance with IWSFG 2020 as representative of the Settlement Class; (2) solicit commitment of U.S. municipal wastewater treatment industry (including members of IWSFG, such as NACWA) to provide acknowledgment that the Product is, in fact, flushable, biodegradable, safe for sewer systems, and capable of breaking down after flushing, as advertised; and (3) provide a sample press release for Defendant’s review acknowledging the Product’s performance and compliance with IWSFG 2020.

**3. Release by Plaintiff and the Settlement Class**

3.1 Upon the Effective Date, Plaintiff and each Settlement Class Member release and discharge Defendant, their present, former, and future, direct and indirect, parents, subsidiaries, affiliates, assigns, divisions, predecessors, licensees, insurers, and successors, and all of their respective officers, agents, administrators, and employees, and Defendant’s Counsel, of and from all Plaintiff’s Released Claims, including Unknown Claims, provided, however, that Plaintiff’s Released Claims shall not include any claims to enforce the terms of this Stipulation.

**4. Releases by Defendant**

4.1 Defendant and any other suppliers for Defendant will release and discharge Plaintiff, the Injunctive Relief Settlement Class members, and counsel for Plaintiff and the Settlement Class from all claims arising from or relating to the institution, prosecution, or

settlement of this Action; any defenses or compulsory counterclaims Defendant or any other supplier for Defendant may have in the Action; and the Settlement Class's settlement of their claims. The released claims will not include any claims to enforce the terms of the settlement agreement.

**5. No Admission of Liability**

5.1 Defendant denies any liability in this Action, and it denies the appropriateness of certification of a litigation class in the Action or any other case except in the context of settlement. This Stipulation reflects, among other things, the compromise and settlement of disputed claims among the Parties.

5.2 This Stipulation, the fact of settlement, the releases contained herein, any actions taken to carry out the settlement agreement, and any related documents or proceedings are not intended to be (nor may they be deemed or construed to be) an admission or concession of liability or the validity of any claim, defense, allegation, point of fact, or point of law.

5.3 This Stipulation, the fact of settlement, the releases contained herein, any actions taken to carry out the settlement agreement, and any related documents or proceedings shall not be used as an admission of any fault or offered or received in evidence as an admission, concession, presumption, or inference of any wrongdoing by the Parties in any proceeding.

**6. Payment of Attorneys' Fees and Expenses.**

6.1 Class Counsel will apply to the Court for separate awards of attorneys' fees and expenses (including the court costs), not to exceed \$275,000. If approved by the Court, Defendant shall pay Class Counsel up to \$275,000 in attorneys' fees and expenses, inclusive, as the Fee and Expense Award.

6.2 Defendant shall pay the Fee and Expense Award to Class Counsel within 21 days of entry of the order awarding such fees and expenses.

**7. Notice to the Settlement Class Pursuant to Rule 23(e)(1)**

7.1 The Notice is designed to provide the Settlement Class with information regarding the proposed Settlement and their rights thereunder, including a description of the material terms of the Settlement; Class Counsel's Fee and Expense Application; the date of the Final Approval Hearing; and the date by which any objection by Settlement Class Members to any aspect of the Settlement and/or the Fee and Expense Award must be received.

7.2 The Notice, as approved by the Court, will be provided by email to, for example, the following entities:

**Water Environment Federation.** <https://www.wef.org/>

**National Association of Clean Water Agencies.** <https://www.nacwa.org/>

**National Rural Water Association.** <http://www.nrwa.org/>

**National Association of Counties.** <https://www.naco.org/>

**National League of Cities.** [www.nlc.org](http://www.nlc.org)

**American Public Works Association.** [www.awwa.org](http://www.awwa.org)

**US Water Alliance.** <http://uswateralliance.org/about/our-members>

**State POTW wastewater associations.** The Notice will be provided to State POTW wastewater associations, including:

**South Carolina** Water Quality Association. <http://www.scwqa.org/>

**California** Association of Sanitation Authorities. <https://casaweb.org/>

**Illinois** Association of Wastewater Agencies. [www.ilwastewater.org](http://www.ilwastewater.org)

**Maine** Wastewater Control Association. [www.mwwca.org](http://www.mwwca.org)

**Maryland** Association of Municipal Wastewater Agencies.  
<http://www.mamwa.org/>

Association of **Missouri** Cleanwater Agencies. <http://www.amoca.info/>

**New England** Water Works Association – [www.newwa.org](http://www.newwa.org)

**North Carolina** Water Quality Association. <http://newqa.com/>

**New Jersey** Association of Environmental Authorities.  
<https://www.aeanj.org/>

**Oregon** Association of Water Utilities. <https://oawu.net/>

Association of **Ohio** Metropolitan Wastewater Agencies.  
<https://www.aomwa.org/>

**Pennsylvania** Municipal Authorities Association.  
<https://www.municipalauthorities.org/>

**Texas** Association of Clean Water Agencies. <https://www.tacwa.org/>

**Virginia** Association of Municipal Wastewater Agencies.  
<http://www.vamwa.org/>

**West Virginia** Municipal Water Quality Association. <http://wvmwqa.org/>

**Wisconsin** wastewater operator's association – [www.wwoa.org](http://www.wwoa.org)

7.3 The Settling Parties shall also establish a website dedicated to the Settlement, which shall include a copy of the Notice and other Settlement-related documents and which shall list all Settlement-related dates and deadlines.

7.4 The Summary Notice in the form attached hereto as Exhibit C, shall be published through a press release issued by the Settling Parties and in an industry publication such as the Water Environment Federation's magazine *Water Environment & Technology*, and mailed directly to identifiable publicly owned sewage treatment plant operators in the United States via First-Class mail, as provided in the Notice Order.

7.5 Defendant agrees to bear the costs associated with providing publication and postcard notice. Plaintiff agrees to bear the costs, if any, associated with providing email notice to the class members and hosting the settlement administration website.

7.6 Within ten (10) business days of the filing of Plaintiff's motion for preliminary approval of the Settlement, Defendant, at its expense, will direct notice of the proposed Settlement



to the federal and state officials required to be notified by the Class Action Fairness Act of 2005, 28 U.S.C. §1715.

**8. Order Preliminarily Approving the Settlement; Final Fairness Hearing**

8.1 As soon as reasonably practicable after execution of this Stipulation, Class Counsel will move the Court for an order preliminarily approving the Settlement, *see* Exhibit D, and for a stay of all proceedings in the Action as to Defendant until the Court renders a final decision on approval of the Settlement. At the same time, voluntary notice will be provided as detailed *supra*, §II.7.

8.2 The Settling Parties will ask the Court to schedule a Fairness Hearing to determine whether the Settlement should receive Final Approval, with that hearing to occur no earlier than 100 calendar days after the Court enters an order preliminarily approving the Settlement. By no later than the dates ordered by the Court, Class Counsel will move the Court for appropriate orders approving and effectuating the Settlement, including orders:

(a) certifying the Settlement Class for settlement purposes pursuant to Fed. R. Civ. P. 23(b)(2) and fully and finally approving the Settlement contemplated by this Stipulation and its terms as being fair, reasonable, and adequate within the meaning of Rule 23 and directing its consummation pursuant to its terms and conditions;

(b) directing that the Action, to the extent that it is brought against Defendant, be dismissed with prejudice;

(c) discharging and releasing the Released Persons from Plaintiff's Released Claims;

(d) permanently barring and enjoining the institution and prosecution, by Plaintiff and Settlement Class Members, of any other action against the Released Persons, in any court, asserting any Plaintiff's Released Claims;

(e) discharging and releasing Plaintiff, Class Counsel, and the Settlement Class from Defendant's Released Claims;

(f) reserving continuing and exclusive jurisdiction over the Settlement, including all future proceedings concerning the consummation and enforcement of this Stipulation;

(g) determining pursuant to Fed. R. Civ. P. 54(b) that there is no just reason for delay and directing entry of a Final Judgment as to Defendant in the Action;

(h) granting the Fee and Expense Application; and

(i) containing such other and further provisions consistent with the terms of this Stipulation to which the Settling Parties expressly consent in writing.

