1 2 3 4 5 6 7 8 9 COUNTY OF LOS ANGELES ENVIRONMENTAL LAW FOUNDATION, Case No.: BC 384665 - 10 Plaintiff, 11 12 ٧. ALBERTSONS, LLC; et al., 13 Defendant. 14 15 16 17 18 CALIFORNIA, INC. ENVIRONMENTAL LAW FOUNDATION, 19 Time: 10:00 a.m. Plaintiff, 20 Dept: 309 Judge: Hon. Anthony J. Mohr ٧. 21 Complaint Filed: BIRDSEYE FOODS, INC. et al. 22 Case No.: BC 356591 Defendant. 23 **RELATED CASE** 24 25 26 27 28

ORIGINAL FILED

DEG 28 2011 LOS ANGELES SUPERIOR COURT

SUPERIOR COURT OF THE STATE OF CALIFORNIA

TOLD THOU CONSENT JUDGMENT WITH FOODS CO.; FOOD 4 LESS OF CALIFORNIA, INC.; FOOD 4 LESS OF SOUTHERN CALIFORNIA, INC.; THE KROGER COMPANY; FRED MEYER STORES, INC., NEW ALBERTSON'S, INC.; RALEY'S; RALPHS GROCERY COMPANY; SAFEWAY INC.; SAVE MART SUPERMARKETS; SMART & FINAL STORES, LLC; STATER BROS. MARKET; TRADER JOE'S COMPANY; THE VONS COMPANIES, INC.; MRS. GOOCH'S NATURAL FOOD MARKETS, INC. AND WHOLE FOODS MARKET

Date: December 28, 2011

January 31, 2008

31052828v1

1. INTRODUCTION

- 1.1 On January 31, 2008, the Environmental Law Foundation ("Plaintiff") filed a complaint for civil penalties and injunctive relief for alleged violations of Proposition 65 in the Superior Court for the County of Los Angeles naming twelve retailer defendants (the "Retailer Complaint"). The retailers who are currently defendants named or amended into the Retailer Complaint are: Foods Co.; Food 4 Less of California, Inc.; Food 4 Less of Southern California, Inc.; The Kroger Company; Fred Meyer Stores, Inc.; New Albertson's, Inc.; Raley's; Ralphs Grocery Company; Safeway Inc.; Save Mart Supermarkets; Smart & Final Stores, LLC; Stater Bros. Market; Trader Joe's Company; The Vons Companies, Inc.; Mrs. Gooch's Natural Food Markets, Inc.; and Whole Foods Market California, Inc. (collectively, the "Settling Retailer Defendants" or the "Retailers").
- 1.2 The Retailer Complaint alleges that the Settling Retailer Defendants violated the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6, also known as "Proposition 65," by failing to provide clear and reasonable warnings that ingestion of identified potato chip products sold or distributed by the Retailers would expose consumers to acrylamide, a chemical listed by the State of California as known to cause cancer under Proposition 65. The Retailer Complaint was deemed "related" to the case *Environmental Law Foundation v. Birdseye Foods, et al.*, Case No. BC 356591 pursuant to California Rules Court Rule 3.300 et seq. (the "Birdseye Action"). The Birdseye Action, filed on August 6, 2006, sought civil penalties and injunctive relief for violations of Proposition 65 against six named manufacturers, and alleged that each manufacturer defendant failed to provide clear and reasonable warnings that ingestion of potato chip products they manufactured would result in exposure to acrylamide. Both of the related cases ("Related Cases") were assigned to the Honorable Anthony J. Mohr, Judge of the Los Angeles County Superior Court.
- 1.3 Since August 26, 2005, the Attorney General for the State of California ("Attorney General") has also prosecuted Proposition 65 enforcement actions in Department 307 of this Court against defendants Procter & Gamble Manufacturing Company, Procter & Gamble Distributing

Company (collectively "Procter & Gamble"), Frito-Lay, Inc., Lance, Inc., and Kettle Foods, Inc., arising from the alleged presence of acrylamide in those companies' sliced potato chips and restructured potato crisps, in a case captioned People of the State of California v. Frito-Lay, Inc., et al., Case No. BC 338956 (the "AG Action"). None of the defendants in the AG Action were named in the Related Cases. By August 1, 2008, the Court entered consent judgments against all manufacturer defendants in the AG Action, resolving the Attorney General's claims against Procter & Gamble, Frito-Lay, Inc., Lance, Inc., and Kettle Foods, Inc. (the "AG Settlements"). The AG Settlements included injunctive relief containing numerical acrylamide concentration targets and compliance dates for the reduction of acrylamide levels in the sliced and restructured potato chips at issue in the AG Action, and also set forth warning requirements for such products that do not meet those targets by the compliance dates. The target compliance date in the AG Settlements for potato crisp products is April 30, 2011, and the target compliance date for sliced potato chip products is December 31, 2011. Included in the AG Settlements are provisions that permit the settling manufacturers to provide Proposition 65 warnings for their noncompliant products through the use of warning signs ("AG signage") in retail establishments in lieu of other warnings (i.e., on the product labels) after December 31, 2011.

1.4 On May 19, 2009 and December 1, 2009 this Court entered Consent Judgments pursuant to Proposition 65 resolving claims made by Plaintiff against all manufacturers in the Birdseye Action (the "Birdseye Settlements"). The Birdseye Settlements adopt the AG Settlements' numerical acrylamide concentration targets and compliance dates for reduction of acrylamide levels. The settling manufacturers in the AG Action and the Birdseye Action are collectively

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The language of AG Signage would not necessarily identify which brands, flavors or variants of potato chip or crisp products are being warned about. While Plaintiff would not ordinarily view such signage as satisfying the warning requirements of Proposition 65, Plaintiff acknowledges that: (1) by order of the court in the AG Action, such signage satisfies the Proposition 65 warning requirements for the potato chips and crisps at issue in that case; and (2) such signage might also act as a warning for all potato chips and crisps, including those referenced in this settlement. Therefore, for purposes of resolving this case only, Plaintiff accepts and agrees that the AG Signage will satisfy the Settling Retailer Defendants' obligation to provide a Proposition 65 warning when provided at the time and in the manner described in the AG Settlements.

referred to hereafter as the "Settling Manufacturers," and the settlements in those actions are collectively referred to hereafter as the "Manufacturer Settlements."

- 1.5 Plaintiff and the Settling Retailer Defendants now agree in this proposed Consent
 Judgment to resolve Plaintiff's claims in the Retailer Complaint by adopting acrylamide
 concentration targets and compliance dates for reduction of acrylamide levels similar to those in the
 AG Settlements, and permitting warnings by various means including the use of AG Signage.
 Some of the Settling Retailer Defendants have reserved their right to object to the Settling
 Manufacturers sending warning signs to the Retailers as a means of complying with their warning
 obligations under the Manufacturer Settlements, at such time as those Settling Manufacturers may
 attempt to satisfy their warning obligations by sending the Retailers warning signs. The Parties
 hereto agree that the Settling Retailer Defendants do not in any way waive or compromise the rights
 they have reserved pursuant to their reservation of rights by agreeing to settle this action pursuant to
 the terms herein.
- 1.6 Settling Retailer Defendants are corporations that employ more than 10 persons, and at some time relevant to the allegations in the Retailer Complaint sold potato chips and restructured potato crisp products in California that are the subject of the Retailer Complaint.
- 1.7 The products covered under this Consent Judgment are all those sliced potato chips ("Chip Products") and restructured potato crisps ("Crisp Products") sold by the Settling Retailer Defendants in California including, but not limited to, those specific products that were identified in Plaintiff's 60-day notices of violation attached as Exhibit A hereto, sent to, *inter alia*, the Settling Retailer Defendants and the Attorney General, pursuant to Health and Safety Code section 25249.7 (collectively "Covered Product(s)"). For purposes of this Consent Judgment, "Chip Products" are potato chips made from sliced potatoes, whereas "Crisp Products" are all other potato based chip products that are not made from sliced potatoes.
- 1.8 For purposes of this Consent Judgment only, Plaintiff and the Settling Retailer Defendants (collectively, the "Parties") stipulate that this Court has jurisdiction over the alleged violations contained in the Retailer Complaint, personal jurisdiction over the Settling Retailer Defendants as to the acts alleged in the Retailer Complaint, that venue is proper in the County of

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Los Angeles, and that this Court has jurisdiction to enter this Consent Judgment as a full and final resolution of all claims which were or could have been raised against the Settling Retailer Defendants in the Retailer Complaint based on the facts alleged therein and in Plaintiff's 60-day notices.

- 1.9 Plaintiff and the Settling Retailer Defendants enter into this Consent Judgment as a full and final settlement of all claims against the Settling Retailer Defendants relating to Covered Products arising from the alleged failure to warn regarding the presence of acrylamide in such Covered Products. Settling Retailer Defendants deny the material factual and legal allegations contained in the Retailer Complaint and maintain that all Covered Products they have sold in California have been and are in compliance with all laws including Proposition 65. Nothing in this Consent Judgment, including the Settling Retailer Defendants' execution of this Consent Judgment and agreement to provide the relief and remedies specified herein, shall be construed as an admission by the Settling Retailer Defendants of any fact, finding, issue of law, or violation of law, nor shall compliance with this Consent Judgment constitute or be construed as an admission by the Settling Retailer Defendants of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by the Settling Retailer Defendants. The Settling Retailer Defendants do not admit that the chemical acrylamide in food poses any risk to human health. This Consent Judgment shall not be admissible in any action or proceeding except for proceedings to enforce or modify this Consent Judgment as set forth herein. However, this Section shall not diminish or otherwise affect the Settling Retailer Defendants' obligations, responsibilities and duties to comply with this Consent Judgment. As set forth in Section 11 of this Consent Judgment, other retailers and/or manufacturers who have not been noticed or sued for alleged violations of Proposition 65 may opt-in to this settlement by agreeing to the terms as set forth herein.
- 1.10 The effective date of this Consent Judgment shall be the date on which the Consent Judgment is entered as a judgment by the Court ("Effective Date").

2. INJUNCTIVE RELIEF: ACRYLAMIDE REDUCTION

Unless warnings are given pursuant to Section 3 below, the Settling Retailer Defendants shall, after December 31, 2011 (the "Warning Date"), sell in California only those Covered

Products for which they have written supplier assurance that the products contain levels of acrylamide that do not exceed the following reformulation levels: 281.6 parts per billion ("ppb") for Chip Products ("Chip Target Level") and 490 ppb for Crisp Products ("Crisp Target Level") (collectively, the Chip Target Level and Crisp Target Level are referred to hereafter as the "Target Levels"). "Sell in California" and "Sold in California" means sale in California at Settling Retailer Defendants' stores, or sale by a Settling Retailer Defendant to a third party that a Settling Retailer Defendant knows will sell the Covered Product in California.

