ORIGINAL FILED 1 2 MAR 147008 3 LOS ANGELES 4 SUPERIOR COURT 5 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 FOR THE COUNTY OF LOS ANGELES 9 10 KATHERINE LEE BUCKLAND, et al., Case No. BC344046 11 [Hon. Robert L. Hess] Plaintiffs, 12 [PROPOSED] CONSENT JUDGMENT ONLY AS TO DEFENDANT IHERB. 13 ٧. INC. THRESHOLD ENTERPRISES, LTD., et al. 14 Complaint Filed: December 7, 2005 Location: Dept. 24, Room 314 15 Defendant. 16 17 18 19 This Consent Judgment is entered into by and between Katherine Lee Buckland 20 ("Ms. Buckland"), the California Women's Law Center ("CWLC" - collectively with 21 Ms. Buckland, "Plaintiffs"), and defendant iHerb, Inc. (hereinafter "Defendant"). 22 **<u>Definitions</u>**. As used in this Consent Judgment, the following definitions shall apply: 23 1. "Regulated Chemicals" are: Progesterone, Medroxyprogesterone acetate, 24 1.1 Testosterone and its esters, Methyltestosterone, Testosterone cypionate, and/or Testosterone 25 enanthate as an ingredient. Each Regulated Chemical is a chemical known to the State of 26 California to cause cancer and/or reproductive toxicity. 27 28

- 1.2 "Products" are consumer creams, gels and/or lotion products containing as an ingredient Progesterone. "Products" shall also include any future Products that are manufactured by or on behalf of Defendant for sale in California under any product name or brand, whether a current or new name and/or brand.
- 1.3 Plaintiffs and Defendant will be referred to collectively as the "Parties" or individually as a "Party."

2. Background.

- 2.1 Katherine Lee Buckland is the Executive Director of the California Women's Law Center ("CWLC"), a non-profit California corporation. Since its founding in 1989, CWLC has served as a unique advocate in California, working in collaboration with others to protect, secure and advance the comprehensive civil rights of women and girls. The CWLC works to ensure, through systemic change, that life opportunities for women and girls are free from unjust social, economic, and political constraints.
- 2.2 Ms. Buckland is a "consumer" within the meaning of California Civil Code ("Civil Code") §1761(d), and is also a "person" within the meaning of California Business and Professions ("B&P") Code §§17201, 17204 and 17506. She brought and settles this lawsuit on her own behalf and, to the fullest extent permitted by law, on behalf of the general public.
- 2.3 Defendant is a California corporation. Defendant manufactures, distributes, and/or sells its Products across the United States, including in California, through various distributors and retail outlets.
- 2.4 Beginning on or about February 9, 2006, CWLC served Defendant and each of the appropriate public enforcement agencies with a "60-Day Notice" that provided Defendant and the public enforcement agencies with a notice alleging that Defendant was in violation of Proposition 65 for failing to warn the purchasers of, and individuals using, the Products that the use of the Products exposes them to Regulated Chemicals. Defendant stipulates for the purpose of this Consent Judgment that the 60-Day Notice sent to it is adequate to comply with Title 22, California Code of Regulations §12903. None of the public enforcement agencies has

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commenced and begun diligently prosecuting an action against Defendant for such alleged violations.

On or about February 9, 2006, Ms. Buckland, pursuant to Civil Code §1782 2.5 served Defendant with a notice letter (the "Notice") via certified mail, return receipt requested, stating inter alia as follows:

> These Products have been sold to literally millions of California consumers without any of the noticed companies providing a clear and reasonable warning prior to their purchase by a consumer that the Progesterone, Medroxyprogesterone acetate, Testosterone and its esters, Methyltestosterone, Testosterone cypionate, and/or Testosterone enanthate in these Products are chemicals known to be carcinogens and/or reproductive toxins by the State of California. Nor has any of the noticed companies disclosed the potential adverse health effect risks posed by exposure to these chemicals in these Products because Progesterone, Medroxyprogesterone acetate, Testosterone and its esters, Methyltestosterone, Testosterone cypionate, and/or Testosterone enanthate in these Products are chemicals regulated as drugs by the U.S. Food and Drug Administration under the federal Food, Drug and Cosmetic Act. These omissions of material facts constitute deceptive representations and misrepresentations, failure to disclose that the product is a regulated drug, and misbranding in violation of § 1770 of the CLRA.