## **9. Miscellaneous Provisions**

9.1 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Action. The Settlement compromises claims that are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or defense. The Final Judgment will contain a finding that, during the course of the Action, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any public forum regarding the Action, including that the Action was brought or defended in bad faith or without a reasonable basis.

9.2 If, for any reason, the Settlement is not approved by the Court, is terminated, overturned, or materially modified on appeal or as a result of further proceedings on remand, or otherwise does not become effective, unless the Settling Parties shall agree otherwise, the Settling

Parties shall revert to their litigation positions immediately prior to the execution of this Stipulation, without waiver of any rights, claims, or defenses; nothing in this Stipulation, or the motion for preliminary approval of the Settlement shall be cited by the Settling Parties or relied on by the Court for any purpose other than in connection with disputes concerning the Settlement.

9.3 The Settling Parties acknowledge and agree that this Stipulation memorializes the entire agreement among the Settling Parties, that they have not executed this Stipulation in reliance on any promise, representation, inducement, covenant, or warranty except as expressly set forth herein, and that this Stipulation supersedes all other prior statements or agreements, whether oral or written, to the extent any provision hereof is inconsistent with any such prior oral or written statements or agreements.

9.4 This Stipulation may not be amended except by a writing executed by all Settling Parties hereto or their respective successors-in-interest.

9.5 The Court will retain jurisdiction with respect to implementation and enforcement of the terms of this Stipulation and over any disputes arising under this Stipulation, and all Settling Parties hereby submit to the jurisdiction of the Court for such purposes.

9.6 Each Settling Party represents and warrants to all other Settling Parties that such Settling Party: (a) was represented by attorneys of the Settling Party's choosing in connection with the execution of this Stipulation; (b) has read and understood all aspects of this Stipulation and all of its effects; and (c) has executed this Stipulation as a voluntary act of the Settling Party's own free will and without any threat, force, fraud, duress, or coercion of any kind.

9.7 If any provision of this Stipulation is declared by the Court to be invalid, void, or unenforceable, the remaining provisions of this Stipulation will continue in full force and effect, unless the provision declared to be invalid, void, or unenforceable is material, at which point the

Settling Parties shall attempt to renegotiate the Stipulation or, if that proves unavailing, either Settling Party can terminate the Stipulation without prejudice to any Settling Party. For purposes of this Paragraph, the Releases laid out in Paragraphs 3.1 and 4.1 are considered material to this Stipulation.

9.8 This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties hereto. Without limiting the generality of the foregoing, each and every covenant and agreement herein by Plaintiff and Class Counsel shall be binding upon all Settlement Class Members.

9.9 This Settlement shall be governed by and construed in accordance with the laws of the State of South Carolina, without regard to South Carolina's principles governing choice of law. The Settling Parties agree that any dispute arising out of or relating in any way to the Settlement shall not be litigated or otherwise pursued in any forum or venue other than the Court, and the Settling Parties expressly waive any right to demand a jury trial as to any such dispute.

9.10 The provisions contained in this Stipulation shall not be deemed a presumption, concession, or admission by Defendant of any fault, liability, or wrongdoing as to any facts or claims that have been or might be alleged or asserted in the Action, or any other action or proceeding that has been, will be, or could be brought, and shall not be interpreted, construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in the Action, or in any other action or proceeding, whether civil, criminal, or administrative, for any purpose other than as provided expressly herein.

9.11 This Stipulation will be construed as if the Settling Parties jointly prepared it, and any uncertainty or ambiguity will not be interpreted against any one Settling Party because of the manner in which this Stipulation was drafted or prepared.

9.12 The headings used in this Stipulation are for convenience only and will not be used to construe its provisions.

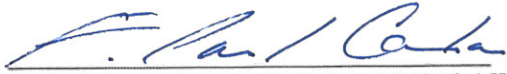
9.13 The Settlement may be executed in any number of counterparts and by each of the different Settling Parties on several counterparts, each of which when so executed and delivered will be an original. The executed signature page(s) from each counterpart may be joined together and attached and will constitute one and the same instrument.

9.14 This Stipulation of Settlement is confidential until publicly filed with the Court. The Parties must use all reasonable efforts to ensure that information relating to the settlement of the Action is not disclosed, except as provided below. Before the Effective Date, the Parties shall not publish or release any statement or information to the media or the public relating to the Parties settlement discussions. After the Effective Date, any information published or released relating to the settlement must be truthful and adhere strictly to information that appears as part of the public record related to the approval of the settlement agreement. If any media outlet contacts any of the Parties or counsel for the Parties seeking information or a statement regarding the settlement or the Action, any information provided must be truthful and consistent with the public record and terms of the settlement. Any discussions, negotiations, documents, statements, or actions relating to the settlement of the Action are prohibited from disclosure in any other case, unless that information appears as part of the public record.

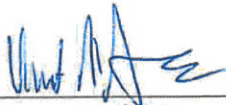
9.15 All claims that were asserted in the Action will be dismissed with prejudice in the Court's order and judgment of final approval. If for any reason the Effective Date does not occur, all claims and defenses will revert to their status before preliminary settlement approval.

IN WITNESS WHEREOF, the Settling Parties have executed this Stipulation effective as of the date set forth below.

DATED: May 10, 2024



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Richmond, VA 23219  
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*Counsel for Plaintiff and the Proposed  
Settlement Class*

DATED: May 10, 2024



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*Counsel for Defendant  
Dude Products, Inc.*

# EXHIBIT A

UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH CAROLINA

CHARLESTON DIVISION

COMMISSIONERS OF PUBLIC WORKS OF )	Civil Action No. 2:24-cv-02935-RMG
THE CITY OF CHARLESTON (d.b.a. )	
Charleston Water System), Individually and on )	<u>CLASS ACTION</u>
Behalf of All Others Similarly Situated, )	
	<b>[PROPOSED] FINAL JUDGMENT AND</b>
Plaintiff, )	<b>ORDER OF DISMISSAL OF DUDE</b>
	<b>PRODUCTS, INC. WITH PREJUDICE</b>
vs. )	
DUDE PRODUCTS, INC., )	
Defendant. )	
_____ )	



This matter is before the Court pursuant to the order granting the motion for preliminary approval of the Class Action Settlement with DUDE Products, Inc. (“Defendant”) (“Notice Order”) dated May [REDACTED], 2024, on the applications of the Plaintiff, the Settlement Class and Defendant (together “the Parties”) for final approval of the Settlement set forth in the Stipulation dated May 10, 2024 (“Stipulation”). Due and adequate notice having been given to the Settlement Class as required in the Notice Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed in the premises and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Final Judgment incorporates by reference the definitions in the Stipulation, and all terms used herein shall have the same meanings as set forth in the Stipulation, unless otherwise set forth herein.

2. This Court has jurisdiction over the subject matter of the Action and over all the Parties to the Settlement, including all members of the Settlement Class.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby affirms its determination in the Notice Order and finally certifies for purposes of settlement only the Settlement Class defined as:

(a) “All entities that own[ed] and/or operate[d] sewage or wastewater conveyance and treatment systems, including municipalities, authorities and wastewater districts in the United States between May 9, 2021 and [REDACTED], 2024 [**the date of preliminary approval**].”

(b) Excluded from the Settlement Classes are counsel of record (and their respective law firms) for any of the Parties, employees of Defendant, and any judge presiding over this action and their staff, and all members of their immediate families.

4. Pursuant to Fed. R. Civ. P. 23(e), the Court finds that the Stipulation and Settlement are fair, reasonable, and adequate as to each of the Settling Parties, and that the Stipulation and Settlement are hereby finally approved in all respects, and the Settling Parties are hereby directed to perform their terms.