3. INJUNCTIVE RELIEF: CLEAR AND REASONABLE WARNINGS

- 3.1 For any Settling Retailer Defendant that does not have a written supplier assurance that a supplier's Covered Product meets the applicable Target Levels by the Warning Date, and until such supplier provides written assurance that it meets the applicable Target Level for its Covered Product(s), each such Settling Retailer Defendant shall comply with this Consent Judgment by ensuring that for any such Covered Products sold in California, either:
- (a) a warning label is placed on the package of each such Covered Product until the Settling Retailer Defendant receives written assurance from the supplier that the applicable Target Level has been achieved for that Covered Product. The warning label for each such Covered Product that is sold in California shall either contain the language set forth in Section 3.1(b) below, or conform to the requirements for the "safe harbor" warning methods set out in California Code of Regulations, title 27, section 25603.2(a), while also stating that acrylamide is the chemical in question known to the State of California to cause cancer and reproductive toxicity; or
- (b) a warning is provided for such Covered Products by posting a warning sign where such Covered Products are sold stating as follows:

WARNING: This product contains acrylamide, a chemical known to the State of California to cause cancer and reproductive toxicity. Acrylamide is not added to the products, but is created by browning potatoes. The FDA does not recommend that people stop eating potatoes. For more information, see the FDA's website at www.fda.gov.

² The Target Levels must be met pursuant to the testing methodology adapted from the AG Settlements and described in Exhibit D hereto, except where a higher level is set through application of section 5.2(a)(i) or section 5.2(b)(i) below.

- (c) or by not selling or offering for sale such Covered Product in California.
- 3.2 (a) <u>Modification of Warning Language</u>. If, after the Warning Date, any of the Settling Manufacturers are providing Proposition 65 warnings using language set forth in one of the Manufacturer Settlements or otherwise agreed to by the Attorney General, any Settling Retailer Defendant may use the same warning language as that provided by such Settling Manufacturer.
- (b) <u>Effect of Prior Signage</u>. To the extent that warnings are being provided by any of the Settling Manufacturers via signs posted in retail stores or other methods that comply with the Manufacturer Settlements, the Settling Retailer Defendants may rely on such signage and/or warnings to satisfy their warning obligations for Covered Products under this Consent Judgment.
- 3.3 Nothing in this Consent Judgment requires the Settling Retailer Defendants to give warnings for Covered Products that the Settling Retailer Defendants do not offer for sale in California, or for any Covered Product the Settling Retailer Defendants offer for sale or sell at a retail location outside the State of California.
- 3.4 If a Settling Retailer Defendant receives at any time a written supplier assurance that the applicable Target Levels have been achieved for any of the Covered Products that had previously required a warning under Sections 2 and 3, that Settling Retailer Defendant may cease providing warnings for that Covered Product..

4. SETTLEMENT PAYMENTS

4.1 There are nine Settling Retailer Defendants who are each individually obligated under this Consent Judgment to make a settlement payment to Plaintiff in the amount of \$30,000 ("Settlement Proceeds"). The \$30,000 settlement payment by certain of the nine Settling Retailer Defendants is also on behalf of certain affiliates named as defendants in this action as indicated below, with such named affiliates having no payment obligation hereunder. The nine Settling Defendants who are each individually obligated to make a \$30,000 settlement payment hereunder are as follows, with named affiliates (if any) covered by that payment indicated as follows: (1) New Albertson's, Inc.; (2) Ralphs Grocery Company, Kroger, Food for Less, Foods Co. and Fred Meyer; (3) Safeway Inc. and The Vons Companies, Inc.; (4) Save Mart Supermarkets; (5) Raley's; (6) Trader Joe's Company; (7) Stater Bros. Market; (8) Smart & Final Stores, LLC; and (9) Whole

Foods Market California, Inc. and Ms. Gooch's. Settling Retailer Defendants obligated to make a \$30,000 settlement payment hereunder are individually responsible for their own settlement payment, and have no responsibility for the settlement payment of any other Settling Retailer Defendant. Settlement Proceeds shall be made payable to Plaintiff and delivered to one of Plaintiff's counsel, Rose, Klein & Marias LLP, 801 S. Grand Avenue, 11th Floor, Los Angeles, California 90017-4645, or by wire transfer pursuant to Plaintiff's instruction, within ten (10) business days after the Effective Date, and shall be applied as follows:

- (a) <u>Civil Penalty</u>. Each of the nine Settling Retailer Defendants identified in Section 4.1 above shall pay civil penalties pursuant to Health & Safety Code section 25249.12 in the amount of \$6,000.00 allocated between Plaintiff and the State of California as directed by Health & Safety Code section 25249.12(c)-(d).
- (b) Attorneys' Fees and Costs: Each of the nine Settling Retailer Defendants identified in Section 4.1 above shall pay \$24,000 to reimburse Plaintiff for its attorneys' fees and costs incurred in investigating this matter and negotiating this Consent Judgment on behalf of itself and the general public.

5. MODIFICATION OF CONSENT JUDGMENT

or more of the Settling Retailer Defendants, after noticed motion, and upon entry of a modified consent judgment by the Court thereon, or upon motion of the Plaintiff or any Settling Retailer Defendant as provided by law and upon entry of a modified consent judgment by the Court. Before filing a motion with the Court to modify this Consent Judgment, the affected Settling Retailer Defendant(s) and/or Plaintiff shall meet and confer to determine whether the other Parties will consent to the proposed modification, and shall submit any proposed modification to the California Attorney General for comment with a copy to all other Settling Retailer Defendants. If a proposed modification is agreed upon between the Settling Retailer Defendant(s) and Plaintiff, then the Settling Retailer Defendant(s) and the Plaintiff will jointly present the modification to the Court by means of a stipulated modification to the Consent Judgment, provided that any Settling Retailer Defendant who is not a party to the stipulation is provided notice and an opportunity to object.

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5.2 Other Settlements.

(a) Settling Retailer Defendants and Opt-In Retailers.

- If Plaintiff or the Attorney General agree or have agreed to terms in a (i) settlement or judicially entered consent judgment with any manufacturer of Covered Products which, as drafted or as implemented, are (i) materially more beneficial than those set forth in this Consent Judgment as to the time of compliance, or (ii) allow Covered Products with a higher Target Level to be shipped for sale and/or sold in California without a warning, the Parties stipulate that this Consent Judgment will be modified to correspond to such terms as provided in such other settlement or judicially entered consent judgment, at the Settling Retailer Defendants or Opt-In Retailers' option, without need to seek a formal modification of this Consent Judgment.
- (ii) If Plaintiff or the Attorney General agree or have agreed in a settlement or judicially entered consent judgment that some or all Covered Products do not require a warning under Proposition 65 (based on the presence of acrylamide), or if a court of competent jurisdiction renders a final judgment and the judgment becomes final, that some or all Covered Products do not require a warning for acrylamide under Proposition 65 for products that have acrylamide levels in excess of the Target Levels, then any Settling Retailer Defendant or Opt-In Retailer may cease warning for such Covered Product, or cease warning for such Covered Product up to the levels of acrylamide adjudged not to require a warning, as the case may be, without seeking a formal modification of this Consent Judgment.

(b) Opt-In Suppliers.

If Plaintiff agrees or has agreed in a settlement or judicially entered consent (i) judgment with another defendant to this action or if the Attorney General has entered into a settlement or judicially entered consent judgment with any sliced potato chip or restructured potato crisp manufacturer in the AG Action on terms, as drafted or as implemented, that (i) are materially more beneficial than those set forth in this Consent Judgment as to the time of compliance, or (ii) allow a sliced potato chip product with an acrylamide concentration higher than 281.6 ppb or a restructured chip with a concentration higher than 490 ppb to be shipped for sale and/or sold in California without a warning; then the Parties shall stipulate that this Consent Judgment will be

modified to correspond to such terms as provided in such other settlement or judicially entered consent judgment.

- (ii) If Plaintiff in this action, or the Attorney General in the AG Action agrees or has agreed in a settlement or judicially entered consent judgment that some or all Products (as sold by other companies) do not require a warning under Proposition 65 (based on the presence of acrylamide), or if a court of competent jurisdiction renders a final judgment and the judgment becomes final, that some or all Products (as sold by other companies) do not require a warning for acrylamide under Proposition 65 for products that have acrylamide levels in excess of those defined herein, then any Opt-In Supplier may seek a modification of this Consent Judgment to eliminate its duties to warn and/or other duties related to the reduction of acrylamide levels, up to the levels of acrylamide determined adjudged not to require a warning.
- 5.3 If an agency of the federal government, including, but not limited to the U.S. Food and Drug Administration, states through regulation or other legally binding act, that federal law precludes or preempts any Settling Retailer Defendant from providing any of the warnings set forth in this Consent Judgment or the methodology for providing such warnings, such Settling Retailer Defendant may seek to modify this Consent Judgment to bring the warnings hereunder into compliance with federal law, but the modification shall not be granted unless this Court concludes, in a final judgment or order, that federal law precludes the Settling Retailer Defendant from providing warnings as set forth in this Consent Judgment. A determination that the provision of some, but not all, forms or methodologies of warning described in Section 3 above is not permitted shall not relieve the Settling Retailer Defendants of the duty to provide one of the other forms or methodologies of warnings described under this judgment for which such determination has not been made.
- 5.4 If Proposition 65 or its implementing regulations are changed from their terms as they exist on the date of entry of this Consent Judgment, the Parties may jointly or separately seek modification of this Consent Judgment through stipulation or noticed motion, which shall be granted upon demonstration of such changes, as follows:

- (a) If the change establishes that warnings for acrylamide in some or all Covered Products are not required, any Settling Defendant may seek a modification of this Consent Judgment to eliminate its duties to warn and/or obtain written supplier assurances for Covered Products.
- (b) If the change establishes that the warnings provided by this Consent Judgment would not comply with Proposition 65 or its implementing regulations, any Party may seek a modification of the Consent Judgment to conform the judgment to the change in law.
- (c) If the change would provide a new form, manner, or content for an optional or safe-harbor warning, any or all Settling Retailer Defendants shall meet and confer with Plaintiff and, following agreement, apply to the Court for approval of a plan for implementing warnings in such manner. In the event the Parties cannot agree on a joint plan, any Settling Retailer Defendant may nonetheless apply to the Court to replace any warning obligation hereunder with the new safe-harbor warning, and Plaintiff shall be free to oppose such motion.

6. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT

Each signatory to this Consent Judgment certifies that he or she is fully authorized by the party he or she represents to stipulate to this Consent Judgment and to enter into and execute the Consent Judgment on behalf of the party represented and legally to bind that party.

