

Michael Freund (SBN 99687) 1 Ryan Hoffman (SBN 283297) Michael Freund & Associates 1919 Addison Street. Suite 105 Berkeley, CA 94704 Tel: (510) 540-1992 Fax: (510) 540-5543 Email: freundl@aol.com Attorneys for Plaintiff ENVIRONMENTAL RESEARCH CENTER 7 Arthur Fine (SBN 42461) Mitchell Silberberg & Knupp LLP 11377 West Olympic Boulevard Los Angeles, CA 90064-1683 Tel: (310) 312-2000 Fax: (310) 312-3100 10 Email: abf@msk.com Attorneys for Defendant 11 USPlabs, LLC 12 SUPERIOR COURT OF THE STATE OF CALIFORNIA 13 FOR THE COUNTY OF ALAMEDA 14 15 ENVIRONMENTAL RESEARCH CENTER, CASE NO. RG13684589 16 a California non-profit corporation. 17 STIPULATED CONSENT Plaintiff. JUDGMENT; [PROPOSED] ORDER 18 Health & Safety Code § 25249.5 et seq. 19 USPlabs. LLC. Action Filed: June 21, 2013 20 Defendants. Trial Date: [None Set] 21 22 23 24 25 26 1. INTRODUCTION 27 On June 21, 2013, Plaintiff Environmental Research Center ("ERC" or "Plaintiff"), 1.1 a non-profit corporation, as a private enforcer, and in the public interest, initiated this action by

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filing a Complaint for Injunctive and Declaratory relief and Civil Penalties (the "Complaint") pursuant to the provisions of California Health and Safety Code section 25249.5 et seq. ("Proposition 65"), against USPlabs, LLC ("USP" or "Defendant"). In this action, ERC alleges that the products manufactured, distributed or sold by USP, as more fully described below, contain lead and/or arsenic, chemicals listed under Proposition 65 as carcinogens and reproductive toxins, and that such products expose consumers at a level requiring a Proposition 65 warning. These products are: USP Labs PowerFULL; USP Labs Recreate Clinical Strength Fat Loss; USP Labs PRIME The Ultimate Muscle Pill; USP Labs Super Cissus RX; USP Labs LLC Pink Magic; USP Labs OxyElite Protein Powder Milk Chocolate; and USP Labs OxyElite Protein Powder Vanilla Ice Cream (collectively, the "Covered Products"). ERC and USP are referred to individually as a "Party" or collectively as the "Parties."

- 1.2 ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.
- 1.3 USP is a business entity that employed ten or more persons at all times relevant to this action. USP arranges the manufacture, distribution and sale of the Covered Products.
- 1.4 The Complaint is based on allegations contained in ERC's Notices of Violation, dated September 4, 2010, October 8, 2010, November 23, 2010, January 14, 2011, and January 10, 2014 that were served on the California Attorney General, other public enforcers, and USP. True and correct copies of the Notices of Violation are attached as Exhibit A. No designated governmental entity has filed a complaint against USP with regard to the Covered Products or the alleged violations.
- 1.5 ERC's Notices of Violation and the Complaint allege that use of the Covered Products exposes persons in California to lead and/or arsenic without first providing clear and reasonable warnings in violation of California Health and Safety Code section 25249.6. USP denies all material allegations contained in the Notices of Violation and Complaint and asserts that

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any detectible levels of lead in the Covered Products are the result of naturally occurring lead levels, as provided for in California Code of Regulations, Title 27, Section 25501(a).

- 1.6 The Parties have entered into this Consent Judgment in order to settle, compromise and resolve disputed claims and thus avoid prolonged and costly litigation. Nothing in this Consent Judgment shall constitute or be construed as an admission by any of the Parties, or by any of their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchises, licensees, customers, suppliers, distributors, wholesalers, or retailers. Except for the representations made above, nothing in this Consent Judgment shall be construed as an admission by USP or ERC of any fact, issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an admission by USP or ERC of any fact, issue of law, or violation of law, at any time, for any purpose.
- 1.7 Subsequent to receiving ERC's Notice of Violation, USP has made efforts to reduce consumer exposure to lead, by developing and utilizing a proprietary technique to significantly reduce the lead it claims to be natural occurring in the Covered Products. USP has also discontinued for sale nationwide two Covered Products, namely USP Labs LLC Pink Magic and USP Labs Recreate Clinical Strength Fat Loss. USP reserves its right to resume such sales any place in the United States including specifically in California. Except as expressly set forth herein, nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any other or future legal proceeding unrelated to these proceedings.
- 1.8 The Effective Date of this Consent Judgment is the date on which it is entered as a Judgment by this Court.