5. Accordingly, the Court authorizes and directs implementation of all the terms and provisions of the Stipulation, as well as the terms and provisions hereof. The Court hereby dismisses the Action and all Plaintiff's Released Claims with prejudice, without costs as to any of the Released Parties or Released Persons, except as and to the extent provided in the Stipulation and herein.

6. Upon the Effective Date hereof, and as provided in the Stipulation, Plaintiff and each of the Settlement Class Members shall be deemed to have, and by operation of this Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged Defendant and its present, former, and future, direct and indirect, parents, subsidiaries, affiliates, assigns, divisions, predecessors, licensees, insurers, and successors, and all of its respective officers, agents, administrators, and employees, and Defense Counsel of and from all Plaintiff's Released Claims (including, but not limited to, Unknown Claims (as defined in the Stipulation)).

7. Upon the Effective Date hereof, and as provided in the Stipulation, Defendant DUDE Products, Inc. and its subsidiaries, affiliates, and all of its respective officers and employees, shall be deemed to have, and by operation of this Final Judgment, shall have, fully, finally, and forever released, relinquished, and discharged Plaintiff, each and all of the Settlement Class Members, and Class Counsel from all Defendant's Released Claims (including, but not limited to, Unknown Claims) arising out of, relating to, or in connection with the institution, prosecution or settlement of the Action.

8. The Notice given to the Settlement Class in accordance with the Notice Order was appropriate under the circumstances of these proceedings and of the matters set forth therein, including the proposed Settlement set forth in the Stipulation, to all Persons entitled to such notice, and said notice fully satisfied the requirements of Fed. R. Civ. P. 23(e) and due process.

9. Any order entered regarding any attorneys' fee and expense application shall in no way disturb or affect this Final Judgment and shall be considered separate from this Final Judgment.

10. Neither the Stipulation nor the Settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) are or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of any Released Party; or (b) are or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any Released Party, in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. Any Released Party may file any of the Stipulation and/or this Final Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

11. Without affecting the finality of this Final Judgment in any way, this Court hereby retains continuing exclusive jurisdiction over: (a) implementation of the Settlement; (b) hearing and determining applications for attorneys' fees and expenses in the Action; and (c) all Settling Parties hereto for the purpose of construing, enforcing, and administering the Stipulation.

12. The Court finds that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Fed. R. Civ. P. 11.

13. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, or the Effective Date does not occur, then this Final Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

14. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

15. The Court directs immediate entry of this Final Judgment by the Clerk of the Court.

**IT IS SO ORDERED.**

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE RICHARD M. GERGEL  
UNITED STATES DISTRICT JUDGE

# **EXHIBIT B**

Commissioners of Public Works of the City of Charleston (d.b.a. Charleston Water System) v. DUDE Products, Inc.  
Case No. 2:24-cv-02935-RMG

United States District Court for the District of South Carolina, Charleston Division

**IF YOU ARE A SEWAGE TREATMENT SYSTEM OPERATOR IN THE UNITED STATES WHOSE SYSTEM WAS IN OPERATION BETWEEN MAY 9, 2021 AND [REDACTED], 2024 [THE DATE OF PRELIMINARY APPROVAL], A CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.**

*A federal court authorized this Notice. You are not being sued. This is not a solicitation from a lawyer.*

- A proposed settlement (“Settlement”) has been reached in the above class action against DUDE Products, Inc. (“Defendant”). The action challenges the manufacturing, design, marketing and/or sale of Defendant’s flushable wipes.<sup>1</sup> Defendant denies the allegations about its flushable wipes and there has been no finding of liability against DUDE Wipes, Inc. Defendant has agreed to the Settlement to avoid the uncertainties and expenses associated with continuing the case.
- You are a Settlement Class Member if you own[ed] and/or operate[d] sewage or wastewater conveyance and treatment systems.
- If you are a Settlement Class Member, your legal rights are affected whether you act or don’t act. Read this Notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT</b>	
<b>Do Nothing</b>	If you do nothing, then you will automatically receive benefits under the Settlement in the form of Defendant’s business modifications that are further described in this Notice.
<b>Object</b>	Write to the Court about why you do not like something about the Settlement or Class Counsel’s requested attorneys’ fees and expenses such that it is received <b>no later than [Objection deadline]</b> .

<sup>1</sup> The terms of the Settlement is in the Stipulation of Settlement, dated May 10, 2024 (the “Stipulation”), which can be viewed at [www.charlestonwipessettlement.com](http://www.charlestonwipessettlement.com). All capitalized terms not defined in this Notice have the same meanings as in the Stipulation.

**Attend a hearing on  
[Final Approval Hearing  
Date]**

Ask to speak in Court about your opinion of the Settlement and/or the requests for attorneys' fees and expenses. Requests to speak must be received by the Court and counsel for the Parties **no later than [redacted], 2024.**

- **There is no need to submit a claim form.** The Settlement provides benefits in the form of business practice modifications that are further detailed on pages [redacted] - [redacted] of this Notice. If you do nothing, then you will automatically receive the benefits of the Settlement.
- These rights and options – **and the Court-ordered deadlines to exercise them** – are explained in this Notice.
- The Court in charge of this litigation still has to decide whether to approve the Settlement with DUDE Products, Inc.

## BASIC INFORMATION

### 1. Why should I read this Notice?

The Court authorized this Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your rights and options, before the Court decides whether to approve the Settlement.

If you operate a sewage or wastewater conveyance and treatment plant, such as a municipality, authority or wastewater district in the United States whose system was in operation between May 9, 2021 and [REDACTED], 2024 [date of preliminary approval], you are part of the Settlement Class.

**This Notice explains the lawsuit, the Settlement with Defendant, and your rights.**

The Honorable Judge Richard M. Gergel of the United States District Court for the District of South Carolina is overseeing this class action. The lawsuit is known as *Commissioners of Public Works of the City of Charleston (d.b.a. Charleston Water System) v. DUDE Products, Inc.*, Case No. 2:24-cv-02935-RMG.

### 2. What is this lawsuit about?

This lawsuit challenges the manufacturing, design, marketing and/or sale of flushable wipes by Defendant DUDE Products, Inc.

### 3. What is a class action and who is involved?

In a class action lawsuit, one or more people called “Class Representatives” (in this case, Commissioners of Public Works of the City of Charleston) sue on behalf of other people who have similar claims. The people together are a “Settlement Class” or “Settlement Class Members.” The people who sue – and all the Settlement Class Members like them – are called the “Plaintiffs.” The company or companies the Plaintiffs sue (in this case, DUDE Products, Inc.) is or are called the “Defendant” or “Defendants.” If the court certifies (or approves) the Settlement Class, then one court can resolve the issues for everyone in the Settlement Class.

### 4. Why is there a Settlement?

The Court has not decided whether Plaintiff City of Charleston or Defendant DUDE Products, Inc. should win this case. Instead, the respective parties agreed to settle. That way the respective parties avoid the cost and risks of trial, and DUDE Products, Inc. will agree to make changes to their policies and practices to benefit Settlement Class Members now rather than years from now, if at all.



More information about the Settlement and the lawsuit is available in the “Court Documents” section of the Settlement Website: [www.charlestonwipessettlement.com](http://www.charlestonwipessettlement.com).

### WHO IS IN THE SETTLEMENT CLASS?

You need to decide whether you are affected by this lawsuit.

#### 5. Am I part of the Settlement Class?

If you own[ed] or operate[d] a sewage or wastewater conveyance and treatment system, such as a municipality, authority or wastewater district in the United States whose system was in operation between May 9, 2021 and [REDACTED], 2024 [Preliminary Approval Date], you are part of the Settlement Class.

### THE SETTLEMENT’S BENEFITS

#### 6. What are the benefits of the Settlement with Defendant?

Defendant has agreed to implement certain modifications to its business practices with respect to the flushable wipes Products, including DUDE Wipes flushable wipes.