7. CLAIMS COVERED

7.1 This Consent Judgment is a full, final, and binding resolution between the Plaintiff, acting on behalf of the general public, and the Settling Retailer Defendants and their parents, shareholders, divisions, subdivisions, subsidiaries, franchisees, sister companies, affiliates, successors, assigns, cooperative members, licensees, agents and representatives, of any violation of Proposition 65 or its implementing regulations, or any other statutory or common law claims that have been or could have been asserted in the Retailer Complaint against the Settling Retailer Defendants or Plaintiff's 60-day Notices, for failure to provide clear and reasonable warnings of exposure to acrylamide from the handling or consumption of Covered Products, or any other claim based on the facts or conduct alleged in the Retailer Complaint or Plaintiff's 60-day Notices. Compliance with the terms of this Consent Judgment resolves any issue now, in the past, and in the

future concerning compliance by the Settling Retailer Defendants and their parents, shareholders, divisions, subdivisions, subsidiaries, franchisees, sister companies, affiliates, successors, assigns, cooperative members, licensees, agents and representatives, and their distributors, brokers, wholesalers, and retailers who sell Covered Products, and the officers, directors, employees, attorneys, agents, representatives, predecessors, successors, and assigns of any of them, with the requirements of Proposition 65 and its implementing regulations with respect to Covered Products.

- 7.2 Subject to Section 7.3, this Consent Judgment is also a full, final, and binding resolution of any violation of Proposition 65 or its implementing regulations, or any other statutory or common law claims that have been or could have been asserted in the Retailer Complaint or Plaintiff's 60-day Notices, against the manufacturers, vendors or suppliers of those Covered Products that the Settling Retailer Defendants sell under the Settling Retailer Defendants' house brand (also known as "private label") for failure to provide clear and reasonable warning of exposure to acrylamide from the consumption of those Covered Products, or any other claims based on the facts or conduct alleged in the Retailer Complaint as to those products.
- 7.3 Other than the upstream supplier release for house brand (private label) products provided in section 7.2 above, and the release for Opt-In Suppliers provided by Section 7.1 above, the foregoing release of claims shall not run in favor of, nor be construed to release in whole or in part, the upstream liability of any of the Settling Retailer Defendants' manufacturers, importers, distributors ("Suppliers") of any other Covered Product besides the house brand (private label) sold by the Settling Retailer Defendants.
- 7.4 Each Settling Retailer Defendant shall, before this Consent Judgment is entered, send a notice to Plaintiff identifying all brands and Suppliers of Covered Products that the Settling Retailer Defendant has sold within the period from one year prior to the filing of the Retailer Complaint against it in this action through the date of execution below. Each Settling Retailer Defendant shall use reasonable diligence and good faith efforts to identify all brands and Suppliers of such covered products in the notice sent to Plaintiff hereunder.

8. RETENTION OF JURISDICTION

1	P.O. Box 3689 Modesto, CA 95352
2	With copy to:
3	James Robert Maxwell
4	Rogers Joseph O'Donnell 311 California Street, 10th Floor
5	San Francisco, CA 94104
6	For Safeway Inc.:
7	Valerie D. Lewis, Esq. Senior Corporate Counsel
8	5918 Stoneridge Mall Road Pleasanton, CA 94588-3229
9	•
10	With copy to:
11	Trenton H. Norris Arnold & Porter LLP
12	One Embarcadero Center, 22nd Floor San Francisco, CA 94111
13	For The Vons Companies, Inc.
14	Valerie D. Lewis, Esq.
15	Senior Corporate Counsel 5918 Stoneridge Mall Road
16	Pleasanton, CA 94588-3229
17	With copy to:
18	Trenton H. Norris Arnold & Porter LLP
19	One Embarcadero Center, 22nd Floor San Francisco, CA 94111
20	For Mrs. Gooch's and WFM California, Inc.:
21	John H. Hempfling II, Esq.
22	Global Litigation Counsel Whole Foods Market Central Office
23	550 Bowie Street Austin, Texas 78703
24	With copy to:
25	Jay W Connolly, Esq.
26	Seyfarth Shaw LLP 560 Mission Street, 31st Floor San Francisco, CA 04105
27	San Francisco, CA 94105
28	<u>For Trader Joe's Company:</u> Bryan Palbaum
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1	Executive V.P. Finance & Administration P.O. BOX 5049; 800 South Shamrock Ave.
2	Monrovia, CA 91016-6346
3	With copy to:
4	Carla J. Christofferson
5	O'Melveny & Myers LLP 400 South Hope Street Los Angles,
6	CA 90071
7	For Smart & Final:
8	Donald G. Alvarado Senior Vice President/General Counsel
9	Smart & Final Stores LLC 600 Citadel Drive
10	Commerce, California 90040
11	For Stater Brothers:
	Bruce Varner, General Counsel
. 12	Varner & Brandt 3750 University Avenue I Suite 610
13	Riverside, CA 92501-3323
14	For Ralphs Grocery Company:
15	Steve Prough Vice President, Legal Services
16	Ralphs Grocery Company Food 4 Less/Foods Co
17	P.O. Box 54143
18	Los Angeles CA 90054
19	With copy to:
20	Lisa Cole, Esq. 2 Palo Alto Square
21	3000 El Camino Real, Suite 500 Palo Alto, CA 94306-2106
22	
23	10. ENFORCEMENT
24	10.1 Before moving to enforce the terms and conditions of this Consent Judgment with
25	respect to an alleged violation hereof or of Proposition 65 related to acrylamide in Covered
26	Products, Plaintiff or any other person acting in the public interest under Health & Safety Code §
Ì	25249.7(d) must follow these procedures:
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- In the event that Plaintiff, and/or its attorneys, agents or assigns, or any other person (a) acting in the public interest under Health & Safety Code § 25249.7(d), identify Covered Products being sold after the Warning Date at one or more retail stores in California owned and operated by any of the Settling Retailer Defendants (hereinafter "retail outlet") that do not meet the Target Levels set forth in Section 2 herein and for which the warnings under Section 3 of this Consent Judgment are not being given, Plaintiff or such person shall notify the Settling Retailer Defendant in writing within 15 days of the date Plaintiff or such other person was informed of or observed the alleged violation (the "Probationary Notice of Default"). The Probationary Notice of Default shall be sent to the person(s) identified pursuant to Section 9 herein. The Probationary Notice of Default shall at a minimum set forth the date(s) the alleged violation(s) was observed, the retail outlet(s) in question, any supporting test data, identify the Covered Products giving rise to the alleged violation(s), and describe the alleged violation(s) with sufficient detail to allow the Settling Retailer Defendant to determine the basis of the claim being asserted and the identities of the Covered Products to which those assertions apply. The Probationary Notice of Default shall allege all violations that could have been raised with respect to each retail outlet in question as of the date of the Probationary Notice of Default.
- (b) In the event the Settling Retailer Defendant corrects the alleged violation(s) within sixty (60) days of receiving the Probationary Notice of Default, Plaintiff or any other notifying person shall take no further enforcement action with respect to such violation(s) under either this Consent Judgment, Proposition 65 or any other law.
- (c) In the event that the Settling Retailer Defendant fails to cure and correct the violation(s) within sixty (60) days of receiving the Probationary Notice of Default, the Settling Retailer Defendant shall pay to Plaintiff or the notifying person, as a stipulated penalty for failure to remedy the alleged violation(s), the collective amount of one thousand dollars (\$1,000) pursuant to Health & Safety Code § 25249.7(b) for each retail outlet which was the subject of the Probationary Notice of Default.
- (d) In the event the Settling Retailer Defendant wishes to contest the allegations contained in any Probationary Notice of Default, it shall notify Plaintiff or the notifying person of

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such in writing within thirty (30) days of its receipt of the Probationary Notice of Default. The Settling Retailer Defendant may provide any evidence to Plaintiff or the notifying person in support of its position. In the event that, upon a good faith review of the evidence, Plaintiff or the notifying person agree with the Settling Retailer Defendant's position, no further action shall be taken. In the event the Settling Retailer Defendant provides evidence, and Plaintiff or the notifying person disagrees with the Settling Retailer Defendant's position, it shall, within thirty (30) days, notify the Settling Retailer Defendant of such and provide the Settling Retailer Defendant, in writing, with the reasons for its disagreement. Thereafter, the parties shall meet and confer to attempt to resolve their dispute on mutually acceptable terms; if no such resolution results, Plaintiff may seek to enforce the terms and conditions contained in this Consent Judgment.

11. OPT-IN PROCEDURES

- 11.1 This Consent Judgment is entered into with the intention that it also provide a basis by which any other retailer ("Opt-In Retailer"), or manufacturer, supplier, or importer ("Opt-In Supplier") whose Covered Products are sold in California (collectively "Opt-In Defendants") can apply to enter into and, except as otherwise provided herein, be bound by the same injunctive relief, notice, enforcement and release terms that apply to Settling Retailer Defendants under this Consent Judgment as a defendant sued under the fictitious names of Does 1 through 100. The Parties contemplate that this Court's approval of the Consent Judgment shall constitute approval of all settlements reached on behalf of any and all parties who apply to be Opt-In Defendants in this Action and become parties to this Consent Judgment, through this Section and the Opt-In Declaration and Agreement attached hereto as Exhibit B. Accordingly, upon Court approval of the this Consent Judgment, except as otherwise provided herein, any Opt-In Defendant shall be bound by the same injunctive relief, notice, enforcement and release terms that apply to Settling Retailer Defendants under this Consent Judgment.
- 11.2 An "Opt-In Retailer" is an entity that sells Covered Products directly to retail consumers at a retail establishment it operates that is located in California, or that has sold such products from another retail location it operates into California (as, for example, through a website), but does not itself manufacture, supply, import, or license the sale of any Covered Products to or

through a retail establishment operated by any other entity. An "Opt-In Supplier" is any entity that manufactures, supplies, imports, or licenses the sale of any Covered Products to or through its own brands or a retail establishment operated by any other entity.

- 11.3 Any entity that identifies the Covered Products to be covered in an opt-in stipulation may apply to be an Opt-In Defendant in this Action and a party to this Consent Judgment not later than 90 days after the "Effective Date" ("Opt-In Period"), by executing an Opt-In Declaration and Agreement in the form attached hereto as Exhibit B. Said entity shall be served with a 60 day notice of violation identifying the products to be covered, pursuant to Health and Safety Code section 25249.7. Plaintiff shall not unreasonably withhold approval of the Opt-In Defendant's inclusion in this Consent Judgment. If accepted and the Opt-In Defendant performs all required actions, such entity shall become subject to all of the requirements and benefits of this Consent Judgment as set forth herein. For any Opt-In Defendants, the Opt-In Declaration and Agreement shall:
- 11.3.1 Affirm that the entity sold (for Opt-In Retailers only), or sold, manufactured, supplied, or distributed (for Opt-In Suppliers) in the State of California Covered Products during the one year limitations period, and identify each such product;
- 11.3.2 Operate as the entities' acceptance of service of a summons and the Complaint as a Doe defendant to be designated by Plaintiff;
- 11.3.3 Certify that the entity has read and agrees to be bound by all terms and conditions of this Consent Judgment as set forth herein;
- 11.3.4 Certify that the entity will perform each and every obligation required of the Settling Defendants under this Consent Judgment in a timely manner;
- 11.4 Opt-In Defendants shall mail the original signed Opt-In Declaration and Agreement and a check for the settlement payment set forth in Sections 11.8(a) and (b) below, to Rose, Klein and Marias LLP, as identified herein. The Opt-in Declaration and Agreement shall make reasonable efforts to identify all Chip Products and Crisp Products covered by the Opt-in stipulation, including a designation of whether each covered product is a Chip Product or a Crisp Product (see Section 1.7 of this Consent Judgment for the distinction between the two). Following

Plaintiff's receipt of the Opt-in Declaration and Agreement, Plaintiff shall prepare and serve a 60-day notice of alleged violation on the Opt-in defendant and the relevant public enforcers under Health & Safety Code § 25249.7 covering the specified Opt-in products. At least 60 days after Plaintiff serves the 60-day notice, Plaintiff shall file the Opt-In Declaration and Agreement with the Court, pay the court appearance fee, serve a copy of the Opt-In Declaration and Agreement upon the California Attorney General and any other relevant parties, and submit the Consent Judgment and a verification of payment from Plaintiff to the Court by motion for approval in accordance with the requirements of Health & Safety Code section 25249.7(f) and its implementing regulations.