## 2. JURISDICTION AND VENUE

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over USP as to the acts alleged in the Complaint, that venue is proper in Alameda County, and that this Court has jurisdiction to enter this Consent Judgment as a full and final resolution of all

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claims which were or could have been asserted in his action based on the facts alleged in the Notices of Violation and the Complaint.

## 3. INJUNCTIVE RELIEF, REFORMULATION, TESTING AND WARNINGS

3.1 Beginning on the Effective Date, USP shall not manufacture for sale in the State of California, distribute into the State of California, or directly sell in the State of California, any Covered Products which expose a person to a daily dose of lead more than 0.5 micrograms per day when the maximum suggested dose is taken as directed on the Covered Product's label, unless each such unit of the Covered Product (1) qualifies as a "Reformulated Covered Product" under Section 3.3, or (2) meets the warning requirements under Section 3.2.

## 3.2 Clear and Reasonable Warnings

If USP provides a warning for Covered Products pursuant to Section 3.1, USP must provide one of the following warnings (the "Warning"), including the name of the chemical, depending on how many Proposition 65-listed chemicals have been shown to exceed their allowable thresholds in the Covered Product through laboratory testing:

If only lead or another single chemical exceeds the allowable threshold, USP must provide the following warning:

[California Proposition 65] WARNING: This product contains, a chemical known to the State of California to cause !cancer and] birth defects or other reproductive harm.

If two or more chemicals exceed the allowable thresholds. USP must provide the following warning, naming each chemical:

[California Proposition 65] WARNING: This product contains chemicals known to the State of California to cause [cancer and] birth defects or other reproductive harm.

As used in this Consent Judgment, the term "distribute into the State of California" shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that Defendant knows will sell the Covered Product in California.

USP shall use the term "cancer" in the Warning only if the maximum daily dose recommended on the label contains more than 15 micrograms of lead as determined pursuant to the quality control methodology set forth in Section 3.4. The bracketed language, "California Proposition 65," may be included at USP's option. The word "WARNING" shall be in all capital letters and in bold print.

USP shall provide the Warning on all the Covered Products. No other language regarding Proposition 65, lead, arsenic or any other chemical shall accompany the Warning, and USP shall not provide any general or "blanket" warnings regarding Proposition 65.

USP must display the above warnings with such conspicuousness, as compared with other words, statements, or design of the label or container, to render the Warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product.

#### 3.3 Calculation of Lead Levels; Reformulated Covered Products

For purposes of calculating lead content, USP may exclude the sum of the amount of lead supplied by the quantity of each ingredient listed in Table 1 that is present in the maximum daily serving recommended on the label of the Covered Product. For each ingredient, the amount of lead that may be excluded in each ingredient in each Covered Product is set forth in Table 1. If USP uses this calculation, then USP must submit to ERC, prior to the Effective Date, a complete list showing all the ingredients, including ingredients from Table 1, that are being used in a Covered Product, the percentage and amount in grams of each ingredient being used in the overall Covered Product, and data that independently confirm the percentage of each ingredient in the Covered Product using the maximum daily serving recommended by USP. USP may update this list from time to time. USP will be entitled to submit this information to ERC confidentially. In the event that a dispute arises with respect to compliance with the terms of this Consent Judgment as to any contribution from naturally occurring lead levels under this Section, ERC and USP shall employ good faith efforts to seek entry of a protective order that governs access to and disclosure of the information provided confidentially by USP to ERC in any litigation or proceeding, before any such information is disclosed by ERC in connection with that litigation or proceeding.

