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9
10 **SUPERIOR COURT OF ARIZONA**
IN MARICOPA COUNTY

11 STATE OF ARIZONA, *EX REL.* KRIS
12 MAYES, Attorney General,

13 Plaintiff,

14 v.

15 REYNOLDS CONSUMER PRODUCTS,
16 INC and REYNOLDS CONSUMER
17 PRODUCTS, LLC,

18 Defendants.
19

Case No.: CV2025-029649

CONSENT JUDGMENT

(Assigned to Hon. Jennifer Ryan-Touhill)

20 The State of Arizona, *ex rel.* Kristin K. Mayes, Attorney General (the “State”), filed a
21 Complaint alleging violations of the Arizona Consumer Fraud Act, A.R.S. §§ 44-1521 to -1534
22 (the “ACFA”), (“the Complaint”) and Reynolds Consumer Products, Inc. and Reynolds
23 Consumer Products, LLC (the “Defendants” or “Reynolds”) have been advised of the right to a
24 trial in this matter and have waived the same. Defendants admit the jurisdiction of this Court over
25 the subject matter and parties, stipulate that this Court may enter the following Findings of Fact,
26 Conclusions of Law, and Order, consents to the entry of this Consent Judgment to compromise
27 and settle claims as set forth in the Complaint in connection with an investigation under the
28 ACFA and not out of any admission of guilt, wrongdoing, violation, or sanction and

1 acknowledges that this Court will retain jurisdiction for the purpose of enforcing this Consent
2 Judgment.

3 **PARTIES**

4 1. The State is authorized to bring this action under the ACFA.

5 2. Defendant Reynolds Consumer Products, Inc. is a publicly traded Delaware
6 corporation with its principal place of business in Lake Forest, Illinois.

7 3. Defendant Reynolds Consumer Products, LLC is a limited liability company
8 organized and existing under the laws of Delaware, with its principal place of business in Lake
9 Forest, Illinois. It is a wholly-owned subsidiary of Reynolds Consumer Products, Inc. and owns
10 the “Hefty” trademark.

11 4. All events, acts and practices described in, and relevant to, this Consent Judgment
12 took place in Arizona.

13 5. This Court has jurisdiction over the Complaint and the parties necessary for the
14 Court to enter this Consent Judgment and any orders hereafter appropriate pursuant to
15 A.R.S. § 44-1528 and this Consent Judgment.

16 6. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401.

17 **FINDINGS OF FACT**

18 7. Reynolds sells Hefty-branded plastic bags through online commerce, big box
19 retailers, and grocery stores located in Arizona and throughout the country.

20 8. Among these bags, Reynolds sells Hefty bags that are transparent blue or clear.

21 9. These transparent blue and clear bags are generally and not currently recyclable in
22 Arizona’s municipal recycling programs or material recovery facilities (“MRFs”).

23 10. While a small handful of MRFs in Arizona allow shredded paper to be bagged in
24 clear bags, Arizona MRFs do not currently allow Reynolds’ blue and clear bags to be used in
25 conjunction with mixed curbside pickup.

26 **Original Recycling Bag Packaging (2019 to 2022)**

27 11. Since at least 2019, Defendant Reynolds has sold Hefty transparent blue and clear
28 bags in 13- and 30-gallon options. These bags were labeled “RECYCLING.”

1 12. The box of all “Recycling” varieties and sizes included an image of either a
2 transparent blue or clear bag filled with items including recyclable bottles and/or cans.

3 13. The back of the packaging stated: “HEFTY RECYCLING BAGS ARE PERFECT
4 FOR ALL YOUR RECYCLING NEEDS.” The back label also stated: “DESIGNED TO
5 HANDLE ALL TYPES OF RECYCLABLES,” “TRANSPARENT FOR QUICK SORTING
6 AND CURBSIDE IDENTIFICATION,” and “DEVELOPED FOR USE IN MUNICIPAL
7 RECYCLING PROGRAMS WHERE APPLICABLE,” which appeared under an image of a
8 recycling truck.