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2.6 On December 7, 2005, Plaintiffs filed their initial complaint entitled Buckland, et al. v. Threshold Enterprises, Ltd., et al., No. BC344046, in the Los Angeles County Superior Court. On January 24, 2006, Plaintiffs filed their First Amended Complaint. Ms. Buckland alleged violations of the CLRA, Business & Professions Code §§17200 et seq. and 17500 et seq., and Civil Code §§1709 and 1710, against Defendant. Ms. Buckland alleged no claim, directly or indirectly, pursuant to Proposition 65 (Health & Safety ("H&S") Code §25249,5 et seq.) in the First Amended Complaint. CWLC alleged violations of Proposition 65 (H&S Code §25249.5 et seq.) in the First Amended Complaint. On August 21, 2006, Ms. Buckland filed a Supplemental Complaint. On November 6, 2006, Plaintiffs filed a Second Amended Complaint and First Amended Supplemental Complaint (together with the First Amended Complaint and Supplemental Complaint, "Complaints")

For purposes of this Consent Judgment only, the Parties stipulate that this Court 2.7 has jurisdiction over the allegations of the violations contained in the Notices and the

Complaints, and personal jurisdiction over Defendant as to the acts or omissions alleged in the Complaints; that venue is proper in the County of Los Angeles; and that this Court has jurisdiction to enter this Consent Judgment.

- 2.8 Defendant denies that the Products have been or are in violation of any law, and further contends that all Products have been and are safe for use as directed. However, the Parties desire to resolve this matter (including the Notice, Complaints and all related matters) without further litigation or cost.
- 2.9 The Parties enter into this Consent Judgment to settle certain disputed claims as alleged in the Notice and the Complaints, to avoid prolonged and costly litigation, and to promote the public interest. By executing and complying with this Consent Judgment, no Party admits any facts or conclusions of law including, but not limited to, any facts or conclusions of law regarding any violations of the California Legal Remedies Act (Civil Code §1750 et seq.), the Unlawful Competition Law (B&P Code §17200 et seq.), the False Advertising Law (B&P Code §17500 et seq.), Civil Code §§1709 and 1710, Proposition 65 (H&S Code §25249.5 et seq.) or any other statutory, common law or equitable claim or requirement relating to or arising from Defendant' Products. This Consent Judgment shall not be construed as an admission by Defendant as to any of the allegations in the Notices or the Complaints.

3. Injunctive Relief.

3.1 Retail Sale of Products Requires a Warning.

Pursuant to Civil Code §1782(d), B&P Code§§ 17203 and 17535, and H&S Code §25249.7(a), the sale of a Product by Defendant directly or indirectly to consumers in California shall be accompanied by a warning. This warning shall be provided both by (a) product labeling pursuant to Paragraph 3.1.1; and (b) warnings for any mail order and Internet sales pursuant to Paragraph 3.1.2.

3.1.1 Product Label Warnings.

At the earliest such time when, in the ordinary course of business, new labels for the Products are printed on or after January 1, 2007, Defendant shall include (in the same type size as the surrounding, non-heading text) the following warning on the label of each of its Products

that it manufactures and ships for sale directly or indirectly into California, including the specific name or names of the Regulated Chemicals where shown:

"WARNING: This product contains [Progesterone,
Medroxyprogesterone acetate, Testosterone and its esters,
Methyltestosterone, Testosterone cypionate, and/or Testosterone
enanthate], a chemical known to the State of California to cause
cancer. Consult with your physician before using this product,"

3.1.2 Notice to Third Parties.

For any Product that is sold by Defendant but manufactured by a third party (i.e., non-private-label Products), Defendant shall, within 30 days of entry of this consent judgment by the court, notify the manufacturer or supplier of such Product (sending a copy of each such notice to Plaintiffs) that Defendant will not accept shipments of such Product for sale directly or indirectly into California unless such Product bears the warning required by paragraph 3.1.1 above or a comparable warning pursuant to the terms of a separate consent judgment applying to such Product.

3.1.3 Additional Warnings for Mail Order or Internet Sales.

If Defendant directly sells a Product by mail order or over the Internet to a purchaser in the state of California on or after the date that is 90 days after the entry of this Consent Judgment by the court, the following additional requirements shall apply:

- (1) For such mail order sales sent to customers in California, the warning language required under this Consent Judgment at paragraph 3.1.1 shall be included in the mail order catalogue, either on the same page as any order form, or on the same page(s) upon which the Product's price is listed, in the same type size as the surrounding, non-heading text.
- (2) For such Internet sales sent to customers in California, the warning language required under this Consent Judgment at paragraph 3.1.1 shall be displayed (in the same type size as the surrounding, non-heading text) in one or more of the following ways: (a) on the same page upon which the Product is displayed or referenced; (b) on the same page as any order form for any Product; (c) on the same page as the price for the Product is displayed; (d) on one or

 more pages displayed to a purchaser over the Internet or via electronic mail during the checkout and order confirmation process for sale of a Product; or (e) in any manner such that it is likely to be read and understood by an ordinary individual under customary business conditions prior to the purchase of the Product.