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## TABLE 1

| INGREDIENT          | NATURALLY OCCURRING AMOUNT OF               |
|---------------------|---|
|                     | LEAD  |
| Calcium (elemental) | 0.8 mcg lead per gram of elemental calcium  |
| Ferrous Fumarate    | 0.4 mcg lead per gram of ferrous fumarate   |
| Zinc Oxide          | 8.0 mcg lead per gram of zinc oxide         |
| Magnesium Oxide     | 0.4 meg lead per gram of magnesium oxide    |
| Potassium Chloride  | 1.1 mcg lead per gram of potassium chloride |
| Cocoa powder        | 1.0 mcg lead per gram of cocoa powder       |

A Reformulated Covered Product is one for which the maximum recommended daily serving on the label contains no more than 0.5 micrograms of lead per day as determined by the quality control methodology described in Section 3.4. As used in this Consent Judgment, "no more than 0.5 micrograms of lead per day" means that the samples of the testing performed by USP under Section 3.4 yield a daily exposure of no more than 0.5 micrograms of lead (with daily exposure calculated pursuant to Section 3.4 of this Consent Judgment). For products that cause exposures in excess of 0.5 micrograms of lead per day, USP shall provide one of the warnings set forth in Section 3.2. For purposes of determining which warning, if any, is required pursuant to Section 3.2, the second highest lead detection result of at least four (4) random samples from at least four (4) random lots for each Covered Product shall be used as set forth in Section 3.4 hereof.

## 3.4 Testing and Quality Control Methodology

3.4.1 For purposes of this Consent Judgment and determining USP's compliance with Proposition 65, for the PowerFULL; Recreate Clinical Strength Fat; PRIME The Ultimate Muscle Pill; Super Cissus RX; and Pink Magic the daily lead exposure levels shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of servings in a recommended dosage appearing on the product label), which equals

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micrograms of lead exposure per day. For purposes of this Consent Judgment and determining USP's compliance with Proposition 65, for all flavors of the OxyElite Protein Powder or other branded protein powder of the same ingredients, the daily lead exposure levels shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by 10 grams of product, multiplied by one serving per day, which equals micrograms of lead exposure per day, as long as USP's product label provides no recommended number of servings and states the number of grams of the product only under "nutritional facts" or "supplement facts".

- 3.4.2 All testing pursuant to this Consent Judgment shall be performed using a laboratory method that complies with the performance and quality control factors appropriate for the method used, including limit of detection, limit of qualification, accuracy, and precision and meets the following criteria: Inductively Coupled Plasma-Mass Spectrometry (ICP-MS) achieving a limit of quantification of less than or equal to 0.010 mg/kg or any other testing method subsequently agreed upon in writing by the Parties.
- 3.4.3 All testing pursuant to this Consent Judgment shall be performed by an independent third-party laboratory certified by the California Environmental Laboratory Accreditation Program or an independent third-party laboratory that is approved by, accredited by, or registered with the United States Food & Drug Administration USP may perform all testing pursuant to this Consent Judgment itself only if i) USP is a qualified laboratory as described above, and ii) USP provides to ERC written proof of such qualification prior to testing and attaches such proof to its test results every year. Nothing in this Consent Judgment shall limit USP's ability to conduct, or require that others conduct, additional testing of the Covered Products, including the raw materials used in their manufacture.
- 3.4.4 USP shall arrange, for at least four consecutive years and at least once per year, for the lead testing of at least four (4) random samples from at least four (4) random lots for each Covered Product in the form intended for sale to the end-user to be distributed or sold to California. USP shall continue testing so long as the Covered Products are sold in California or sold to a third-party for retail sale in California. If tests conducted pursuant to this Section

demonstrate that no warning is required for a Covered Product during each of four consecutive years, then the testing requirements of this Section will no longer be required as to that Covered Product. However, if after the four-year period, USP changes ingredient suppliers for any of the Covered Products and/or reformulates any of the Covered Products, USP shall test that Covered Product at least once after such change is made. The testing requirements discussed in Section 3.4 are not applicable to any Covered Product for which USP has provided the Warning as specified in Section 3.2.