9 14. The “Recycling” bags webpage on the Hefty website included the following
10 statements about the bags: they “[r]educe your environmental impact,” are “designed to handle
11 your heaviest recycling jobs,” and “[t]hese transparent bags make it easy to sort your recyclables
12 and avoid the landfill.”

13 15. Based on these representations, the State filed the Complaint alleging Defendants’
14 packaging and website were misleading and deceptive because they implied that the bags were
15 recyclable, when, in fact, the bags were not recyclable and putting recyclable contents in the
16 transparent blue and clear bags for curbside pickup could result in the entire bag, including the
17 recyclable contents, being discarded in a landfill instead of recycled.

18 2022 Redesign (2022 to 2024)

19 16. After the Connecticut Attorney General filed a lawsuit against Reynolds alleging
20 the transparent blue and clear trash labeled as “RECYCLING” bags were violations of the
21 Connecticut Unfair Trade Practices Act, Reynolds redesigned the packaging.

22 17. The updated packaging continued to use the word “RECYCLING” on the front,
23 and the same images of the bags filled with items including recyclable bottles and/or cans.

24 18. The front and sides of the redesigned packaging included language stating that the
25 bags were “developed for use in municipal recycling programs where applicable” and “contact
26 your local municipality or recycling center to confirm.”

27 19. The back of the updated packaging included the following checked bullet-points
28 under “HEFTY RECYCLING BAGS”: “Developed for Use in Municipal Recycling Programs

1 Where Applicable,” “Designed to Handle All Types of Recyclables,” “Transparent for Quick
2 Sorting and Curbside Identification. Following these claims, at the bottom of the bullet-pointed
3 list, Reynolds disclosed “These bags are not recyclable.”

4 20. The court in *State of Connecticut v. Reynolds Consumer Products, Inc.* granted
5 summary judgment to Reynolds on the State of Connecticut’s claims of willfulness, finding no
6 evidence in the record that Reynolds’ actions were willfully unfair or deceptive. The Connecticut
7 Attorney General’s lawsuit is still pending before a Connecticut court and is not resolved.

8 21. Despite the redesigned packaging and additional disclaimers, the state filed the
9 Complaint alleging Reynolds packaging and website were still misleading and deceptive because
10 Reynolds implied that the bags were recyclable, particularly due to the bags still being called
11 “RECYCLING” bags.

12 2024 Redesign (2024 to Present)

13 22. In 2024, Reynolds redesigned the packaging once again after it entered into a
14 consent judgment with the Minnesota Attorney General’s Office regarding Reynolds’ recycling
15 claims under the Minnesota’s False Statement in Advertising Act, Prevention of Consumer Fraud
16 Act, Deceptive Trade Practices Act, and Deceptive Environmental Marketing Claims Act.

17 23. The 2024 rebrand replaced the word “RECYCLING” on the packaging with
18 “CLEAR” or “BLUE,” depending on the color of the bag.

19 24. The front of the third version of the packaging includes the same image of the bags
20 recyclable contents used in previous packaging.

21 25. The back of the packaging now includes the following language in three checked
22 bullet-points: “Developed for use in participating municipal programs only,” “Transparent for
23 quick and easy sorting,” and “These bags are not recyclable.”

24 26. At the time the Complaint was filed in this instant lawsuit, the Defendants’
25 webpage for the “Clear” and “Blue” bags showed a consumer with a bag of empty recyclable
26 bottles, placing the bag on the curb next to a collection bin which were the same images that had
27 appeared on the webpage for the original “Recycling” bag. As of the date of this Consent
28 Judgment, the “Clear” and “Blue” bags no longer appear on the Hefty website.

27. In the Complaint, the State alleges that while the removal of the word “Recycling” on the packaging is an improvement, the current packaging and website is misleading to Arizona consumers, particularly due to the images of “Clear” or “Blue” bags displaying what appear to be recyclable contents contained within the bags.

CONCLUSIONS OF LAW

28. In the Complaint, the State alleges Defendants violated the ACFA by engaging in or directing others to engage in the actions described in paragraphs 11 through 27 above.