##### a. Product and Testing Criteria

(i) Defendant commits to meeting the current International Water Services Flushability Group (“IWSFG”) Publicly Available Specification (“PAS”) 3 (Disintegration Test) (hereinafter referred to as “IWSFG 2020: PAS 3”) flushability specifications for the Product manufactured on or after 18 months of the date of the Settlement Agreement (“Compliance Date”), whereby the average percentage of the total initial dry mass of the sample (as described in IWSFG 2020: PAS 3) passing through a 25 mm sieve for the five test pieces drawn from each of the four (or, at Defendant’s election, more) packages of the Product (as further detailed below) after 30 minutes of testing shall be equal to or greater than 80% (at the temperature (20 degrees Celsius +/-2 degrees), volume (4 liters) and RPM (18) specified in IWSFG 2020: PAS 3). If Defendant is able to attain IWSFG compliance prior to 18 months of the date of the Settlement Agreement, it can provide written notice to Plaintiff, which will initiate the two-year performance monitoring verification period set forth in Paragraph 2.1(b)(ii).

(ii) Defendant commits that it will not sell flushable wipes containing plastics, as defined in Section 5.3.5 of IWSFG 2020: PAS 2, in the United States.

(iii) Once the Product meets the IWSFG 2020: PAS 3 specification and all other IWSFG 2020 specifications, Defendant may represent that Product is IWSFG 2020 compliant for a period of at least five years, subject to the on-going testing requirements set forth herein, irrespective of whether IWSFG adopts heightened testing specifications.

(iv) In the event that exigent circumstances (such as supply chain disruptions) render the Compliance Date unworkable, Defendant commits to promptly notify Plaintiff within 14 days of becoming aware that compliance may be delayed, and keep Plaintiff apprised of the expected date upon which compliant Products will be manufactured. Likewise, Plaintiff agrees that if such exigent circumstances make future compliance with IWSFG 2020: PAS 3 temporarily unworkable, no breach of this Stipulation or violation of the resulting Final Judgment will have been deemed to occur should Defendant cure the compliance defect expeditiously.

(v) For the avoidance of any doubt, Defendant will not recall the Product and is permitted to sell through any product manufactured prior to the Compliance Date.

**b. Testing Implementation/Monitoring**

(i) If Plaintiff elects, Defendant and/or other flushable wipes manufacturers that supply flushable wipes to Defendant, as applicable, will meet with Plaintiff (virtually if requested by Defendant) after the final Stipulation of Settlement is signed to discuss the Product's performance and Defendant's plan to achieve the performance criteria for wipes manufactured on or after 18 months of the date of the Settlement Agreement.

(ii) Defendant and/or other flushable wipes manufacturers that supply flushable wipes to Defendant, as applicable, at their election, will submit to and either (1) host periodic independent testing of the Product, including funding of Reasonable Costs for a Plaintiff-selected representative to participate in the same, or (2) submit the Product at their cost to a mutually acceptable lab for independent testing (Parties agree in advance that the Integrated Paper Services ("IPS") lab and SGS are acceptable independent labs), beginning on the Compliance date in accordance with agreed-to IWSFG 2020: PAS 3 testing protocols. The PAS 3 testing will be conducted approximately every four months for a period of 24 months with five test pieces drawn from each of at least four (or more at Defendant's election) packages of each formula of the Product manufactured on or after the Compliance Date (or such earlier manufacture date that Defendant indicates to Plaintiff that the Product is IWSFG 2020: PAS 3 compliant) to be selected by Plaintiff. Plaintiff will provide Defendant with the lot number for the test pieces to confirm the manufacturer, formula, and the manufacturing date. The monitoring period will end after 24 months of successful Product performance.

(iii) If any performance verification tests find that the Product is not compliant with IWSFG 2020: PAS 3, Defendant has the right to object to the results of that testing and submit its own results or data. If the results or data submitted with Defendant's objection finds that the Product is compliant with IWSFG 2020: PAS 3 and the Parties cannot resolve inconsistent results, Defendant shall submit the Product to IPS for independent testing, in accordance with IWSFG 2020: PAS 3 testing protocols, within 60 days of receiving the conflicting results. If the Product is thereafter found non-compliant, Defendant shall have 120 days to regain compliance in its wipes manufacturing operations.

(iv) Reasonable Costs, as noted in Paragraph 2.1(b)(ii), consist of reimbursement of Plaintiff's selected representative for up to 12 hours of testing per testing cycle

(i.e., three times per year) at a flat rate of \$2,800 dollars per testing cycle for Plaintiff's selected representative.

**c. Label Changes**

(i) Defendant will add or cause to be added certain labeling changes, as described below, for its non-flushable wipes products nationwide by the Compliance Date.

(ii) Defendant will add or cause to be added prominent language or illustration on their DUDE brand non-flushable wipes products identifying the non-flushable wipes products as "non-flushable" or instructing users not to flush the non-flushable wipes products (e.g., "Do Not Flush"), consistent with the provisions in Paragraph 2.1(c)(iii).

(iii) Defendant will ensure that its DUDE brand non-flushable wipes products labeling will meet the current "do not flush" labeling standards set forth in Chapter 590 of Assembly Bill No. 818 of California State, which took effect on July 1, 2022 ("AB818"), Section 3 of House Bill 2565 of Washington State, which took effect on March 26, 2020 ("HB2565"), and Section 1 of House Bill 2344 of Oregon State, which took effect on September 25, 2021 ("HB2344"), to the extent such products are "Covered Products" as defined in AB818, HB2565, and HB2344. Defendant agrees to exceed the standards herein insofar as it will include "do not flush" symbols or warnings (or cause such warnings to be included), or disposal instructions, on not only the principal display panel, but also at least two additional panels of packaging for non-flushable wipes products, except for packages that only have two panels.

(iv) Upon request, Defendant will provide one representative labeling for each of their DUDE brand non-flushable wipes products to Plaintiff to confirm that it complies with the required labeling changes.

(v) For the avoidance of any doubt, Defendant will not recall the Product and is permitted to sell through any product manufactured prior to the Compliance Date.

**d. Acknowledgement and Endorsement**

(i) After Defendant implements the injunctive relief described herein, the Product shall be deemed "flushable," biodegradable, safe for sewer systems, and capable of breaking down after flushing, as advertised, subject to compliance with the testing provisions in Paragraphs 2.1(a)(ii) above.

(ii) After Defendant implements the injunctive relief described herein, Plaintiff will take the following steps to endorse the Product: (1) provide its endorsement of compliance with IWSFG 2020 as representative of the Settlement Class; (2) solicit commitment of U.S. municipal wastewater treatment industry (including members of IWSFG, such as NACWA) to provide acknowledgment that the Product is, in fact, flushable, biodegradable, safe for sewer systems, and capable of breaking down after flushing, as advertised; and (3) provide a sample press release for Defendant's review acknowledging the Product's performance and compliance with IWSFG 2020.