3.4.5 Beginning on the Effective Date and continuing for a period of four years thereafter, USP shall arrange to keep and maintain copies of all laboratory reports on which it relies for demonstrating that with respect to lead in the Covered Products it has met the reproductive toxicity level of 0.5 micrograms of lead per day as set forth in Paragraph 3 hereof. The purpose of keeping and maintaining such laboratory reports is so that USP may comply with Paragraph 15 hereof. Should these reports be provided to ERC under Paragraph 15 hereof, they shall be treated by ERC as confidential information under the terms of the confidentiality agreement entered into by the Parties.

#### 4. SETTLEMENT PAYMENT

- 4.1 In full satisfaction of all potential civil penalties, payment in lieu of civil penalties, attorney's fees, and costs, USP shall make a total payment of \$150,000.00 by checks payable in four equal monthly payments starting within ten business days of receiving the Notice of Entry of Judgment as set forth in Paragraph 4.6 hereof. Said payments shall be apportioned as follows:
- 4.2 \$19,136.00 shall be payable as civil penalties pursuant to California Health and Safety Code section 25249.7(b)(1). Of this amount, \$14,352.00 shall be paid to the Office of Environmental Health Hazard Assessment ("OEHHA") and \$4,784.00 shall be paid to Environmental Research Center. California Health and Safety Code section 25249.12(c)(I) & (d). USP shall send both civil penalty payments to ERC's counsel who will be responsible for forwarding the civil penalty.

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- \$37,844.00 shall be paid to Environmental Research Center as reimbursement to ERC for (A) reasonable costs associated with the enforcement of Proposition 65 and other costs incurred as a result of work in bringing this action; and (B) \$57,410.50 shall be paid to Environmental Research Center in lieu of further civil penalties, for the day-to-day business activities such as (1) continued enforcement of Proposition 65, which includes work, analyzing, researching and testing consumer products that may contain Proposition 65 chemicals, focusing on the same or similar type of ingestible products that are the subject matter of the current action; (2) the continued monitoring of past consent judgments and settlements to ensure companies are in compliance with Proposition 65; and (3) giving a donation by way of payment of \$2,871.00 to the Woman's Voices For The Earth to address reducing toxic chemical exposures in California.
- 4.4 \$31,087.50 shall be paid to Michael Freund as reimbursement of ERC's attorney's fees. \$2,047.00 shall be paid to Ryan Hoffman as reimbursement of ERC's attorney's fees. \$2,475.00 shall be paid to Karen A. Evans as reimbursement of ERC's attorney's fees.
- 4.5 USP shall mail or deliver these payments, in the form of checks, to Michael Freund and Associates, no later than 10 business days after USP's receipt of the Notice of Entry of Judgment. USP will be provided with taxpayer identification information to enable USP to process the payments.
- 4.6 Payment Schedule. USP agrees to remit the total amount of \$150,000.00 to ERC, payable to the "Michael Freund Trust Fund" in four equal payments of \$37,500.00 by check and remitted to the Law Office of Michael Freund at the law firm's address noted in the Notice provision below. The schedule for the payment of these funds shall be a first payment of \$37,500.00 received within 10 days of the Effective Date of this Consent Judgment, and a \$37,500.00 payment to be received each month for three consecutive months thereafter. In the event that any of the payments owed under this Consent Judgment is not remitted on or before its due date, USP shall be deemed to be in default of its obligations under this Consent Judgment. ERC shall provide written notice to USP of any default; if USP fails to remedy the default within five business days of such notice, then all future payments due hereunder shall become

immediately due and payable, with the prevailing federal funds rate applying to all interest accruing on unpaid balances due hereunder, beginning on the due date of the funds in default.