29. In the Complaint, the State alleges Defendants were acting willfully, as defined by A.R.S. § 44-1531(B), while engaging in the acts, practices, and conduct described in the preceding paragraphs of this Consent Judgment.

30. The State and the Defendants desire to resolve fully, under the ACFA, claims set forth in the Complaint by this Consent Judgment and agree to the entry of an order and judgment as follows.

ORDER

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED:

Injunctive Terms

31. The injunctive relief set forth in this Consent Judgment is binding upon any of the following that receive actual notice of this Consent Judgment through personal service or otherwise: (a) Defendants and their subsidiaries; (b) their officers, agents, servants, employees, and attorneys; and (c) those persons in active concert or participation with Defendants or any of their officers, agents, servants, employees, or attorneys.

32. Pursuant to A.R.S. § 44-1528:

- a. Defendants are permanently enjoined from marketing or selling plastic bags labeled as “recycling bags” under the Hefty brand in Arizona, unless the bags are accepted for recycling at a substantial majority of the recycling facilities within the State of Arizona.
- b. Defendants are enjoined from marketing and advertising Hefty plastic bags as widely accepted by municipal recycling programs in Arizona unless a substantial

majority of municipalities within the State actually accept the bags for recycling within their recycling programs.

c. Defendants shall follow all applicable rules, statutes, guidelines, agency instructions, practice manuals, and the FTC Green Guides related to environmental marketing claims.

d. To the extent Defendants include the transparent blue and/or clear bags on its Hefty website, Defendants shall include language to educate consumers about the limited availability of bagged recyclable pick up, and shall notify consumers that the Hefty blue and clear transparent bags should be used in participating municipal programs only.

e. Defendants shall redesign the packaging for the Hefty transparent blue and clear bags to update the image of bags on the packaging as set forth in Attachment A to this Consent Judgment. It is estimated Defendants will expend at least \$80,000 and take approximately eighteen months to implement this packaging redesign nationwide. Defendants shall use this redesigned packaging nationwide for all new transparent blue and clear bags until the bags are accepted for recycling at a substantial majority of the recycling facilities within the State of Arizona. Defendants shall have no obligation to recall or remove any existing product for sale in Arizona nor shall defendants be obligated to contact any third party sellers or websites.

Payment Terms

33. Pursuant to A.R.S. § 44-1528(A)(2), Defendants are jointly and severally liable and obligated to pay to the Attorney General the amount of \$30,000 in consumer restitution due no later than ten days after the entry of this Consent Judgment, to be deposited into the Consumer Restitution and Remediation Revolving Fund, pursuant to A.R.S. § 44-1531.02(B). The State will have sole discretion as to how and when restitution funds are distributed to consumers and the eligibility of any consumer to receive restitution. In the event that any portion of the restitution ordered herein is not distributed to eligible consumers, such portion will be deposited by the

1 Attorney General's Office into the Consumer Protection-Consumer Fraud Revolving Fund,
2 pursuant to A.R.S. § 44-1531.02(B), and used for the purposes specified in A.R.S. § 44-1531.01.

3 34. Defendants are jointly and severally liable and obligated to pay to the Attorney
4 General the amount of \$157,000 as a payment to the State due no later than ten days after the
5 entry of this Consent Judgment, to be deposited into the Consumer Protection-Consumer Fraud
6 Revolving Fund pursuant to A.R.S. § 44-1531.01, and used for the purposes set forth therein.

7 35. Pursuant to A.R.S. § 44-1534, Defendants are jointly and severally liable and
8 obligated to pay to the Attorney General the amount of \$25,000 in attorneys' fees and costs due
9 no later than ten days after the entry of this Consent Judgment, to be deposited into the Consumer
10 Protection-Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-1531.01, and used for the
11 purposes set forth therein.

12 36. The payments required herein must be paid by wire transfer according to
13 instructions supplied by the State, or by cashier's checks or money orders made payable to "The
14 State of Arizona," and must be delivered, or mailed and postmarked, to:

15 Consumer Protection and Advocacy Section
16 The Office of the Arizona Attorney General
17 2005 North Central Avenue
18 Phoenix, Arizona 85004-1592

19 37. In the event of a material breach of this Consent Judgment, in addition to all other
20 remedies available under Arizona law and the penalties specifically provided under
21 A.R.S. § 44-1532, the State may, in its sole discretion, reopen proceedings and continue with this
22 case as though this Consent Judgment had not been entered, provided that Defendants will be
23 entitled to an offset for any amount actually paid to the State.