<p><b>7. What am I giving up by not objecting to the Settlement Class?</b></p>
--

As a Settlement Class Member, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or the Released Parties or Released Persons about the Plaintiff's Released Claims (as defined below) in this case. It also means that all of the Court's orders will apply to you and legally bind you. If the Settlement is approved, you will give up all claims (as defined below), including "Unknown Claims" (as defined below), against the "Released Parties" (as defined below):

- "Plaintiff's Released Claims" means any and all claims of Plaintiff and the Settlement Class Members for injunctive relief that arise from or relate to the claims and allegations in the Complaint, including Unknown Claims, and the acts, facts, omissions, or circumstances that were or could have been alleged by Plaintiff in the Action, including but not limited to all claims for injunctive relief related to any wipe products (flushable and non-flushable) currently or formerly manufactured, marketed, or sold by Defendant or any of its affiliates or licensees. For the avoidance of doubt, "Plaintiff's Released Claims" do not include claims for damages or other monetary relief, including, but not limited to, claims for monetary relief under the law of nuisance.
- "Released Parties" means the parties receiving a release, including Plaintiff, Class Counsel, Defendant, and their present, former, and future, direct and indirect, parents, subsidiaries, affiliates, assigns, divisions, predecessors, licensees, insurers, and successors, and all of their respective officers, agents, administrators, and employees, Defense Counsel, and all Settlement Class Members.
- "Unknown Claims" means Plaintiff's Released Claims that arise from or relate to the Action and all of Defendant's Released Claims that any of the Settling Parties or Settlement Class Members do not know or suspect to exist in his, her, or its favor at the time of the release, which if known by him, her, or it, might have affected his, her, or its decision not to object to this Settlement or release of the Released Parties, Plaintiff, Class Counsel, or Settlement Class Members. With respect to any and all of Plaintiff's Released Claims and Defendant's Released Claims, the Settling Parties stipulate and agree that upon the Effective Date, the Settling Parties shall, to the fullest extent permitted by law, fully, finally, and forever expressly waive and relinquish with respect to such claims, any and all provisions, rights, and benefits of Section 1542 of the California Civil Code and any and all similar provisions, rights, and benefits conferred by any law of any state or territory of the United States or principle of common law that is similar, comparable, or equivalent to Section 1542 of the California Civil Code, which provides:

**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.**

**YOUR RIGHTS AND OPTIONS**

**8. How do I object to the Settlement or to the request for attorneys' fees and expenses?**

You can object to the Settlement and/or Class Counsel's request for attorneys' fees and expenses.

You can ask the Court to deny approval of the Settlement by filing an objection. You cannot ask the Court to order a different settlement; the Court can only approve or reject the Settlement. If the Court denies approval of the Settlement, no benefits in the form of modifications of Defendant's business practices will be made, and the litigation will continue. If that is what you want to happen, you must object.

Any objection to the proposed Settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney.

All written objections must contain the following:

- the name and case number of this lawsuit (*Commissioners of Public Works of the City of Charleston (d.b.a. Charleston Water System) v. DUDE Products, Inc.*, Case No. 2:24-cv-02935-RMG);
- your full name, mailing address, email address, and telephone number;
- an explanation of why you believe you are a Settlement Class Member, including documents sufficient to establish the basis for your standing as a Settlement Class Member;
- all reasons for your objection or comment, including all citations to legal authority and evidence supporting the objection;
- whether you intend to personally appear and/or testify at the Final Approval Hearing (either personally or through counsel), and what witnesses you will ask to speak;
- the name and contact information of any and all attorneys representing, advising, and/or assisting you, including any counsel who may be entitled to compensation for any reason related to your objection or comment, who must enter an appearance with the Court in accordance with the Local Rules;
- the name and case number of all class action settlements to which you or your counsel have objected; and

- your handwritten or electronically imaged signature (an attorney’s signature or typed signature is not sufficient).

To be considered by the Court, your objection must be received by the Court either by mailing it to the Class Action Clerk, United States District Court for the District of South Carolina, Charleston Division, J. Waties Waring Judicial Center, 83 Meeting Street, Charleston, South Carolina 29401, or by filing it in person at any location of the United States District Court for the District of South Carolina.

**To be considered, your objection must be received on or before the [objection deadline].**

### THE LAWYERS REPRESENTING YOU

#### **9. Do I have a lawyer in this case?**

The Court decided that the law firms of Robbins Geller Rudman & Dowd LLP (“Robbins Geller”) and AquaLaw PLC are qualified to represent you and all Settlement Class Members. These firms are called “Class Counsel” and are experienced in handling similar class action cases. More information about Robbins Geller and AquaLaw are available at [www.rgrdlaw.com](http://www.rgrdlaw.com) and [www.aqualaw.com](http://www.aqualaw.com), respectively.

Class Counsel believe, after investigating this case and litigating similar cases for several years, that the Stipulation is fair, reasonable, and in the best interests of the Settlement Class. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer in this case, you may hire one at your expense.

#### **10. Should I get my own lawyer?**

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But if you want your own lawyer, you will have to pay for that lawyer. For example, you can ask him or her to appear in court for you if you want someone other than Class Counsel to speak for you.

#### **11. How will the lawyers be paid?**

Class Counsel’s attorneys’ fees and expenses will be paid in an amount to be determined and awarded by the Court. Defendant has also agreed to pay reasonable attorneys’ fees and expenses.

Class Counsel will ask the Court to approve attorneys’ fees and expenses from Defendant of no more than \$275,000.

The final amount of attorneys’ fees and expenses will be determined by the Court.

Class Counsel's application for an award of attorneys' fees and expenses will be made available on the "Court Documents" page of the Settlement Website at [www.charlestonwipessettlement.com](http://www.charlestonwipessettlement.com) on the date it is filed or as quickly thereafter as possible.

### THE COURT'S FINAL APPROVAL HEARING

#### **12. When and where will the Court decide whether to approve the Settlement with Defendant?**

The Court is scheduled to hold the Final Approval Hearing on [REDACTED], 2024 at [REDACTED] in Courtroom [REDACTED] of the United States District Court for the District of South Carolina, Charleston Division, J. Waties Waring Judicial Center, 83 Meeting Street, Charleston, South Carolina 29401. The hearing may be rescheduled to a different date, time, or location without another notice to Settlement Class Members. Especially given the national health emergency, the date, time, or location of the hearing may be subject to change, as will the manner in which Settlement Class Members might appear at the hearing. Please review the Settlement Website for any updated information regarding the hearing.

At the Final Approval Hearing, the Court will consider whether the Settlement with Defendant is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may listen to people who appear at the hearing and who have provided notice of their intent to appear at the hearing. The Court may also consider Class Counsel's application for attorneys' fees and expenses.

#### **13. Do I have to come to the Final Approval Hearing?**

No. Class Counsel will answer any questions the Court may have. You may attend at your own expense if you wish. If you submit a written objection, you do not have to come to the Court to talk about it. As long as you submit your written objection on time, and follow the requirements above, the Court will consider it. You may also pay your own attorney to attend, but it is not required.

#### **14. May I speak at the Final Approval Hearing?**

Yes. You may ask the Court for permission to speak at the Final Approval Hearing. At the hearing, the Court, in its discretion, will hear any objections and arguments concerning the fairness of the Settlement and/or Class Counsel's request for attorneys' fees and expenses.

To do so, you must include in your objection or comment a statement saying that it is your Notice of Intent to Appear in *Commissioners of Public Works of the City of Charleston (d.b.a. Charleston Water System) v. DUDE Products, Inc.*, Case No. 2:24-cv-02935-RMG (D.S.C.). It must include your name, address, email, telephone number, and signature as well as the name and address of your lawyer, if one is appearing for you. Your submission and Notice of Intent to Appear must be filed with the Court and be received **no later than [objection deadline]**.



**GETTING MORE INFORMATION**

**15. How do I get more information?**

This Notice summarizes the proposed Settlement. For precise terms and conditions of the Settlement, please see the Stipulation available at [www.charlestonwipessettlement.com](http://www.charlestonwipessettlement.com), by contacting Class Counsel at (804) 938-4211, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.scd.uscourts.gov/cgibin/login.pl>, or by visiting the office of the Clerk of Court for the United States District Court for the District of South Carolina, Charleston Division, J. Waties Waring Judicial Center, 83 Meeting Street, Charleston, South Carolina 29401, between 9:00 a.m. to 4:00 p.m., Monday through Friday, excluding holidays.