## 5. MODIFICATION OF CONSENT JUDGMENT

- 5.1 This Consent Judgment may be modified only by written agreement and stipulation of the Parties and upon entry of a modified Consent Judgment by the Court.
- 5.2 If USP seeks to modify this Consent Judgment under Section 5.1, then USP must provide written notice to ERC of its intent ("Notice of Intent"). If ERC seeks to meet and confer regarding the proposed modification in the Notice of Intent, then ERC must provide written notice to USP within thirty days of receiving the Notice of Intent. If ERC notifies USP in a timely manner of ERC's intent to meet and confer, then the Parties shall meet and confer in good faith as required in this Section. The Parties shall meet in person or by phone within thirty (30) days of ERC's notification of its intent to meet and confer. Within thirty days of such meeting, if ERC disputes the proposed modification, ERC shall provide to USP a written basis for its position. The Parties shall continue to meet and confer for an additional thirty (30) days in an effort to resolve any remaining disputes. The Parties may agree in writing to different deadlines for the meet-and-confer period.
- 5.3 In the event that USP initiates or otherwise requests a modification under Section 5.1, USP shall reimburse ERC its costs and reasonable attorney's fees for the time spent in filing and arguing a joint motion or application in support of a modification of the Consent Judgment.
- 5.4 Where the meet-and-confer process does not lead to a joint motion or application in support of a modification of the Consent Judgment, then either Party may seek judicial relief on its own. In such a situation, the prevailing party may seek to recover costs and reasonable attorney's fees. As used in the preceding sentence, the term "prevailing party" means a party who is successful in obtaining relief more favorable to it than the relief that the other party was amenable to providing during the Parties' good faith attempt to resolve the dispute that is the subject of the modification.

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- 6.1 This Court shall retain jurisdiction of this matter to enforce, modify or terminate this Consent Judgment.
- 6.2 Only after it complies with Section 15 below may any Party, by motion or application for an order to show cause filed with this Court, enforce the terms and conditions contained in this Consent Judgment.

## 7. APPLICATION OF CONSENT JUDGMENT

This Consent Judgment is a full, final, and binding resolution between the Parties and then respective officers, directors, shareholders, employees, agents, successors, and assigns. This Consent Judgment shall have no application to Covered Products which are distributed or sold by USP exclusively outside the State of California. This Consent Judgment shall terminate without further action by any Party five years after the Effective Date.

## 8. BINDING EFFECT, CLAIMS COVERED AND RELEASED

8.1 This Consent Judgment is a full, final, and binding resolution between ERC, on behalf of itself and in the public interest, and USP, and its parents, subsidiaries, affiliated entities that are under common ownership or common control, directors, officers, shareholders, employees, attorneys, and agents ("Defendant Releasees") and each entity to whom they directly or indirectly distribute or sell Covered Products, including but not limited to distributors, wholesalers, retailers, (not including private label customers of USP), franchisees, cooperative members, licensors, and licensees ("Downstream Defendant Releasees") (collectively "Releasees") of any alleged violation of Proposition 65 or its implementing regulations for failure to provide Proposition 65 warnings of exposure to lead and arsenic from the handling, use, or consumption of the Covered Products and fully resolves all claims that have been or could have been asserted in this action up to and including the Effective Date for failure to provide Proposition 65 warnings for exposure to lead and arsenic from the Covered Products as set forth in the Notices of Violation and the Complaint and for Oxy-Elite Protein Powder described in Paragraph 3.4.1 hereof. ERC, on behalf of itself and in the public interest, hereby discharges USP

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and its Releasees from any claims of violations of Proposition 65 arising from the failure to provide Proposition 65 warnings regarding lead and arsenic in the Covered Products as set forth in the Notices of Violation and the Complaint and for Oxy-Elite Protein Powder.

8.2 ERC, on behalf of itself only, hereby releases and discharges the Releasees from all known and unknown claims for alleged violations of Proposition 65 arising from or relating to alleged exposures to lead, lead compounds, and arsenic in the Covered Products as set forth in the Notice of Violation and in Oxy-Elite Protein Powder. It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice of Violation or the Complaint and relating to the Covered Products and in Oxy-Elite Protein Powder will develop or be discovered. ERC, on behalf of itself only, acknowledges that this Consent Judgment is expressly intended to cover and include all such claims, including all rights of action therefore. ERC has full knowledge of the contents of California Civil Code section 1542. ERC, on behalf of itself only, acknowledges that the claims released in Sections 8.1 and 8.2 above may include unknown claims, and nevertheless waives California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE. WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

ERC, on behalf of itself only, acknowledges and understands the significance and consequences of this specific waiver of California Civil Code Section 1542.