24 **Release**

25 38. The parties acknowledge by the execution hereof that this Consent Judgment
26 constitutes a complete settlement of the allegations contained in this Consent Judgment, and the
27 State agrees not to institute any civil action against the Defendants or their employees or agents
28 for the violations of the ACFA described in the Complaint and/or this Consent Judgment.
Notwithstanding the foregoing, the State may institute an action or proceeding to enforce the

1 terms and provisions of this Consent Judgment, take action based on future conduct by
2 Defendants, take action based on past conduct not specified in this Consent Judgment, and/or
3 institute an action or proceeding to prevent the discharge of any debt acquired through this
4 Consent judgment.

5 **General Provisions**

6 39. Nothing in this Consent Judgment will be construed as an approval by the Attorney
7 General, the Court, the State of Arizona, or any agency thereof of Defendants' past, present, or
8 future conduct. Defendants must not represent or imply that the Attorney General, the Court, the
9 State of Arizona, or any agency thereof has approved or approves of any of Defendants' actions
10 or any of Defendants' past, present or future business practices.

11 40. This Consent Judgment represents the entire agreement between the parties, and
12 there are no representations, agreements, arrangements, or understandings, oral or written,
13 between the parties relating to the subject matter of this Consent Judgment which are not fully
14 expressed herein or attached hereto.

15 41. If any portion of this Consent Judgment is held invalid by operation of law, the
16 remaining terms thereof will not be affected and will remain in full force and effect.

17 42. Jurisdiction is retained by this Court for the purpose of entertaining an application
18 by the State for the enforcement of this Consent Judgment.

19 43. This Consent Judgment is the result of a compromise between the parties. Only the
20 State may seek enforcement of this Consent Judgment. Nothing herein is intended to create a
21 private right of action by other parties.

22 44. This Consent Judgment does not limit the rights of any private party to pursue any
23 remedies allowed by law.

24 45. The effective date of this Consent Judgment is the date that it is entered by the
25 Court.

26 46. This Consent Judgment may be executed by the parties in counterparts and be
27 delivered by facsimile or electronic transmission, or a copy thereof, such constituting an original
28 counterpart hereof, all of which together will constitute one and the same document.

47. This Consent Judgment resolves all outstanding claims expressly identified in the Complaint as to Defendants. As no further matters remain pending, this is a final judgment entered pursuant to Ariz. R. Civ. P. 54(c).

DATED this _____ day of February, 2026.

JUDGE OF THE SUPERIOR COURT

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6. This Consent to Judgment may be executed in counterparts and be delivered by facsimile or electronic transmission, or a copy thereof, such constituting an original counterpart hereof, all of which together will constitute one and the same document.

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7. Defendants represent and warrant that the person signing below on their behalf is duly appointed and authorized to do so.

DATED this 13th day of February, 2026.

**REYNOLDS CONSUMER PRODUCTS,
INC and REYNOLDS CONSUMER
PRODUCTS, LLC**

Signature:	Signed by: <i>Jill Barnett</i> EGC7516B6DA64BE...
Name:	Jill Barnett
Title:	Chief Legal Officer
Date:	2/11/2026

APPROVED AS TO FORM AND CONTENT:

KRISTIN K. MAYES
Attorney General

SNELL AND WILMER L.L.P.

By: 
Dylan Jones
Assistant Attorney General
Attorneys for the State of Arizona


Brett W. Johnson
Joseph Kanefield
Attorneys for Defendants

Attachment A

Clear Carton



CHANGES MADE

- Removed contents from bag
- Replaced green colored banner with light blue
- Added "These Bags Are Not Recyclable"

Blue Carton

Hefty



CHANGES MADE

- Removed contents from bag
- Replaced green colored banner with light blue
- Added "These Bags Are Not Recyclable"