**PLEASE DO NOT TELEPHONE OR WRITE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THE SETTLEMENT.**

**All questions regarding the Class Settlement should be directed to Class Counsel.**

DATED: \_\_\_\_\_, 2024

BY ORDER OF THE UNITED STATES  
DISTRICT COURT FOR THE DISTRICT OF  
SOUTH CAROLINA

\_\_\_\_\_  
THE HONORABLE RICHARD M. GERGEL  
UNITED STATES DISTRICT JUDGE



# EXHIBIT C

*Commissioners of Public Works of the City of Charleston (d.b.a. Charleston Water System) v.  
DUDE Products, Inc.*  
Case No. 2:24-cv-02935-RMG

United States District Court for the District of South Carolina, Charleston Division

**IF YOU ARE A SEWAGE TREATMENT SYSTEM OPERATOR IN THE UNITED STATES WHOSE SYSTEM WAS IN OPERATION BETWEEN MAY 9, 2021 AND [REDACTED], 2024 [THE DATE OF PRELIMINARY APPROVAL], A CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.**

*A federal court authorized this Notice. You are not being sued. This is not a solicitation from a lawyer.*

- A proposed settlement (“Settlement”) has been reached in the above class action with Defendant DUDE Products, Inc. (“Defendant”). The action challenges the manufacturing, design, marketing and/or sale of Defendant’s flushable wipes.<sup>1</sup> Defendant denies the allegations about its flushable wipes and there has been no finding of liability against DUDE Products, Inc.. Defendant has agreed to the Settlement to avoid the uncertainties and expenses associated with continuing the case.

### **WHO IS IN THE SETTLEMENT CLASS?**

If you own[ed] or operate[d] a sewage or wastewater conveyance and treatment plant, such as a municipality, authority or wastewater district in the United States whose system was in operation between May 9, 2021 and [REDACTED], 2024 [Preliminary Approval Date], you are part of the Settlement Class.

The Court-certified Settlement Class is defined as “All STP (Sewage Treatment Plant) Operators in the United States whose systems were in operation between May 9, 2021 and the date of preliminary approval.”

### **WHAT DOES THE SETTLEMENT PROVIDE?**

Defendant has agreed to implement certain modifications to its business practices and the Settling Parties have made certain representations and commitments with respect to the flushable wipes Products, including DUDE Wipes flushable wipes. The details of these business practice modifications are set forth in the Notice which is located at [www.charlestonwipessettlement.com](http://www.charlestonwipessettlement.com).

### **YOUR RIGHTS AND OPTIONS**

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<sup>1</sup> The terms of the Settlement is in the Stipulation of Settlement, dated May 10, 2024 (the “Stipulation”), which can be viewed at [www.charlestonwipessettlement.com](http://www.charlestonwipessettlement.com). All capitalized terms not defined in this Notice have the same meanings as in the Stipulation.

## **Do Nothing**

By doing nothing, you will receive the benefits of the Settlement with Defendant in the form of business practice modifications described in the Notice. You will automatically receive the benefits of this Settlement.

## **Object to the Settlement or the request for attorneys' fees and expenses.**

You can object to the Settlement and/or Class Counsel's request for attorneys' fees and expenses of up to \$275,000. Objections must be received no later than [REDACTED], 2024, by the Court, either by mailing it to the Class Action Clerk, United States District Court for the District of South Carolina, Charleston Division, J. Waties Waring Judicial Center, 83 Meeting Street, Charleston, South Carolina 29401, or by filing it in person at any location of the United States District Court for the District of South Carolina.

## **Should I Hire an Attorney?**

You do not need to hire your own attorney because Class Counsel is working on your behalf. If you retain your own attorney, you will need to pay for that attorney.

## **Final Approval Hearing**

The Court will hold the Final Approval Hearing on [REDACTED], 2024, at [REDACTED] at the United States District Court for the District of South Carolina, Charleston Division, J. Waties Waring Judicial Center, 83 Meeting Street, Charleston, South Carolina 29401. You can go to this hearing, but you do not have to. The Court will hear any objections, determine if the Settlement with Defendant is fair, and consider Class Counsel's request for an award of attorneys' fees and expenses. Class Counsel's request for fees and expenses will be posted on the Settlement Website after it is filed.

## **HOW DO I GET MORE INFORMATION?**

**This Notice is only a summary.** For more information, including the Stipulation and other legal documents, visit [www.charlestonwipessettlement.com](http://www.charlestonwipessettlement.com).

**PLEASE DO NOT CALL OR WRITE THE COURT FOR INFORMATION OR ADVICE.**

# EXHIBIT D

UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH CAROLINA

CHARLESTON DIVISION

COMMISSIONERS OF PUBLIC WORKS OF )	Civil Action No. 2:24-cv-02935-RMG
THE CITY OF CHARLESTON (d.b.a. )	
Charleston Water System), Individually and on )	<u>CLASS ACTION</u>
Behalf of All Others Similarly Situated, )	
)	<b>[PROPOSED] ORDER AND OPINION</b>
Plaintiff, )	
)	
vs. )	
)	
DUDE PRODUCTS, INC., )	
)	
Defendant. )	
)	
_____ )	

Before the Court is Plaintiff’s motion for preliminary approval of class action settlement. (Dkt. No. [redacted]). For the reasons set forth below, the Court grants Plaintiff’s motion.

**I. Background**

In this putative class action, Plaintiff, on behalf of itself and all others similarly situated, alleges that Defendant DUDE Products, Inc. designs, markets, manufactures, distributes, and/or sells wipes labeled as “flushable” which are not actually flushable. These wipes allegedly damage sewer systems across the country. Plaintiff brings these claims for nuisance, trespass, strict products liability, failure to warn, and negligence. Plaintiff’s Complaint seeks prospective injunctive relief and reasonable attorney’s fees and costs for Class Counsel.

Plaintiff moved for preliminary approval of a settlement reached between itself and DUDE Products, Inc. (Dkt. No. [redacted]). Attached to the motion was a full copy of the Parties’ Stipulation of Settlement. (Dkt. No. [redacted]). Defendant DUDE Products, Inc. did not oppose Plaintiff’s motion.

**II. Standard**

Class certification and preliminary approval of a class settlement are governed by Rule 23 of the Federal Rules of Civil Procedure. Courts have recognized that “a potential settlement is a relevant consideration when considering class certification.” *Temp. Servs., Inc. v. Am. Int’l Grp., Inc.*, No. 3:08-cv-00271-JFA, 2012 WL 13008138, at \*1 (D.S.C. July 31, 2012). “If not a ground for certification *per se*, certainly settlement should be a factor, and an important factor, to be considered when determining certification.” *In re A.H. Robins Co.*, 880 F.2d 709, 740 (4th Cir. 1989) *abrogated on other grounds by Amchem Products, Inc. v. Windsor*, 521 U.S. 591, 619 (1997) (affirming that “[s]ettlement is relevant to a class certification”). However, certification of a class for the purposes of settlement must still satisfy the pertinent requirements under Rule 23. *Id.* Accordingly, the Court will first consider whether provisional class certification is appropriate under Rule 23 because it is a prerequisite to preliminary approval of a class action settlement.

To certify a class, Plaintiff must demonstrate that the proposed class certification satisfies the prerequisites set forth within both Rule 23(a) and Rule 23(b). Rule 23(a) empowers the Court to certify a class action when (1) the class is so numerous that joinder of all members is impracticable (“numerosity”); (2) there are questions of law or fact common to the class (“commonality”); (3) the claims or defenses of the representative parties are typical of the claims and defenses of the class as a whole (“typicality”); and (4) the representative parties will fairly and adequately protect the interests of the class (“adequacy of representation”). Fed. R. Civ. P. 23(a). In addition, Rule 23(b) requires that questions of law or fact common to members of the class predominate over those affecting individual members of the class and a class action is a superior means of resolving the controversy. Fed. R. Civ. P. 23(b).