3.2 Pursuant to Civil Code §1782(d) and B&P Code §§17203 and 17535, and H&S Code §25249.7(a), and effective when, in the ordinary course of business (but no sooner than 90 days after entry of this Consent Judgment), new labels and advertising, marketing, mail order catalog or Internet-based descriptions of each of its respective Products are printed or posted electronically on or after August 1, 2006, Defendant agrees to remove any "health-related" claims (as that term is used by the U.S. Food and Drug Administration under Title 21 United States Code § 321(g) and Title 21 Code of Federal Regulation, Part 310.530, Over-The-Counter Topically Applied Hormone Drug Products) made by Defendant for any of its respective Products.

4. Financial Settlement and Attorneys' Fee Payments.

- 4.1 In lieu of damages or penalties, Defendant shall pay to the CWLC the sum of \$4,250.00 ("Settlement Amount"), and shall make that payment to the Client Trust Account of the Carrick Law Group P.C., by wire transfer, certified or bank check in immediately available funds. This settlement amount shall be due and payable within five (5) calendar days after the date of notice of entry of this Consent Judgment. This settlement amount shall be disbursed promptly thereafter by the Carrick Law Group P.C. to the CWLC.
- 4.2 Attorneys Fees and Costs. The Parties shall each bear their own attorneys' fees and costs.

5. Claims Covered and Released.

This Consent Judgment includes the resolution of actual and potential claims that were considered or could have been brought by Plaintiffs regarding the Regulated Chemical(s) in Defendant's Products. This Consent Judgment is a final and binding resolution between Plaintiffs and Defendant of any and all alleged violations of the California Legal Remedies Act (Civil Code §1750 et seq.), the Unlawful Competition Law (B&P Code §17200 et seq.), the

False Advertising Law (B&P Code §17500 et seq.), Civil Code §§1709 and 1710, Proposition 65 (H&S Code §25249.5 et seq.) or any other law that was or could have been asserted by Plaintiffs arising from or related to Products manufactured, distributed, or sold by Defendant through the date of entry of this Consent Judgment, including, but not limited to any claims for attorneys' fees and costs. Plaintiffs hereby release Defendant and Defendant's predecessors, successors, affiliates and assigns, the officers, directors, employees, shareholders, and counsel of each of them, from and against the claims described in this paragraph to the extent such claims do, did, or could arise from or relate to Defendant's Products; however, Plaintiffs cannot and expressly do not release any other claims, including specifically and without limitation any personal injury or directly related claims, that could be brought by any other individual or organization. Defendant hereby releases Ms. Buckland and CWLC from and against any claims arising out of Plaintiffs' filing or prosecution of this action. Each Party respectively waives any right to appeal or other review of this Consent Judgment, except as expressly provided in this Consent Judgment.

- 6. Covenant Not To Sue. Plaintiffs and Defendant covenant and agree that with regard to those matters that Plaintiffs have herein released and that are described above, neither Ms. Buckland, CWLC nor Defendant will ever institute a lawsuit or administrative proceedings against the other, nor shall Ms. Buckland, Defendant or CWLC assert any claim of any nature against any person or entity hereby released with regard to any such matters which have been released. However, nothing in this paragraph shall be interpreted to preclude enforcement of this Consent Judgment pursuant to Section 7 below.
- 7. Enforcement of Consent Judgment. Any Party may, by noticed motion or order to show cause before the Superior Court of Los Angeles, enforce this Consent Judgment. To enforce this Consent Judgment, any Party must first give written notice of any violation of this Consent Judgment alleged to have occurred to the Party alleged to be in violation. The Parties shall meet and confer in good faith and attempt to resolve the alleged violation. If a resolution is not reached within thirty (30) days of the date of the notice, the aggrieved Party may move the Court to hear and resolve the dispute. The prevailing Party in any proceeding brought to enforce

this Consent Judgment shall be entitled to recover from the other Party the prevailing Party's reasonable attorneys' fees and costs incurred in the investigation and prosecution of such an enforcement proceeding.