- 11.5 Within the 45-day notice period for approval of the Opt-In Defendant any party hereto may file and serve an objection, identifying the product the party believes is not properly eligible to be included in this Consent Judgment. The Office of the Attorney General may file comments within this same 45-day period. In the event of any disagreement, the Opt-in Defendant and objecting party shall meet and confer and communicate the results thereof to the Court without any requirement that Plaintiff renotice the motion to approve the settlement with the Opt-In Defendant. If a dispute remains, it shall be resolved by the Court when it hears the noticed motion to approve the settlement with the Opt-In Defendant.
- 11.6 Notice of the motion to approve the settlement to the Opt-in Defendant and all parties to this action is hereby waived, except that Plaintiff shall serve a copy of the moving papers on the Opt-in Defendant and all parties at the time the motion is filed. Pursuant to the motion, the Court shall then conduct a hearing on the proposed Opt-in, resolve any disputes raised by a party regarding proposed Covered Products or other items, and resolve any comments from the Attorney General regarding the proposed Opt-in and proposed Covered Product(s). The Court can memorialize its decision either in a written order or by minute Order which Plaintiff shall serve on the involved parties. Following entry of the Court's ruling, if that ruling is an approval of the Opt-in, the Opt-in Defendant shall be bound by all parts of this Consent Judgment, including the obligations to either meet the Target Levels by the Warning Date set forth in Section 2, or provide the product label warnings required under Section 3.1(a), or rely on the retail warnings (if any) already being provided under Section 3.2(b) upon written confirmation of same, or cease offering

for sale in California Covered Products that do not comply with the Consent Judgment under section 3.1(c). Opt-In Suppliers cannot comply with this Consent Judgment by sending retailers warning signs under Section 3.1(b) or otherwise. Opt-In Suppliers approved by the Court shall be released under Section 7 for all products identified pursuant to Section 11.3 as constituted and manufactured on the date of the Order approving the Opt-In. If the Opt-In is rejected for all products by Plaintiff or the Court, Plaintiff shall refund any settlement payments made under Sections 11.8(a) and (b), less any court fees paid on the putative Opt-In Defendants' behalf.

- 11.7 If an Opt-In Supplier has demonstrated by testing pursuant to Exhibit C that it has achieved the applicable Target Levels for any of the Covered Products that had previously required a warning under Section 3, that Opt-In Supplier may cease providing such warning for those products.
 - 11.8 Opt-In Defendants shall pay to Plaintiff the sums stated below.
 - (a) Each Opt-In Retailer shall pay to Plaintiff the collective sum of \$30,000. \$6,000 shall be designated as a civil penalty pursuant to Health and Safety Code section 25249.12 and allocated as directed by Health & Safety Code section 25249.12(c)-(d). \$24,000 shall be paid to reimburse Plaintiff for attorneys' fees and costs incurred by Plaintiff in investigating this matter and negotiating this Consent Judgment on behalf of itself and the general public, and its costs associated with processing Opt-In Defendants.
 - (b) Each Opt-In Supplier shall pay to Plaintiff the collective sum of \$60,000. \$12,000 shall be designated as a civil penalty pursuant to Health and Safety Code section 25249.12 and allocated as directed by Health & Safety Code section 25249.12(c)-(d). \$48,000 shall be paid to reimburse Plaintiff for attorneys' fees and costs incurred by Plaintiff in investigating this matter and negotiating this Consent Judgment on behalf of itself and the general public, and its costs associated with processing Opt-In Defendants.
- 11.9 The total amount of Settlement Proceeds paid to reimburse Plaintiff for fees and costs under subsections 11.8(a) and (b) shall not exceed the total of \$654,653.19 plus the total of \$2,000 times the total number of Opt-In Defendants. If the payments by all Opt-In Defendants exceeds that total, Plaintiff shall do either or both of the following:

- (a) bring a noticed motion, with 45 days notice to the Attorney General, to increase the total stated in this Section, justifying the additional time or expenses incurred in processing the Opt-In procedures contained herein, or
- (b) transfer any amount in excess of the total of \$654,653.19 to the California Office of Environmental Health Hazard Assessment ("OEHHA") for use in administering Proposition 65.

12. COURT APPROVAL

- 12.1 Plaintiff agrees to comply with the reporting requirements referenced in California Health and Safety Code section 25249.7(f). Pursuant to the regulations promulgated under that section, Plaintiff shall present this Consent Judgment to the California Attorney General's Office within two (2) days after receipt of all necessary signatures.
- 12.2 The Parties acknowledge that, pursuant to Health and Safety Code section 25249.7, a noticed motion must be filed to obtain judicial approval of this Consent Judgment. Accordingly, Plaintiff shall file a motion for approval of the settlement within a reasonable period of time after the date this agreement is signed by all parties. Plaintiff also agrees to serve a copy of the noticed motion to approve and enter the Consent Judgment on the California Attorney General's Office, consistent with the requirements set forth in California Code of Regulations, title 11, section 3000(a).
- 12.3 If this Consent Judgment is not approved by the Court, it shall be of no force or effect and cannot be used in any proceeding for any purpose, and any settlement payments made to Plaintiff hereunder shall be refunded in full upon any Settling Retailer Defendant's written request to Plaintiff.

13. ENTIRE AGREEMENT; MUTUAL DRAFTING

13.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any party

EXHIBIT A

NOTICES OF VIOLATION AND NON-EXCLUSIVE LIST OF PRODUCTS

NOTICE OF VIOLATION CONSUMER EXPOSURE TO ACRYLAMIDE IN POTATO CHIPS

60-Day Notice of Intent to Sue Under Proposition 65 for Failure to Wam Public About Chemicals Listed Under Health and Safety Code Section 25249 (California Safe Drinking Water and Toxic Enforcement Act) June 18, 2007

This Notice of Violation is provided to you pursuant to and in compliance with California Health and Safety Code Section 25249.7(d). Proposition 65 requires that notice of intent to sue be given to a violator 60 days before the suit is filed.

This Notice is provided by the Environmental Law Foundation ("ELF"), a California non-profit organization dedicated to the preservation and enhancement of human health and the environment. ELF has a long-standing interest in reducing health hazards to the public posed by toxic chemicals and protecting the public from harmful substances. Any inquiries regarding this Notice of Violation may be directed to James Wheaton, President of ELF, 1736 Franklin Street, 9th Floor, Oakland, CA 94612, (510) 208-4555. Inquiries may also be directed to Christopher P. Ridout, Rose, Klein & Marias LLP, 801 S. Grand Avenue, Eleventh Floor, Los Angeles, CA 90017-4645, (213) 626-0571.

This Notice constitutes notice that the entities identified in Exhibit 1 have violated and continue to violate the warning provisions of California's Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code §§ 25249.5,et. seq. (commonly referred to as "Proposition 65"). This Notice covers the "warning provision" of Proposition 65, which is found at California Health and Safety Code Section 25249.6. This Notice has been served on the entities identified in Exhibit 1 and the appropriate governmental authorities.

The businesses identified in Exhibit I have exposed and continue to expose consumers to Acrylamide, a chemical known to the State of California to cause cancer, without providing a clear and reasonable warning. The category of products that is the subject of this Notice is potato chips that contain Acrylamide which are manufactured, distributed or sold by the entities identified in Exhibit 1 ("Products Sold by Retailer Under the Following Brand Names").

Consumers are exposed to Acrylamide by eating potato chips that contain Acrylamide. The route of exposure for these violations is direct ingestion when consumers eat the Products. These exposures occur in homes, schools, workplaces and everywhere else throughout California where these Products are sold and/or consumed. No clear and reasonable warning is provided with these Products regarding the carcinogenic hazards of Acrylamide. These violations have been occurring since at least January I, 1991 and are continuing to this day.

Pursuant to Health and Safety Code § 25249.7(d)(1), ELF included the attached Certificate of Merit, to wit, that ELF has consulted with one or more persons with relevant and appropriate experience or expertise who has reviewed facts, studies, or other data regarding exposure to Acrylamide and that, based on that information, ELF believes that there is a reasonable and meritorious case. Factual information sufficient to establish the basis of the Certificate of Merit is

included with the Notice that is served on the Attorney General and is provided to that office in confidence and is not to be disclosed, except according to law.

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For general information regarding the California Safe Drinking Water and Toxic Enforcement Act, please see the attached Appendix A, entitled "The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary", which was prepared by the Office of Environmental Health Hazard Assessment of the California Environmental Protection Agency. (A copy is not provided to the public enforcement agencies which receive this notice.)

EXHIBIT 1 – List of Violators with Non-Exclusive Examples of the Products Sold NOTICE OF VIOLATION California Safe Drinking Water and Toxic Enforcement Act ACRYLAMIDE IN POTATO CHIPS, CRISPS AND STRINGS

Retailer/Responsible Corporate Entity	Products Sold by Retailer Under the Following Brand Names
NEW ALBERTSON'S	Albertson's (house brand) Pik-Nik Boulder Canyon Tim's Cascade Pringles Lay's Kettle Chips
ALBERTSON'S LLC.	Cape Cod Albertson's (house brand) Pik-Nik Boulder Canyon Tim's Cascade Pringles Lay's Kettle Chips Cape Cod
COSTCO WHOLESALE CORPORATION	Pringles Lay's
FOODS CO.	Kroger (house brand) Tim's Cascade Pringles Lay's
FOOD 4 LESS OF CALIFORNIA, INC.	Kroger (house brand) Tim's Cascade Pringles Lay's

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FOOD 4 LESS OF SOUTHERN CALIFORNIA, INC.	Kroger (house brand) Tim's Cascade Pringles Lay's
FRED MEYER STORES, INC.	Kroger (house brand) Tim's Cascade Pringles Lay's
THE KROGER COMPANY	Kroger (house brand) Tim's Cascade Pringles Lay's Cape Cod
RALPH'S GROCERY COMPANY	Kroger (house brand) Tim's Cascade Pringles Lay's
SAFEWAY, INC.	Cape Cod Tim's Cascade Eat Smart Pik-Nik Terra Pringles Lay's Kettle Chips Cape Cod
	Tim's Cascade Eat Smart Pik-Nik Terra Pringles Lay's Kettle Chips Cape Cod
RALBY'S, INC.	Terra Tim's Cascade Eat Smart Pik-Nik Pringles Lay's Kettle

SMART & FINAL, INC.	Tim's Cascade Pringles Lay's Kettle
STATER BROS. MARKET	Tim's Cascade Pik-Nik
	Pringles Lay's Cape Cod Poore Brothers
TRADBR JOE'S COMPANY	Trader Joe's (house brand) Kettle
MARKET, INC.	365 (house brand) Michael Season's Boulder Canyon Terra Kettle

.