8.3 Compliance with the terms of this Consent Judgment shall be deemed to constitute compliance by any of the Releasees with Proposition 65 regarding alleged exposures to lead and arsenic in the Covered Products as set forth in the Notices of Violation and that were and could have been alleged in the Complaint and in Oxy-Elite Protein Powder.

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|         | 8.4     | Nothing   | in  | this   | Consent   | Judgment    | is  | intended  | to | apply   | to  | any   | occupa | ational | 0   |
|---------|---------|-----------|-----|--------|-----------|-------------|-----|-----------|----|---------|-----|-------|--------|---------|-----|
| enviro  | nmental | exposure  | s a | risinį | g under P | roposition  | 65, | nor shall | it | apply t | o a | ny of | 'USP's | s produ | cts |
| other t | han the | Covered I | Pro | ducts  | s and Oxy | -Elite Prot | ein | Powder.   |    |         |     |       |        |         |     |

8.5 ERC and USP each release and waive all claims they may have against each other for any statements or actions made or undertaken by them in connection with the Notice of Violation or the Complaint; provided, however, that nothing in Section 8 shall affect or limit any Party's right to seek to enforce the terms of this Consent Judgment.

## 9. SEVERABILITY OF UNENFORCEABLE PROVISIONS

In the event that any of the provisions of this Consent Judgment is held by a court to be unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.

#### 10. GOVERNING LAW

The terms and conditions of this Consent Judgment shall be governed by and construed in accordance with the laws of the State of California.

#### 11. PROVISION OF NOTICE

All notices required to be given to either Party to this Consent Judgment by the other shall be in writing and sent to the following agents listed below by: (a) first-class, registered, or certified mail; (b) overnight courier; or (c) personal delivery. Courtesy copies via email may also be sent.

#### For ENVIRONMENTAL RESEARCH CENTER:

Chris Heptinstall, Executive Director Environmental Research Center 3111 Camino Del Rio North, Suite 400 San Diego, CA 92108

#### With a copy to:

Michael Freund
Michael Freund & Associates
1919 Addison Street, Suite 105
Berkeley, CA 94704
Telephone: (510) 540-1992
Email: freundl@aol.com

## For USPlabs, LLC

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Matt Hebert USP Labs LLC 10761 King William Drive 2 Dallas, TX. 75220 3 With a copy to: 4 Arthur Fine 5 Mitchell Silberberg & Knupp LLP 11377 W. Olympic Blvd. Los Angeles, CA 90064-1683 Telephone: (310) 312-3133 Email: abf@msk.com 12. COURT APPROVAL 9 If this Stipulated Consent Judgment is not approved by the Court, it shall be void 10 and have no force or effect. 11 12.2 ERC shall comply with California Health and Safety Code section 25249.7(1) and 12 with Title II of the California Code Regulations, Section 3003. 13 13. EXECUTION AND COUNTERPARTS 14 This Consent Judgment may be executed in counterparts, which taken together shall be deemed to 15 constitute one document. A facsimile or .pdf signature shall be construed as valid as the original 16 signature. 17 DRAFTING 14. 18 The terms of this Consent Judgment have been reviewed by the respective counsel for the each 19 Party to this Settlement prior to its signing, and each Party has had an opportunity to fully discuss 20 the terms with counsel. The Parties agree that, in any subsequent interpretation and construction 21 of this Consent Judgment entered thereon, the terms and provisions shall not be construed against 22 any Party. 23 15. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES 24 If a dispute arises with respect to either Party's compliance with the terms of this Consent 25 Judgment entered by the Court, the Parties shall meet in person or by telephone and endeavor to 26 resolve the dispute in an amicable manner. If ERC alleges that any Covered Product fails to 27 qualify as a Reformulated Covered Product (and for which ERC alleges that no warning has been