- 8. Application of Consent Judgment. Sections 3, 5 and 6 of this Consent Judgment shall apply to, be binding upon and inure to the benefit of the Parties, their divisions, subdivisions, subsidiaries, affiliates, successors, predecessors and assigns, and the directors, officers, employees, legal counsel, and agents of each of them, as applicable, and will inure to the benefit of the Parties' parent companies, all suppliers, distributors, wholesalers, retailers and contract manufacturers, and all of their respective directors, officers, employees, legal counsel, and agents. This Consent Judgment shall have no effect on Products sold by Defendant and shipped to customers for use outside the State of California; provided that the Products are not sold directly or indirectly to consumers in California by Defendant.
- 9. <u>Modification/Termination of Consent Judgment</u>. This Consent Judgment may be modified or terminated upon written agreement of the Parties, with approval of the Court, or upon noticed motion for good cause shown.
- 10. Governing Law. This Consent Judgment shall be governed by, and construed in accordance with, the laws of the State of California.
- 11. Entire Agreement. The Parties declare and represent that no promise, inducement or other agreement has been made conferring any benefit upon any party except those contained herein and that this Consent Judgment contains the entire agreement pertaining to the subject matter hereof. This Consent Judgment supersedes any prior or contemporaneous negotiations, representations, agreements and understandings of the Parties with respect to such matters, whether written or oral. Parol evidence shall be inadmissible to show agreement by, between or among the Parties to any term or condition contrary to or in addition to the terms and conditions contained in this Consent Judgment. The Parties acknowledge that each has not relied on any promise, representation or warranty, expressed or implied, not contained in this Consent Judgment except with regard to that certain declaration executed under penalty of perjury by the Defendant providing information that induced Ms. Buckland and CWLC to enter into the

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-	1	ITOLICE	<u>u</u> .			
2		17.1	All correspondence and Notice	required by this Consent Judgment to Plaintiffs		
3	shall be sent as follows:					
4		With a copy to:				
5	6300 Wilshire Boulevard, Suite 980			Roger Lane Carrick, Esq. The Carrick Law Group, P.C.		
6	Tel: (323) 951-1041 Los Angeles, CA 90071-3406					
	E-mail: katie.buckland@cwlc.org Fax: (213 8 E-mail: r		(323) 931-9870 ail: katie.buckland@cwlc.org	Tel: (213) 346-7930 Fax: (213) 346-7931 E-mail: roger@carricklawgroup.com		
9	17.2 All correspondence and Notice required by this Consent Judgment to Defendant shall be			ed by this Consent Judgment to Detendant shan be		
10	sent to Defendant as follows:					
11		Iherb	Faraee o, Inc.	With a copy to: Sassan A. MacKay, Esq.		
12	2 5012 S. 4th Street Irwindale, CA 91706		S. 4th Street	Law Offices of Sassan A. MacKay 1440 North Harbor Boulevard, Suite 800		
13			(626) 939-7800	Fullerton, CA 92835 Tel. (714) 449-3391		
14		- 141L4 T	(,	Fax: (714) 921-0376 E-mail: sassanmackay@yahoo.com		
15		•				
16	18.	Entry	of Stipulation For Entry of C	onsent Judgment Required. This Consent		
17	Judgment shall be null and void, and without any force or effect, unless fully approved as					
18	required by law and entered by the Court. If the Court does not enter this Consent Judgment, the					
19	execution thereof by Defendant or Plaintiffs shall not be construed as an admission by Defendant					
20	or Pla	intiffs o	of any fact, issue of law or violat	ion of law.		
21	19. <u>Jurisdiction</u> . This Court shall retain jurisdiction of this matter to implement this Consen			urisdiction of this matter to implement this Consent		
22	Judgment.					
23	20.	Comp	oliance with Reporting Require	ements. CWLC shall comply with the reporting		
24	form requirements referred to in Health and Safety Code section 25249.7(f) and established in			Safety Code section 25249.7(f) and established in		
25	Title 11 of the California Code of Regulations sections 3000-3008. Copies of all such reports					
26	shall be supplied as provided in Paragraph 18.2.					
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28	111					

1 17.

Notice.