CERTIFICATE OF MERIT

California Health and Safety Code Section 25249.7(d)

I, Christopher P. Ridout, hereby declare:

This Certificate of Merit accompanies the attached sixty-day Notice of Violation in which it is alleged that the parties identified in the Notice have violated Health and Safety Code §25249.6 by exposing individuals to a chemical known to the State of California to cause cancer without providing a clear and reasonable warning. This Certificate of Merit is submitted pursuant to and in compliance with California Health and Safety Code §25249.7(d).

I am the Attorney representing the Environmental Law Foundation ("ELF"), which is the party providing the Notice of Violation. I have consulted with one or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies or other data regarding the exposures to the listed chemical that is the subject of this Notice of Violation. Based on the information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and the information did not prove that the alleged violators will be able to establish any of the affirmative defenses set forth in the statute.

The copy of the Certificate of Merit that is served on the Attorney General includes factual information sufficient to establish the basis for this Certificate, including the information identified in Health & Safety Code §25249.7(h)(2), i.e.: (1) the identity of the persons consulted with and relied on by the certifier; and (2) the facts, studies, or other data reviewed by those persons. This information is provided to that office in confidence and is not to be disclosed, except according to law.

Dated: 18, 2007

Christopher P. Ridout

Attorney for Environmental Law Foundation

APPENDIX A

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65); A SUMMARY

The following summary has been prepared by the Office of Environmental Health Hazard Assessment, the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65"). A copy of this summary must be included as an attachment to any notice of violation served upon an alleged violator of the Act. The summary provides basic information about the provisions of the law, and is intended to serve only as a convenient source of general information. It is not intended to provide authoritative guidance on the meaning or application of the law. The reader is directed to the statute and its implementing regulations (see citations below) for further information.

Proposition 65 appears in California law as Health and Safety Gode Sections 25249.5 through 25249.13. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 22 of the California Code of Regulations, Sections 12000 through 14000.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Governor's List." Proposition 65 requires the Governor to publish a list of chemicals that are known to the State of California to cause cancer, or birth defects or other reproductive harm. This list must be updated at least once a year. Over 550 chemicals have been listed as of May 1, 1996. Only those chemicals that are on the list are regulated under this law. Businesses that produce, use, release or otherwise engage in activities involving those chemicals must comply with the following:

Clear and reasonable warnings. A business is required to warn a person before "knowingly and intentionally" exposing that person to a listed chemical. The warning given must be "clear and reasonable." This means that the warning must: (1) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm; and (2) be given in such a way that it will effectively reach the person before he or she is exposed. Exposures are exempt from the warning requirement if they occur less than twelve months after the date of listing of the chemical.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water. Discharges are exempt from this requirement if they occur less than twenty months after the date of listing of the chemical.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. The law exempts:

Governmental agencies and public water utilities. All agencies of the federal, State or local government, as well as entities operating public water systems, are exempt.

Businesses with nine or fewer employees. Neither the warning requirement nor the discharge prohibition applies to a business that employe a total of nine or fewer employees.

Exposures that pose no significant risk of cancer. For chemicals that are listed as known to the State to cause cancer ("carcinogens"), a warning is not required if the business can demonstrate that the exposure occurs at a level that poses "no significant risk." This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific "no significant risk" levels for more than 250 listed carcinogens.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause birth defects or other reproductive harm ("reproductive toxicants"), a warning is not required if the business can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the "no observable effect level (NOEL)," divided by a 1,000-fold safety or uncertainty factor. The "no observable effect level" is the highest dose level which has not been associated with an observable adverse reproductive or developmental effect.

Discharges that do not result in a "significant amount" of the listed chemical entering into any source of drinking water. The prohibition from discharges into drinking water does not apply if the discharger is able to demonstrate that a "significant amount" of the listed chemical has not, does not, or will not enter any drinking water source, and that the discharge compiles with all other applicable laws, regulations, permits, requirements, or orders. A "significant amount" means any detectable amount, except an amount that would meet the "no significant risk" or "no observable effect" test if an individual were exposed to such an amount in drinking water.

HOW IS PROPOSITION 65 ENFORCED?

Enforcement is carried out through civil lawsuits. These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys (those in cities with a population exceeding 750,000). Lawsuits may also be brought by private parties acting in the public interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. A notice must comply with the information and procedural requirements specified in regulations (Title 22, California Code of Regulations, Section 12903). A private party may not pursue an enforcement action directly under Proposition 65 if one of the governmental officials noted above initiates an action within sixty days of the notice.

A business found to be in violation of Proposition 65 is subject to civil penalties of up to \$2,500 per day for each violation. In addition, the business may be ordered by a court of law to stop committing the violation.

CERTIFICATE OF SERVICE BY MAIL

I, Terri A. Keller, declare that:

I am employed in Los Angeles County, California. I am over the age of 18 years and not a party to the within cause; my business address is 801 S. Grand Avenue, Eleventh Floor, Los Angeles, CA 90017-4645.

I am readily familiar with my firm's practice for collection and processing of correspondence for mailing with the United States Postal Service, to wit, that correspondence is deposited with the United States Postal Service the same day in the ordinary course of business.

On June 18, 2007, I served true copies of the following documents on the parties and governmental authorities listed in the attached service list by placing true and correct copies of the same in sealed envelopes with first class postage fully prepaid thereon and deposited in the United States Mail at Los Angeles, California:

NOTICE OF VIOLATION OF CALIFORNIA SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT;

EXHIBIT 1 - LIST OF VIOLATORS WITH NON-EXCLUSIVE EXAMPLES OF THE PRODUCTS SOLD; and

CERTIFICATE OF MERIT;

APPENDIX A - THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY (only sent to those on service list marked with an asterisks).

I certify under penalty of perjury that the foregoing is true and correct, and that this certification was executed on June 18, 2006, at Los Angeles, California.

Signed:

BRRIA KELIER

SERVICE LIST

		•
District Attorney of Alameda County 1225 Fallon Street, Room 900 Oakland, CA 94612	District Attorney of Butte County 25 County Center Drive Oroville, CA 95965	District Attorney of Contra Costa County 725 Court Street, Room 402 Martinez, CA 94553
District Attorney of Fresno County 2220 Tulare Street, #1000 Fresno, CA 93721	District Attorney of Imperial County 939 Main Street El Centro, CA 92243	District Attorney of Kings County 1400 West Lacey Hanford, CA 93230
District Attorney of Los Angeles County 210 W. Temple Street, Room 345 Los Angeles, CA 90012	District Attorney of Marlposa County P.O. Box 730 Mariposa, CA 95338	District Attorney of Modoc County 204 S Court Street Alturas, CA 96101–4020
Disidct Attomey of Napa County 931 Packway Mail Napa, CA 94559	District Attorney of Alpine County P.O. Box 248 Markleeville, CA 96120	District Attorney of Calaveras' County 891 Mountain Ranch Road San Andreas, CA 95249
District Attorney of Del Norte County 450 H Street, Ste 171 Crescent City, CA 95531	District Attorney of Glenn County P.O. Box 430 Willows, CA 95988	District Attorney of Inyo County P.O. Drawer D Independence, CA 93526
District Attorney of Lake County 255 N. Forbes Street Lakeport, CA 95453	District Afformey of Madera County 209 West Yosemite Avenue Madera, CA 93837	District Attorney of Mendocino County P.O. Box 1000 Uklah, CA 95482
District Attorney of Mono County P.O. Box 617 Bridgeport, CA 93517	District Attorney of Nevada County 201 Church St., Suite 8 Nevada Cliy, CA 95959	District Attorney of Amador County 708 Court Street, #202 Jackson, CA 95642
istrict Attorney of Colusa County 47 Market Street olusa, CA 95932	District Attorney of El Dorado County 515 Main Street Placerville, CA 95667	District Attorney of Humboldt County 825 5th Street Eureka, CA 95501
akersfield, CA 93301	District Attorney of Lassen County 220 S. Lassen St., Ste 8 Susanville, CA 96130	District Attorney of Marin County 3501 Civic Center Dr., Room 183 San Rafael, CA 84903

District Attorney of Merced County 2222 "M" Street Merced, CA 95340	District Attorney of Monterey County PO Box 1131 Salinas, CA 93901	District Attorney of Orange County 401 Civic Cir Drive West Santa Ana, CA 92701
District Attorney of Placer County 11562 "B" Avenue Auburn, CA 95603	District Attorney of Sacramento County 901 "G" Street Sacramento, CA 95814	District Attorney of San Diego County 330 West Broadway, Suite 1320 San Diego, CA 92112
District Attorney of San Luis Obispo County 1050 Monterey St, Room 450 San Luis Obispo, CA 93408	District Attorney of Santa Clara County 70 West Hedding Street San Jose, CA 95110	District Attorney of Sterra County Courthouse, P.O. Box 457 Downleville, CA 95936
District Attorney of Sonoma County 600 Administration Drive, Room 212J Santa Rosa, CA 95403	District Aftorney of Tehama County P.O. Box 519 Red Bluff, CA 96080	District Attorney of Tuolumne County 2 South Green Sonora, CA 95370
District Attorney of Yuba County 215 Fifth Street Marysville, CA 95901	District Attorney of Plumas County 520 Main Street, Room 494 Quincy, CA 95971	District Attorney of San Benito County 419 Fourth Street, 2 nd Floor Hollister, CA 95023
District Atlomey of San Francisco County 850 Bryant Street, Rm 325 San Francisco, CA 94103	District Attorney of San Mateo County 400 County Ctr, 3rd FI Redwood City, CA 94063	District Attorney of Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95061
District Attorney of Siskiyou County P.O. Box 986 Yreka, CA 96097	District Attorney of Stanislaus County 800 11 th Street, Room 200 Modesto, CA 95353	District Attorney of Trinity County P.O. Box 1310 Weaverville, CA 96093
District Attorney of Ventura County 800 South Victoria Ave /entura, CA 93009	Los Angeles City Attorney's Office Room 1800, City Hall East 200 N. Main Street Los Angeles, CA 90012	District Attorney of Riverside County 4075 Main Street, 1st Floor Riverside, CA 92501
elstrict Attomey of San Bernardino county 16 N. Mountain Vlew Avenue an Bernardino, CA 92415-0004	District Attorney of San Joaquin County P.O. Box 990 Stockton, CA 95201	District Attorney of Santa Barbara County 1105 Santa Barbara Street Santa Barbara, CA 93101