Plaintiff bears the burden of showing by a preponderance of the evidence that class certification is appropriate under Rule 23. *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350–351

(2011). Class Certification is a two-step process. First, a plaintiff must establish that each of the four requirements of Rule 23(a) is met: numerosity, commonality, typicality, and adequacy of representation. *Id.* at 349. Second, she must establish that at least one of the bases for certification under Rule 23(b) is met. Where, as here, a plaintiff seeks to certify a class under Rule 23(b)(2), it must show that “questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.” Fed. R. Civ. P. 23(b)(3).

### **III. Discussion**

#### **A. Conditional Certification of Settlement Class**

Plaintiff moves this Court to certify a settlement class pursuant to Fed. R. Civ. P. 23(b)(2). The “Settlement Class” is composed of “All STP Operators in the United States whose systems were in operation between May 9, 2021 and the date of preliminary approval.” (Dkt. No. [REDACTED]). An “STP Operator” is an entity that “owns and/or operates a sewage or wastewater conveyance and treatment systems, including municipalities, authorities, and wastewater districts.” (Dkt. No. [REDACTED]).

As mentioned above, the Court must determine whether the proposed settlement class satisfies the requirements for class certification under Federal Rule of Civil Procedure 23. The requirements that must be met under Rule 23(a) are (1) numerosity, (2) commonality, (3) typicality, and (4) adequacy of representation. In addition, the Plaintiff must satisfy one of the subsections of Rule 23(b) for each of their proposed classes.

The Court holds that the Settlement Class satisfies the numerosity requirement of Rule 23(a)(1). The Parties have indicated the number of STP Operators in the United States likely exceeds 17,000. (Dkt. No. [REDACTED]). Numerosity is easily satisfied. *See Williams v. Henderson,*

129 Fed. App'x 806, 811 (4th Cir. 2005) (indicating that a class with over 30 members justifies a class).

The Court further finds that the commonality requirement of Rule 23(a)(2) is met. The commonality requirement – at least as it relates to a settlement class – is “not usually a contentious one: the requirement is generally satisfied by the existence of a single issue of law or fact that is common across all class members and thus is easily met in most cases.” 1 Newberg on Class Actions § 3:18 (5th ed.); *see also Tatum v. R.J. Reynolds Tobacco Co.*, 254 F.R.D. 59, 64 (M.D.N.C. 2008) (noting that “[t]he commonality requirement is relatively easy to satisfy”) (quoting *Buchanan v. Consol. Stores Corp.*, 217 F.R.D. 178 187 (D. Md. 2003)). The Parties have enumerated various common questions which show the requirement is met, (Dkt. No. [REDACTED]), such as whether “Defendant mislabeled its Flushable Wipes so as to have consumers believe that its Flushable Wipes will not cause harm to sewer systems in their area” and “whether Defendant’s Flushable Wipes are safe for sewer systems.”

The typicality requirement of Rule 23(a)(3) is also met. Typicality requires the class representatives’ claims to be “typical of the claims or defenses of the class.” Fed. R. Civ. P. 23(a)(3). Typicality is also satisfied if the plaintiff’s claim is not “so different from the claims of absent class members that their claims will not be advanced by plaintiff’s proof of his own individual claim. That is not to say that typicality requires that the plaintiff’s claim and the claims of class members be perfectly identical or perfectly aligned.” *Deiter v. Microsoft Corp.*, 436 F.3d 461, 466-67 (4th Cir. 2006). Here, there is a sufficient link between Plaintiff’s claims and those of absent class members. Like absent class members, Plaintiff is a STP Operator which has allegedly suffered damages caused by flushable wipes. *See* (Dkt. No. [REDACTED]) (describing similar alleged harms suffered by STP Operators outside of South Carolina). In sum, Plaintiff and the Settlement



Class Members' claims arise out of the same alleged course of conduct by Defendants and are based on identical legal theories. Accordingly, the typicality requirement is met. *Deiter*, 436 F.3d at 466 (“The essence of the typicality requirement is captured by the notion that ‘as goes the claim of the named plaintiff, so goes the claims of the class.’”).

The Court further finds that Plaintiff and its counsel are adequate representatives of the Settlement Class. In reaching this determination, the Court has considered whether the proposed class representative will fairly and adequately protect the interests of the class. *Knight v. Lavine*, No. 1:12-CV-611, 2013 WL 427880 at \*3, 2013 U.S. Dist. LEXIS 14855 (E.D. Va. Feb. 4, 2013).

First, the Court finds that the Plaintiff has no interests that are antagonistic to the interests of the Settlement Class and is unaware of any actual or apparent conflicts of interest between it and the Settlement Class.

Second, the Court finds proposed Class Counsel to be competent to undertake this litigation. Class Counsel have extensive experience in class actions, including with litigating claims like those here. Class Counsel have also demonstrated robust prosecution of analogous class claims in *Commissioners of Public Works of the City of Charleston v. Costco Wholesale Corp., et al.*, No. 2:21-cv-00042-RMG (D.S.C.) (the “Charleston Action”). Accordingly, the Court is satisfied Plaintiff and Class Counsel – Robbins Geller Rudman & Downd LLP and AquaLaw PLC – are adequate representatives of the conditional Settlement Class under Rule 23(a)(4).

In addition to the requirements of Rule 23(a), a proposed class action must satisfy one of the sections of Rule 23(b). *See EQT Prod. Co. v. Adair*, 764 F.3d 347, 357 (4th Cir. 2014). With respect to Rule 23(b)(2), parties seeking class certification must show that the defendants have “acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief ... with respect to the class as a whole.” Fed. R. Civ. P. 23(b)(2).

The Court finds that as to the Settlement Class, Defendant has acted on grounds generally applicable to the class as a whole. Here, the Settlement Agreement treats all Settlement Class Members alike in granting them the benefits of the relief Defendant would provide. As discussed above, Defendant would, *inter alia*, agree to alter certain products and provide for new labeling on others. *See Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 131 S. Ct. 2541, 2557, 180 L.Ed.3d 374 (2011) (“The key to the (b)(2) class is the indivisible nature of the injunctive or declaratory remedy warranted—the notion that the conduct is such that it can be enjoined or declared unlawful only as to all of the class members or as to none of them.”) (citation omitted). The Proposed Settlement thus satisfies the elements of Rule 23(b)(2).

In sum, for the sole purpose of determining: (i) whether this Court should finally approve the Proposed Settlement as fair, reasonable, and adequate; and (ii) whether the Court should dismiss this litigation as against Defendants as detailed in the Settlement Agreement, the Court hereby certifies a conditional settlement class as follows:

1. Settlement Class: All STP Operators in the United States whose systems were in operation between May 9, 2021 and the date of preliminary approval.
2. Excluded from the Settlement Class are counsel of record (and their respective law firms) for any of the Parties, employees of Defendant, and any judge presiding over this action and their staff, and all members of their immediate families.

If the proposed Settlement Agreement is not finally approved, is not upheld on appeal, or is otherwise terminated for any other reason, the Settlement Class shall be decertified; the Settlement Agreement and all negotiations, proceedings, and documents prepared, and statements made in connection therewith, shall be without prejudice to any party and shall not be deemed or

construed to be an admission or confession by any party of any fact, matter, or proposition of law; all parties shall stand in the same procedural position as if the Settlement Agreement had not been negotiated, made, or filed with the Court; and the Parties shall be permitted to pursue their respective appeals to the United States Court of Appeals for the Fourth Circuit.

**B. Appointment of Class Counsel and Class Representative**

Having certified the settlement class under Rule 23(b)(2), the Court is now required to appoint Class Counsel under Rule 23(g). Fed. R. Civ. P. 23(g)(1)(A). Having considered the work Plaintiff’s counsel have done in identifying and investigating potential claims in this action, counsel’s experience in handling complex litigation, counsel’s knowledge of the applicable law, and the resources counsel will commit to representing the class, the following law practices are designated Class Counsel under Rule 23(g)(1):

1. Robbins Geller Rudman & Dowd LLP; and
2. AquaLaw PLC

Plaintiff is appointed Class Representative.