1	21. <u>Non-Interference in Settlement Approval Process</u> . The Parties will cooperate, as well				
2	as use their respective best efforts, to secure the Attorney General's approval of this Consent				
3	Judgment, and not to seek his disapproval of any portion of this Consent Judgment.				
4					
5	IT IS SO STIPULATED.				
6	Date: September, 2007	KATHERINE LEE BUCKLAND			
7					
8		By:KATHERINE LEE BUCKLAND			
9		KATHEMINE DEE DOCKEAND			
10	Date: September, 2007	CALIFORNIA WOMEN'S LAW CENTER			
11					
12		By:KATHERINE LEE BUCKLAND			
13		Executive Director			
14					
15	Date: September 24, 2007	IHERB, INC.			
16					
17		Ву:			
18		[Name] [Title]			
19		Reza Farael President			
20		president			
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Non-Interference in Settlement Approval Process. The Parties will cooperate, as well 21. 1 as use their respective best efforts, to secure the Attorney General's approval of this Consent 2 Judgment, and not to seek his disapproval of any portion of this Consent Judgment. 3 4 IT IS SO STIPULATED. 5 KATHERINE LEE BUCKLAND Date: September___, 2007 б January 27, 2008 7 8 9 CALIFORNIA WOMEN'S LAW CENTER Date: September ____, 2007 10 11 12 Executive Director 13 14 Date: September 21, 2007 IHERB, INC. 15 16 17 18 19 20 21 22 23 24 25 26 27 28 [PROPOSED] CONSENT JUDGMENT 11 Therb, Inc.

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- 1. In light of the findings below, and based upon the Court's review of the proposed stipulated Consent Judgment executed by the Plaintiffs and Defendant iHerb, Inc., and the papers filed in support of this Motion to Enter the stipulated Consent Judgment, in a manner consistent with Code of Civil Procedure §664.6, the Court finds that this Consent Judgment is just, and serves and will serve the public interest.
- 2. The Court finds that the warnings that are or may be required in Paragraph 3 of the stipulated Consent Judgment in this matter regarding the sale of certain products by Defendant complies with the provisions of Health & Safety Code §§25249.6 and 25249.7(f)(4)(A).
- 3. In the stipulated Consent Judgment in this matter, the Parties' agreement in Paragraph 4 of the Consent Judgment that no civil penalties are warranted is in accord with the criteria set forth in Health & Safety Code §25249.7(b) (2) and (f) (4) (C), in that payments totaling \$4,250.00 in the form of "in lieu of damages or penalties" are to be made by the Defendant to Plaintiff California Women's Law Center ("CWLC"). The Court finds that CWLC has committed to use this financial relief in conformity with Proposition 65's overall goals as well as its own non-profit articles of incorporation to address the litigation's public health issue of protecting women's health through CWLC's programs, which include but are not limited to projects addressing public health, domestic violence, reproductive rights, and physical fitness issues.
- 4. The Court finds that the plaintiff California Women's Law Center will compensate its attorney of record, Carrick Law Group., P.C., in the amount of \$1,912.50 in attorneys' fees, based upon a written contingent fee contract between those entities. The Court finds, pursuant to Health & Safety Code §25249.7(f)(4)(B), that these attorneys' fees are reasonable under California law.

1	5.	The Consent Judgment is hereby adopted as the ORDER and JUDGMENT of this
2	Court.	
3	IT	IS SO ORDERED, ADJUDGED, AND DECREED.
4	DATED:	MAR 1 4 2008
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6		ROBERT L. HESS
7		ROBERT L. HESS JUDGE OF THE SUPERIOR COURT
8		JUDGE OF THE SUPERIOR COURT
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		13 [PROPOSED] CONSENT JUDGMENT

1	Robert F. Graham, Esq.	Brian M. Ledger, Esq.
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4	Attorneys for Defendant Let's Talk Health, Inc.	Inc.
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_	_	SUNRIŠEWD.COM
9	Todd A. Harrison, Esq. (pro hac vice)	Darrel Miller, Principal
10	Claudia A. Lewis-Eng, Esq.	Vitanet d/b/a Vitanet Health Foods
10	Roger A. Colaizzi, Esq. Stacia J. Borrello, Esq.	235 Market Avenue SW Hartville, OH 44632-8521
11	Venable LLP	
11	575 7th Street, NW	Defendant Vitanet d/b/a Vitanet Health Foods
12	Washington, DC 20004 Tel.: (202) 344-4000 / Fax (202) 344-8300	Martin Maria Dugaidant
	E-mail: taharrison@venable.com	Martin Meyer, President Registered Agent for Service of Process
13	clewis-eng@venable.com	Total Health Discount, Inc.
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16	Law Offices of Kimberly A. Fanady	Law Office of Sassan Mackay
10	180 Montgomery Street, Suite 940	1440 North Harbor Boulevard, Suite 800
17	San Francisco, CA 94104 Tel.: (415) 986-8467 / Fax: (415) 986-8469	Fullerton, CA 92835 Tel.: (714) 449-3391 / Fax: (714) 921-0376
- '	E-mail: kafanady@pacbell.net	E-mail: kafanady@pacbell.net
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19	d/b/a Young Again Nutrients	
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