District Altorney of Shasfa County 1525 Court Street, Third Floor Redding, CA 96001-1632	District Attorney of Solano County 600 Union Avenua Fairfield, CA 94533	District Attorney of Sutter County 446 Second Street Yuba City, CA 95991
District Attorney of Tulare County 221 S. Mooney Ave, Room 224 Visalla, CA 93291	District Attorney of Yolo County 301 Second Street Woodland, CA 95695	San Dlego Clly Allomey's Office 1200 3rd Avenue, 12th Floor San Dlego, CA 92101
San Francisco Cily Altomey's Office Cily Hall, Room 234 San Francisco, CA 94102	San Jose Cify Atlomey's Office 151 West Mission Street San Jose, CA 95110	Ed Well, Deputy Atty, General Office of the Attorney General Prop. 65 Enforcement Reporting Coordinator 1515 Clay Street, Ste. 2000 Oakland, CA 94612
* President or Current CEO Albertsons LLC 250 East Parkcenter Boulevard Boise, ID 83706	*Albertsons LLC c/o CT Corporation Systems 828 West 7 th Street Los Angeles, CA 90017	*Thomas Keller, President The Vons Companies, Inc. 618 Michillinda Ave. Arcadia, CA 91007-6300
*Agent for Service of Process The Vons Companies, Inc. The Prentice-Hall Corporation System, Inc. P.O. Box 526038 Sacramento, CA 95852-6036	*Sleven A. Burd, CEO. Safeway, Inc. 5918 Stoneridge Mall Road Pleasanton, CA 94588-3229	*Agent for Service of Process Safeway, Inc. c/o CSC-Lawyers incorporating Service P.O, Box 526036 Sacramento, CA 95852-6036
*David Hirz, President Ralphs Grocery Company 1100 W. Artesia Blvd, Compton, CA 90220	*Agent for Service of Process Ralphs Grocery Company c/o CSC-Lawyers incorporating Service P.O. Box 526038 Sacramento, CA 95852-6036	*David Dillon, CEO The Kroger Company 1014 Vine St. Cincinnall, OH 45202
Agent for Service of Process The Kroger Company To CSC-Lawyers Incorporating Service P.O. Box 526036 Secramento, CA 95852-6036	*Current CEO or President Fred Meyer Stores, Inc. 3800 SE 22nd Avenue Portland, OR 97202	*Current CEO or President Food 4 Less of California, Inc. 1100 W. Artesia Blvd. Compton, CA 90220
Agent for Service of Process ood 4 Less of California, Inc. o CSC-Lawyers Incorporating ervice .O. Box 526036 acramento, CA 95852-6036	Compton, CA 90220	*Agent for Service of Process Food 4 Less of Southern California, Inc. c/o CSC-Lawyers Incorporating Service P.O. Box 526036 Sacramento, CA 95852-6036
Current CEO or President cods Co. 100 W. Artesia Blvd. compton, CA 90220	21700 Barton Road Collon, CA 92324	*Agent for Service of Process Stater Bros. Market c/o Bruca D. Warner 3750 University Avenue, Ste. 610 Riverside, CA 92501

NOTICE OF VIOLATION CONSUMER EXPOSURE TO ACRYLAMIDE IN POTATO CHIPS

60-Day Notice of Intent to Sue Under Proposition 65
for Failure to Warn Public About Chemicals Listed Under Health and Safety Code Section 25249
(California Safe Drinking Water and Toxic Enforcement Act)

May 14, 2008

This Notice of Violation is provided to you pursuant to and in compliance with California Health and Safety Code Section 25249.7(d). Proposition 65 requires that notice of intent to sue be given to a violator 60 days before the suit is filed.

This Notice is provided by the Environmental Law Foundation ("ELF"), a California non-profit organization dedicated to the preservation and enhancement of human health and the environment. ELF has a long-standing interest in reducing health hazards to the public posed by toxic chemicals and protecting the public from harmful substances. Any inquiries regarding this Notice of Violation may be directed to James Wheaton, President of ELF, 1736 Franklin Street, 9th Floor, Oakland, CA 94612, (510) 208-4555. Inquiries may also be directed to David A. Rosen, Rose, Klein & Marias LLP, 801 South Grand Avenue, Eleventh Floor, Los Angeles, CA 90017-4645, (213) 626-0571.

This Notice constitutes notice that the entities identified in Exhibit 1 have violated and continue to violate the warning provisions of California's Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code §§ 25249.5,et. seq. (commonly referred to as "Proposition 65"). This Notice covers the "warning provision" of Proposition 65, which is found at California Health and Safety Code Section 25249.6. This Notice has been served on the entities identified in Exhibit 1 and the appropriate governmental authorities.

The businesses identified in Exhibit 1 have exposed and continue to expose consumers to Acrylamide, a chemical known to the State of California to cause cancer, without providing a clear and reasonable warning. The category of products that is the subject of this Notice is potato chips that contain Acrylamide which are manufactured, distributed or sold by the entities identified in Exhibit 1 ("Products Sold by Retailer Under the Following Brand Names").

Consumers are exposed to Acrylamide by eating potato chips that contain Acrylamide. The route of exposure for these violations is direct ingestion when consumers eat the Products. These exposures occur in homes, schools, workplaces and everywhere else throughout California where these Products are sold and/or consumed. No clear and reasonable warning is provided with these. Products regarding the carcinogenic hazards of Acrylamide. These violations have been occurring since at least January 1, 1991 and are continuing to this day.

Pursuant to Health and Safety Code § 25249.7(d)(1), BLF included the attached Certificate of Merit, to wit, that BLF has consulted with one or more persons with relevant and appropriate experience or expertise who has reviewed facts, studies, or other data regarding exposure to Acrylamide and that, based on that information, BLF believes that there is a reasonable and meritorious case. Factual information sufficient to establish the basis of the Certificate of Merit is

included with the Notice that is served on the Attorney General and is provided to that office in confidence and is not to be disclosed, except according to law.

For general information regarding the California Safe Drinking Water and Toxic Enforcement Act, please see the attached Appendix A, entitled "The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary", which was prepared by the Office of Environmental Health Hazard Assessment of the California Environmental Protection Agency. (A copy is not provided to the public enforcement agencies which receive this notice.)

EXHIBIT 1 – List of Violators with Non-Exclusive Examples of the Products Sold NOTICE OF VIOLATION California Safe Drinking Water and Toxic Enforcement Act ACRYLAMIDE IN POTATO CHIPS, CRISPS AND STRINGS

Retailer/Responsible Corporate Entity	Products Sold by Retailer Under the Following Brand Names
SUPERVALU INC.	Albertson's (house brand) Pik-Nik Boulder Canyon Tim's Cascade Pringles Lay's Kettle Chips Cape Cod
	Albertson's (house brand) Pik-Nik Boulder Canyon Tim's Cascade Pringles Lay's Kettle Chips Cape Cod
CALIFORNIA, INC.	365 (house brand) Michael Season's Boulder Canyon
MDG COOCHIGALIMAN IN	Terra Ketfle
WHOLE FOODS MARKET, INC.	

CERTIFICATE OF MERIT

California Health and Safety Code Section 25249.7(d)

I, David A. Rosen, hereby declare:

This Certificate of Merit accompanies the attached sixty-day Notice of Violation in which it is alleged that the parties identified in the Notice have violated Health and Safety Code §25249.6 by exposing individuals to a chemical known to the State of California to cause cancer without providing a clear and reasonable warning. This Certificate of Merit is submitted pursuant to and in compliance with California Health and Safety Code §25249.7(d).

I am the Attorney representing the Environmental Law Foundation ("ELF"), which is the party providing the Notice of Violation. I have consulted with one or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies or other data regarding the exposures to the listed chemical that is the subject of this Notice of Violation. Based on the information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and the information did not prove that the alleged violators will be able to establish any of the affirmative defenses set forth in the statute.

The copy of the Certificate of Merit that is served on the Attorney General includes factual information sufficient to establish the basis for this Certificate, including the information identified in Health & Safety Code §25249.7(h)(2), i.e.: (1) the identity of the persons consulted with and relied on by the certifier; and (2) the facts, studies, or other data reviewed by those persons. This information is provided to that office in confidence and is not to be disclosed, except according to law.

Dated: May 14, 2008

David A. Rosen

Attorney for Environmental Law Foundation.

APPENDIX A

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65); A SUMMARY

The following summary has been prepared by the Office of Environmental Health Hazard Assessment, the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65"). A copy of this summary must be included as an attachment to any notice of violation served upon an alleged violator of the Act. The summary provides basic information about the provisions of the law, and is intended to serve only as a convenient source of general information. It is not intended to provide authoritative guidance on the meaning or application of the law. The reader is directed to the statute and its implementing regulations (see citations below) for further information.

Proposition 65 appears in California law as Health and Safety Code Sections 25249.5 through 25249.13. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 22 of the California Code of Regulations, Sections 12000 through 14000.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Governor's List." Proposition 65 requires the Governor to publish a list of chemicals that are known to the State of California to cause cancer, or birth defects or other reproductive harm. This list must be updated at least once a year. Over 550 chemicals have been listed as of May 1, 1996. Only those chemicals that are on the list are regulated under this law. Businesses that produce, use, release or otherwise engage in activities involving those chemicals must comply with the following:

Clear and reasonable warnings. A business is required to warn a person before "knowingly and intentionally" exposing that person to a listed chemical. The warning given must be "clear and reasonable." This means that the warning must: (1) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm; and (2) be given in such a way that it will effectively reach the person before he or she is exposed. Exposures are exempt from the warning requirement if they occur less than twelve months after the date of listing of the chemical.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water, Discharges are exempt from this requirement if they occur less than twenty months after the date of listing of the chemical.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. The law exempts:

Governmental agencies and public water utilities. All agencies of the federal, Staté or local government, as well as entities operating public water systems, are exempt.

Businesses with nine or fewer employees. Nelther the warning requirement nor the discharge prohibition applies to a business that employs a total of nine or fewer employees.

Exposures that pose no significant risk of cancer. For chemicals that are listed as known to the State to cause cancer ("carcinogens"), a warning is not required if the business can demonstrate that the exposure occurs at a level that poses "no significant risk." This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific "no significant risk" levels for more than 250 listed carcinogens.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause birth defects or other reproductive harm ("reproductive toxicants"), a warning is not required if the business can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the "no observable effect level (NOEL)," divided by a 1,000-fold safety or uncertainty factor. The "no observable effect level" is the highest dose level which has not been associated with an observable adverse reproductive or developmental effect.

Discharges that do not result in a "significant amount" of the listed chemical entering into any source of drinking water. The prohibition from discharges into drinking water does not apply if the discharger is able to demonstrate that a "significant amount" of the listed chemical has not, does not, or will not enter any drinking water source, and that the discharge complies with all other applicable laws, regulations, permits, requirements, or orders. A "significant amount" means any detectable amount, except an amount that would meet the "no significant risk" or "no observable effect" test if an individual were exposed to such an amount in drinking water.