**C. Preliminary Approval of the Proposed Settlement**

At the preliminary approval stage, the Court must decide as to the fairness, reasonableness, and adequacy of the settlement terms. Fed. R. Civ. P. 23(e)(2); *see also* Manual for Complex Litigation (Fourth) (“MCL”), § 21.632 (4th ed. 2004). The Fourth Circuit has bifurcated this analysis into consideration of the fairness of settlement negotiations and the adequacy of the consideration to the class. *In re Jiffy Lube Secs. Litig.*, 927 F.2d 155, 158-59 (4th Cir. 1991). However, at the preliminary approval stage, the Court need only find that the settlement is within “the range of possible approval.” *Scott v. Family Dollar Stores, Inc.*, No. 3:08-cv-00540-MOC-DSC, 2018 WL 1321048, at \*3, 2018 U.S. Dist. LEXIS 41908 (W.D.N.C. Mar. 14, 2018); *Horton*

*v. Merrill Lynch, Pierce, Fenner & Smith*, 855 F. Supp. 825, 827 (E.D.N.C. 1994) (citing *In re Mid-Atlantic Toyota Antitrust Litigation*, 564 F. Supp. 1379, 1384 (D. Md. 1983)).

The Fourth Circuit has set forth the factors to be used in analyzing a class settlement for fairness: (1) the posture of the case at the time the proposed settlement was reached, (2) the extent of discovery that had been conducted, (3) the circumstances surrounding the settlement negotiations, and (4) counsel's experience in the type of case at issue. *Jiffy Lube*, 927 F.2d at 158-59.

The Court finds that the settlement reached in this case was the result of a fair process. Although negotiated during the preliminary stages of the litigation, as outlined in Plaintiff's motion, the proposed settlement was the result of an investigation and communications between the Parties over the course of several months. (Dkt. No. [REDACTED] at [REDACTED]) Significantly, Plaintiff states that it and its counsel drew on their extensive knowledge of the merits of the Parties' likely respective positions and Plaintiff and counsel's involvement in several flushable wipes-related actions, including in the intensely-litigated *Charleston* Action. (*id.* at [REDACTED]) The negotiations here were a natural extension of five successful settlements in the *Charleston* Action, and the settlement here, in turn, parallels the terms of those settlements and furthers the goal of the Parties to ensure Defendants' wipes are truly flushable and consistent with international flushability guidelines supported by the wastewater industry. (*id.* at [REDACTED])

Therefore, while the Proposed Settlement was negotiated before discovery was complete, the Court finds that the Parties' experience litigating similar issues and Class Counsel's experience negotiating previous flushable wipes settlements indicate this settlement was negotiated at arms' length. See *In re Lupron Marketing and Sales Practices Litigation*, 228 F.R.D. 75, 94 (D. Mass. 2005) ("The storm warnings indicative of collusion are a 'lack of significant discovery and [an

extremely expedited settlement of questionable value accompanied by an enormous legal fee.”) (quoting *In re General Motors Corp. Pick-up Truck Fuel Tank Products Liability Litigation*, 55 F.3d 768, 801, 31 Fed. R. Serv. 3d 845 (3d Cir. 1995)).

The Settlement Agreement provides for injunctive relief requiring Defendant to (1) meet certain flushability standards, (2) submit to periodic independent testing, and (3) implement modifications to the packaging of non-flushable wipes. (Dkt. No. [REDACTED]). Additionally, Plaintiff states, and the Court finds, that the substantive terms of the Settlement Agreement are materially similar to the already approved settlements in recent class action settlements between Plaintiff and other flushable wipes manufacturers, retailers, and distributors, including Kimberly-Clark Corporation, Costco Wholesale Corporation, CVS Health Corporation, The Procter & Gamble Company, Target Corporation, Walgreen Co., and Wal-Mart, Inc. *See generally Charleston Action*.

The Court finds that the Settlement Agreement is within the range of possible approval. *See Toyota Antitrust Litigation*, 564 F. Supp. at 1384. In an analysis of the adequacy of a proposed settlement, the relevant factors to be considered may include: (1) the relative strength of the case on the merits, (2) any difficulties of proof or strong defenses the plaintiff and class would likely encounter if the case were to go to trial, (3) the expected duration and expense of additional litigation, (4) the solvency of the defendants and the probability of recovery on a litigated judgment, (5) the degree of opposition to the proposed settlement, (6) the posture of the case at the time settlement was proposed, (7) the extent of discovery that had been conducted, (8) the circumstances surrounding the negotiations, and (9) the experience of counsel in the substantive area and class action litigation. *See Jiffy Lube*, 927 F.2d at 159; *West v. Cont'l Auto., Inc.*, No. 3:16-cv-00502, 2018 WL 1146642 at \*4, 2018 U.S. Dist. LEXIS 26404 (W.D.N.C. Feb. 5, 2018).

Plaintiff argues that continued litigation against Defendant poses substantial risks that make any recovery uncertain and that the immediacy and certainty of obtaining injunctive relief weigh in favor of finding the Proposed Settlement as adequate. Further, the Court observes that the injunctive relief provided against Defendant in the Settlement Agreement mirrors significant portions of the relief which Plaintiff affirmatively seeks in its Complaint. In sum, the likelihood of substantial future costs weighed against the uncertainty of future litigation favors approving the proposed settlement. *See Sims v. BB&T Corp.*, No. 1:15-CV-732, 2019 WL 1995314, at \*4-5 (M.D.N.C. May 6, 2019).

#### **D. Notice of the Proposed Settlement Class**

Notice to class members upon settlement of class claims should be conducted in a “reasonable manner.” *See* Fed. R. Civ. P. 23(e)(1)(B); *see also* Wright and Miller’s Federal Practice and Procedure, Civil § 1786 (“The first specific question to be dealt with in determining the quality of the notice typically is whether individual notice must be given. In actions under Rules 23(b)(1) and 23(b)(2), the court is only directed to give ‘appropriate notice to the class,’ leaving the type of notice discretionary.”); 2 McLaughlin on Class Actions § 6.17 (17th ed.) (noting “courts have consistently held that first-class mail address to class members’ last known address and publication of a summary notice in appropriate press medium are sufficient to satisfy the notice requirements of ... 23(e) for advising class members of a proposed settlement”).

As outlined in the Settlement Agreement (*See* Dkt. No. [REDACTED]) and in Plaintiff’s motion (Dkt. No. [REDACTED]), “Notice” consists of the following: (1) First-Class direct mailed notice to the publicly owned sewage treatment plant operators located in the United States, (Dkt. No. [REDACTED]); (2) Publication of a Summary Notice, Ex. C, (*id.* at [REDACTED]), of one-half page in size once in both the print and online editions of the Water Environment Federation’s magazine *Water Environment &*

*Technology*, (*id.*); (3) Transmittal by email of the Notice of Settlement, Ex. B, (*id.* at [REDACTED]), to roughly 23 national and local water organizations (*id.* at [REDACTED]); (4) a Settlement website (*id.* at [REDACTED]); (5) Publication of a Summary Notice via press release issued by the Parties (*id.* at [REDACTED]); and (6) notice of the Proposed Settlement to federal and state officials as required by the Class Action Fairness Act of 2005 (*id.* at [REDACTED]).

Based on the nature of the proposed injunctive relief, the Court finds the Notice plan as described in filings with the Court (Dkt. No. [REDACTED]), is reasonable and adequate.

#### **IV. Conclusion**

For the reasons stated above, the Court **GRANTS** Plaintiff's motion for preliminary settlement approval (Dkt. No. [REDACTED]). Within seven (7) days of the entry of this Order, the Parties shall file a Proposed Timeline for Proposed Settlement for the Court's consideration.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE RICHARD M. GERGEL  
UNITED STATES DISTRICT JUDGE