HOW IS PROPOSITION 65 ENFORCED?

Enforcement Is carried out through civil lawsuits, These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys (those in cities with a population exceeding 750,000). Lawsuits may also be brought by private parties acting in the public Interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. A notice must comply with the information and procedural requirements specified in regulations (Title 22, California Code of Regulations, Section 12903). A private party may not pursue an enforcement action directly under Proposition 65 if one of the governmental officials noted above initiates an action within sixty days of the notice.

A business found to be in violation of Proposition 65 is subject to civil penalties of up to \$2,500 per day for each violation. In addition, the business may be ordered by a court of law to stop committing the violation.

CERTIFICATE OF SERVICE BY MAIL

I, Shirley M. Walker, declare that:

I am employed in Los Angeles County, California. I am over the age of 18 years and not a party to the within cause; my business address is 801 South Grand Avenue, Eleventh Floor, Los Angeles, CA 90017-4645.

I am readily familiar with my firm's practice for collection and processing of correspondence for mailing with the United States Postal Service, to wit, that correspondence is deposited with the United States Postal Service the same day in the ordinary course of business.

On May 15, 2008, I served true copies of the following documents on the parties and governmental authorities listed in the attached service list by placing true and correct copies of the same in sealed envelopes with first class postage fully prepaid thereon and deposited in the United States Mail at Los Angeles, California:

NOTICE OF VIOLATION OF CALIFORNIA SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT;

EXHIBIT 1 - LIST OF YIOLATORS WITH NON-EXCLUSIVE EXAMPLES OF THE PRODUCTS SOLD; and

CERTIFICATE OF MERIT;

APPENDIX A - THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY (only sent to those on service list marked with an asterisks).

I certify under penalty of perjury that the foregoing is true and correct, and that this certification was executed on May 15, 2008 at Los Angeles, California.

Signed:

hirley M. Walke

SERVICE LIST

District Attorney of Alameda County 1225 Fallon Street, Room 900 Oakland, CA 94612	District Attorney of Butte County 25 County Center Drive Oroville, CA 95965	District Attorney of Contra Costa County 725 Court Street, Room 402 Martinez, CA 94553
District Attorney of Fresno County 2220 Tulare Street, #1000 Fresno, CA 93721	District Attorney of Imperial County 939 Main Street El Centro, CA 92243	District Attorney of Kings County 1400 West Lacey Hanford, CA 93230
District Attorney of Los Angeles County 210 W. Temple Street, Room 345 Los Angeles, CA 90012	District Attorney of Mariposa County P.O. Box 730 Mariposa, CA 95338	District Attorney of Modoc County 204 S Court Street Alturas, CA 96101-4020
District Attorney of Napa County 931 Parkway Mall Napa, CA 94559	District Attorney of Alpine County P.O. Box 248 Markleeville, CA 96120	District Attorney of Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249
District Attorney of Del Norte County 450 H Street, Ste 171 Crescent City, CA 95531	District Attorney of Glenn County P.O. Box 430 Willows, CA 95988	District Attorney of Inyo County P.O. Drawer D Independence, CA 93526
255 N. Forbes Street	District Attorney of Madera County 209 West Yosemite Avenue Madera, CA 93637	District Attorney of Mendocino County P.O. Box 1000 Uklah, CA 95482
P.O. BOX 017	District Attorney of Nevada County 201 Church St., Sulle 8 Nevada City, CA 95959	District Attorney of Amador County 708 Court Street, #202 Jackson, CA 95642
Colusa, CA 95932	District Attorney of El Dorado County 115 Main Street Placerville, CA 95667	District Attorney of Humboldt County 825 5th Street Eureka, CA 95501
1215 ITUXUn Avenue 2	District Attorney of Lassen County 20 S. Lassen St., Ste 8 susanville, CA 96130	District Attorney of Marin County 3501 Civic Center Dr., Room 183 San Rafael, CA 94903

District Attorney of Merced County 2222 "M" Street Merced, CA 95340	District Attorney of Monterey County PO Box 1131 Sallnas, CA 93901	District Attorney of Orange County 401 Civic Ctr Drive West Santa Ana, CA 92701	
District Attorney of Placer County 11562 "B" Avenue Auburn, CA 95603	District Altorney of Sacramento County 901 "G" Street Sacramento, CA 95814	District Attorney of San Diego County 330 West Broadway, Suite 1320 San Diego, CA 92112	
District Attorney of San Luis Obispo County 1050 Monterey St, Room 450 San Luis Obispo, CA 93408	District Allomey of Santa Clara, County 70 West Hedding Street San Jose, CA 95110	District Attorney of Sierra County Courthouse, P.O. Box 457 Downleville, CA 95936	
District Attorney of Sonoma County 600 Administration Drive, Room 212J Santa Rosa, CA 95403	District Atlomey of Tehama County P.O. Box 519 Red Bluff, CA 96080	County District Attorney of Tuolumne County 2 South Green Sonora, CA 95370	
District Attorney of Yuba County 215 Fifth Street Marysville, CA 95901	District Attorney of Plumas County 520 Main Street, Room 404 Quincy, CA 95971	District Attorney of San Benito County 419 Fourth Street, 2 nd Floor Hollister, CA 95023	
District Altorney of San Francisco County 150 Bryant Street, Rm 325 Can Francisco, CA 94103	District Attorney of San Mateo Counly . 400 County Ctr, 3 rd FI Redwood City, CA 94063	District Attorney of Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95061	
listrict Attorney of Siskiyou ounty .O. Box 986 reka, CA 96097	District Attorney of Stanislaus County 800 11 th Street, Room 200 Modesto, CA 95353	District Attorney of Trinity County P.Q. Box 1310 Weaverville, CA 96093	
entura, CA 93009	Los Angeles City Attomey's Office Room 1800, City Hall East 200 N. Main Street Los Angeles, CA 90012	District Attorney of Riverside County 4075 Main Street, 1st Floor Riverside, CA 92501	
6 N. Mountain View Avenue	District Attorney of San Joaquin County P.O. Box 990 Stockton, CA 95201	District Attorney of Santa Barbara County 1105 Santa Barbara Street Santa Barbara, CA 93101	

District Attorney of Shasta County	District Altorney of Solano County	District Attorney of Sutter County
1525 Court Street, Third Floor	600 Union Avenue	446 Second Street
Redding, CA 96001-1632	Fairfield, CA 94533	Yuba City, CA 95991
District Attorney of Tulare County	District Attorney of Yolo County	San Diego City Attorney's Office
221 S. Mooney Ave, Room 224	301 Second Street	1200 3rd Avenue, 12th Floor
Visalia, CA 93291	Woodland, CA 95695	San Diego, CA 92101
San Francisco City Attomey's Office 1 Dr. Carleton B. Goodlett Place Room 234 San Francisco, CA 94102	San Jose City Attorney's Office 151 West Mission Street San Jose, CA 95110	Ed Weil, Deputy Atty. General Office of the Attorney General Prop. 65 Enforcement Reporting Coordinator 1515 Clay Street, Ste. 2000 Oakland, CA 94612
*Mr. Jeffrey Noddle, President	*SUPERVALU INC.	*Robert M. Piccinini, President
SUPERVALU INC.	c/o CT Corporation System	SAVE MART SUPERMARKETS
11840 Valley View Road	828 West Seventh Street	1800 Standiford Avenue
Eden Prairie, MN 55344	Los Angeles, CA 90017	Modesto, CA 95350
*Mr. Michael J. Sllveira	*Mr. Anthony Glimore, President	*WHOLE FOODS MARKET
Registered Agent	WHOLE FOODS MARKET	CALIFORNIA, INC.
SAVE MART SUPERMARKETS	CALIFORNIA, INC,	c/o CT Corporation System
1800 Standiford Avenue	5980 Horton Street, Sulte 200	818 West Seventh Street
Modesto,CA 95350	Emeryvill, CA 94608	Los Angeles, CA 90017
FOOD MARKETS, INC. 5315 Magnolia Boulevard	*MRS. GOOCH'S NATURAL - FOOD MARKETS, INC. c/o CT Corporation System 818 West Seventh Street Los Angeles, CA 90017	

EXHIBIT B

OPT-IN DECLARATION AND AGREEMENT

The undersigned entity or person hereby declares and agrees as follows:

- 1. I reasonably believe that the undersigned entity or person at some time within the last year sold (Retailer only) in the State of California, or sold, manufactured, distributed, supplied, or imported to be sold in the State of California (Supplier), Chip Products or Crisp Products as defined in Section 1.7 of the Consent Judgment in the captioned action ("Covered Products"), containing levels of acrylamide in excess of those set forth in the Consent Judgment without a clear and reasonable warning as required by Health and Safety Code section 25249.6. The Covered Products are identified by name on an attachment hereto, with each Covered Product specifically identified on the attachment as either a Chip Product or a Crisp Product, as defined in Section 1.7 of the Consent Judgment.
- I stipulate on behalf of the undersigned entity or person to accept service of a Notice of Violation under Health and Safety Code section 25249.7, and a summons and the ELF Complaint as a Doe defendant to be designated by ELF and voluntarily appear in Environmental Law Foundation v. Albertsons, LLC, et al., in the Los Angeles County Superior Court, Case No. BC 384665, through the filing of this document;
- 3. On behalf of the undersigned entity or person, I have read and agree to be bound by all terms and conditions of the Consent Judgment entered in Los Angeles Superior Court, Case No. BC 384665. By signing below, I further agree on behalf of the undersigned entity or person to be subject to all of the requirements and benefits of the Consent Judgment as set forth therein.
- 4. By signing below, I further agree on behalf of the undersigned entity or person that I will cause the original signed Opt-In Declaration and Agreement to be mailed with a settlement check as set forth in Section 11.8 of the Consent Judgment, postage pre-paid, within 30 days

1	of execution, to David Rosen at Rose, Klein Marias, as described in the Settlement		
2	Agreement, who may file the Opt-In Declaration and Agreement with the Court, pay any		
3	required fees, serve a copy of the Opt-In Declaration and Agreement upon the California		
4	Attorney General and upon any relevant parties, and submit the Opt-In Declaration and		
5	Agreement to be joined to the Consent Judgment to the Court.		
6 7	5. Within the last year the undersigned entity employed ten or more persons.		
8		, , , , , , , , , , , , , , , , , , ,	
9	6. I have full authority to agree to the Consent Judgment and settle this potential civil action on behalf of the undersigned entity.		
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11	As to the facts listed above, I declare under penalty of perjury under the laws of the State of		
12	California that they are true and correct. As to the terms to which the undersigned entity has agreed, I		
13	hereby memorialize agreement to those terms by signing below.		
14	Executed onatat	, State of	
15	AGREED	Approved as to Form.	
16	For the Entity:	For the Entity's Attorney:	
17	Signature	Signature	
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19	Name:	Name:	
20		·	
21	Title:	Name of firm of attorney:	
22 23			
24	Addroga Tolonkona Namba, Praisi i		
25	Address, Telephone Number, Facsimile:	Address, Telephone Number, Facsimile:	
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EXHIBIT C

Testing and Compliance Procedures

1. This set of procedures is intended to govern testing and compliance for any Opt-In Supplier ("Supplier Defendant") who opts into the Consent Judgment with the Settling Retailer Defendants ("Consent Judgment") pursuant to its Section 11 and Exhibit B. Unless otherwise stated herein, all the terms of the Consent Judgment shall apply to such Opt-In Supplier.

2.1 Standards and Target Levels

Products after December 31, 2011 (the "Target Date") to a weighted arithmetic mean of 281.6 parts per billion ("ppb") for sliced chip Products ("Chip Target Level") and 490 ppb for Crisp Products ("Crisp Target Level") (collectively, Chip Target Level and Crisp Target Level referred to hereafter as the "Target Levels"), 3 unless warnings are given pursuant to the Consent Judgment. For purposes of this Consent Judgment, "Chip Products" are potato chips made from sliced potatoes, whereas "Crisp Products" are all other potato-based chip products that are not made from sliced potatoes (see Section 1.7 of the Consent Judgment). For the purposes of this Consent Judgment, the Supplier Defendant shall not be considered to have achieved the applicable Target Level if, as of the Target Date, the arithmetic mean of the acrylamide concentration in any product line of Covered Products (e.g., low fat chips constitute a distinct "product line" from other potato chips), as determined in accordance with the calculation method described *infra* at section 2.3, exceeds the applicable Target Level by more than 25%. Any product line for which pre-Target Date warnings have been provided by product label in accordance with Section 11.6 of the Consent Judgment shall not be included in

³ Except where a higher level is set through application of section 5.2(a) of the Consent Judgment.

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any calculation determining whether the applicable Target Level or the threshold set forth in Section 2.1(a) has been achieved.

- (b) Each Supplier Defendant shall endeavor, in good faith using all its commercially and technologically reasonable efforts, to achieve by the Target Date the applicable Target Level in Covered Products shipped for sale in California. However, at any time after the Effective Date, any Supplier Defendant may, at its sole discretion, abandon its good faith efforts to achieve the applicable Target Level set forth in this section 2.1 for any or all Covered Products. Within 30 days of reaching a decision to abandon such good faith efforts, such Supplier Defendant shall notify Plaintiff in writing and may, at its sole discretion, comply with this provision by either (a) providing product label warnings consistent with the requirements of Section 11.6 of the Consent Judgment for all such affected Covered Products or, (b) taking all commercially reasonable steps to ensure that such affected Covered Products are, from the date of the decision, not shipped for sale in California. If a Supplier Defendant decides to continue to ship some, but not all, Covered Products for sale in California with product label warnings pursuant to this section, such products ("Non-Averaged Products") shall not be included in its calculation of weighted average for acrylamide levels set forth in section 2.3(c) below.
- 2.2. "Shipped for sale in California" means direct shipment by a Supplier Defendant into California for sale in California, or sale by a Supplier Defendant to a third party that a Supplier Defendant knows will sell the Covered Product in California. Where a retailer or distributor sells products both in California and other states, Supplier Defendant shall take all commercially reasonable steps to ensure that after the Target Levels have been reached, only Covered Products that meet those levels are sold in California.

2.3. Standard and Verification.

- (a) <u>Test Method</u>. For purposes of this Consent Judgment, testing for acrylamide by either party shall be performed using either GC/MS (Gas Chromatrograph/Mass Spectrometry), LC-MS/MS (Liquid Chromatograph-Mass Spectrometry) or any other testing method agreed upon by the Supplier Defendant and Plaintiff.
- Target Level shall be conducted in accordance with a sampling protocol that establishes that the sales-weighted arithmetic mean of acrylamide levels in all Covered Products is at or below the applicable Target Level, with a 95% confidence level, i.e. p<.05. The sampling protocol shall require a minimum of the following: the testing party shall take a minimum of 30 samples, taken over a period of multiple months, from each product line among the Covered Products prior to the Target Date. The samples for the year prior to the Target Date shall then be aggregated according to the formula in paragraph 2.3(c) to determine compliance with the Target Level. All test results, not including sales data used to calculate weighted averages, shall be public and not subject to any claims of trade secret or any other basis for withholding the data from any person.
- (c) <u>Calculation of Average.</u> For purposes of this Consent Judgment, the sales-weighted arithmetic mean is to be calculated by the following formula: Multiply the arithmetic mean of the acrylamide concentration of each product line of Covered Products other than Non-Averaged Products (established by the methodology set forth in paragraph 2.3(a) and (b)) by that product line's fraction of total sales volume for all product lines to be included in the weighted arithmetic mean, and thereafter sum all such weighted means across all product lines that are required to be included in the weighted arithmetic mean. Sales volume for each product and for total sales volume shall be based upon the most current 52 week Nielsen data for the metropolitan areas of Los Angeles, San

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Francisco, San Diego and Sacramento available to Supplier Defendant one month prior to the Target Date.

- Post-Compliance Testing. If a Supplier Defendant's test results demonstrate (d) that the applicable Target Level has been achieved for any Covered Product, that Supplier Defendant shall be required to test that Covered Product annually: between three and four years of the date on which the applicable Target Level is achieved, and between four and five years of the date on which the applicable Target Level is achieved. If those tests confirm that the applicable Target Level has been achieved for the Covered Product, the Supplier Defendant shall have no further duty to test that Covered Product, although Plaintiff may, after meeting and conferring with the Supplier Defendant, apply to the Court for enforcement of the judgment based on results of its own testing showing that the applicable Target Level has not been achieved. Any test data used by Plaintiff for this purpose must be performed and analyzed by methods set forth in sections 2.3(a) and 2.3(b) above. Upon request, each Supplier Defendant shall provide to Plaintiff, on a confidential basis, sales data used by that Supplier Defendant to calculate the sales-weighted arithmetic mean pursuant to section 2.3(c).
- Newly Compliant Products. If a Supplier Defendant has not achieved the (e) applicable Target Level for any Covered Product by the Target Date, it shall provide warnings for such Covered Product as provided in the Consent Judgment. A Supplier Defendant that has not achieved the applicable Target Level for any Covered Product may also continue periodic testing of such Covered Product until tests demonstrate that the applicable Target Level has been achieved for such Covered Product, at which time the Supplier Defendant shall have no further duty to warn, although Plaintiff may apply to the Court for enforcement of the judgment based on results of his own testing showing that the applicable Target Level has not been achieved. Any test data used by Plaintiff for this purpose must be performed and analyzed by methods set forth in sections 2.3(a) and 2.3(b) above. Upon request, each Supplier Defendant shall provide to Plaintiff, on a confidential

basis, sales data used by that Supplier Defendant to calculate the weighted arithmetic mean pursuant to section 2.3(c).

(f) <u>Technology Licensing</u> The requirements in this Consent Judgment are not contingent upon the use of any particular method to meet the Target Level, but Supplier Defendant shall license any patented technology used to meet the Target Level, whether existing or in the future, to others for use in other food products, at a commercially reasonable price and using other commercially reasonable terms.

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· Testing and Compliance Procedures

- 2.1 Standards and Target Levels
- Suppliers shall reduce the level of acrylamide in all Covered Products after (a) December 31, 2011 (the "Target Date") to a weighted arithmetic mean of 281.6 parts per billion ("ppb") for sliced Chip Products ("Chip Target Level") and 490 ppb for Crisp Products ("Crisp Target Level") (collectively, the Chip Target Level and the Crisp Target Level are referred to hereafter as the "Target Levels"),4 unless one of the following product label warnings is given:
 - WARNING: This product contains acrylamide, a chemical known to the State of 1. California to cause cancer and reproductive toxicity; or
 - WARNING: This product contains acrylamide, a chemical known to the State of 2. California to cause cancer and reproductive toxicity. Acrylamide is not added to the products, but is created by browning potatoes. The FDA does not recommend that people stop eating potatoes. For more information, see the FDA's website at www.fda.gov.

For purposes of compliance with the Target Levels set forth herein, "Chip Products" are potato chips made from sliced potatoes, whereas "Crisp Products" are all other potato based chip products that are not made from sliced potatoes (see Section 1.7 of the Consent Judgment). Suppliers shall not be considered to have achieved the applicable Target Level if, as of the Target Date, the arithmetic mean of the acrylamide concentration in any product line of Covered Products (e.g., low fat chips constitute a distinct "product line" from other potato chips), as determined in accordance with the calculation method described infra at section 2.2, exceeds the applicable Target Level by more than 25%. Any product line for which one of the Proposition 65 product label warnings described above is being given shall not be included in any calculation determining whether the applicable Target Level or the threshold set forth in Section 2.1(a) has been achieved. III

⁴ Except where a higher level is set through application of section 5.2(a) of the Consent Judgment.

2.2. Standard and Verification.

- (a) <u>Test Method</u>. For purposes of this Consent Judgment, testing for acrylamide by either party shall be performed using either GC/MS (Gas Chromatrograph/Mass Spectrometry), LC-MS/MS (Liquid Chromatograph-Mass Spectrometry).
- (b) Sampling Protocol. Test results demonstrating compliance with the applicable Target Level shall be conducted in accordance with a sampling protocol that establishes that the sales-weighted arithmetic mean of acrylamide levels in all Covered Products is at or below the applicable Target Level, with a 95% confidence level, i.e. p<.05. The sampling protocol shall require a minimum of the following: the testing party shall take a minimum of 30 samples, taken over a period of multiple months, from each product line among the Covered Products prior to the Target Date. The samples for the year prior to the Target Date shall then be aggregated according to the formula in paragraph 2.2(c) to determine compliance with the Target Level. All test results, not including sales data used to calculate weighted averages, shall be public and not subject to any claims of trade secret or any other basis for withholding the data from any person.
- (c) <u>Calculation of Average.</u> For purposes of this Consent Judgment, the sales-weighted arithmetic mean is to be calculated by the following formula: Multiply the arithmetic mean of the acrylamide concentration of each product line of Covered Products that does not have affixed to it one of the Proposition 65 product label warnings set forth in section 2.1(a) of this Exhibit D. (established by the methodology set forth in paragraph 2.2(a) and (b)) by that product line's fraction of total sales volume for all product lines to be included in the weighted arithmetic mean, and thereafter sum all such weighted means across all product lines that are required to be included in the weighted arithmetic mean. Sales volume for each product and for total sales volume shall be based upon the most current 52 week Nielsen data for the metropolitan areas of Los Angeles, San Francisco, San Diego and Sacramento available to the Supplier one month prior to the Target Date.
 - 2.3 Compliance with a Prior Consent Judgment.
- (a) Notwithstanding the provisions of Paragraphs 2.1 and 2.2 of this Exhibit D as set forth above, or any contrary provision set forth elsewhere in this Consent Judgment, if a Supplier

is in compliance with an applicable Manufacturer Settlement pursuant to the testing methodology set forth therein, it need only provide written assurance of such to a Settling Retailer Defendant.