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provided) or that Oxy-Elite Protein Powder violates Proposition 65, then ERC shall inform USP in a reasonably prompt manner of its test results, including information sufficient to permit USP to identify the Covered Products or Oxy-Elite Protein Powder at issue. USP shall, within thirty days following USP's receipt of such notice, provide ERC with testing information demonstrating USP's compliance with this Agreement, if warranted. The Parties shall first attempt to resolve the matter prior to ERC taking any further legal action. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand. In the event an action or motion is filed, however, the prevailing party may seek to recover costs and reasonable attorney's fees. As used in the preceding sentence, the term "prevailing party" means a party who is successful in obtaining relief more favorable to it than the relief that the other party was amenable to providing during the parties' good faith attempt to resolve the dispute that is the subject of such enforcement action.

#### 16. ENTIRE AGREEMENT, AUTHORIZATION

- 16.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter herein, 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. No other agreements, oral or otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party.
- 16.2 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. Except as explicitly provided herein, each Party shall bear its own fees and costs.

## 17. REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT AND ENTRY OF CONSENT JUDGMENT

This Consent Judgment has come before the Court upon the request of the Parties. The Parties request the Court to fully review this Consent Judgment and, being fully informed regarding the matters which are the subject of this action, to:

| 1  | (1) Find that the terms and provisions of this Consent Judgment represent a fair and equitable    |    |
|----|---|----|
| 2  |   |    |
| 3  | settlement of all matters raised by the allegations of the Complaint and as to Oxy-Elite Protein  |    |
| 4  | Powder, that the matter has been diligently prosecuted, and that the public interest is served by | У  |
| 5  | such settlement; and  |    |
| 6  | (2) Make the findings pursuant to California Health and Safety Code section 25249.7(f)(4)         | ), |
| 7  | approve the Settlement, and approve this Consent Judgment.  |    |
| 8  | IT IS SO STIPULATED:  |    |
| 9  | Dated:, 2014 ENVIRONMENTAL RESEARCH CENTER  |    |
| 10 | By:Chris Heptinstall  |    |
|    | Executive Director  |    |
| 11 | Dated:, 2014 USPlabs, LLC   |    |
| 12 | Ву:   |    |
| 13 | Name:<br>Title:   |    |
| 14 | ABBROWED AS TO FORM   |    |
| 15 | APPROVED AS TO FORM:  |    |
| 16 | Dated: 1/21, 2014 ENVIRONMENTAL RESEARCH CENTER   |    |
| 17 | By: Michael Freund  |    |
| 18 | Attorney for Plaintiff  |    |
| 19 | Dated: 1/21, 2014 USPlabs, LLC  |    |
| 20 | By: Arthur Time   |    |
| 21 | Arthur Fine Attorney for Defendant  |    |
| 22 |   |    |
| 23 |   |    |
| 24 | JUDGMENT  |    |
| 25 | Based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is approve   | ed |
| 26 | and Judgment is hereby entered according to its terms.  |    |
| 27 | Mail R Row D  |    |
| 28 | Dated: 5/22, 2014 Judge of the Superior Court   |    |
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| 1  | (1) Find that the terms and provisions of this Consent Judgment represent a fair and equitable    |
| 2  | settlement of all matters raised by the allegations of the Complaint and as to Oxy-Elite Protein  |
| 3  | Powder, that the matter has been diligently prosecuted, and that the public interest is served by |
| 4  | such settlement; and  |
| 5  | (2) Make the findings pursuant to California Health and Safety Code section 25249.7(f)(4),        |
| 6  | approve the Settlement, and approve this Consent Judgment.  |
| 7  | IT IS SO STIPULATED:  |
| 8  | Dated: 1/21/, 2014 ENVIRONMENTAL RESEARCH CENTER  |
| 9  | By: Man San San San San San San San San San S   |
| 10 | Christieptinstall Executive Director  |
| 11 | Dated:  |
| 12 |   |
| 13 | By: Flech Name: honnie Clark Title: manager   |
| ]4 |   |
| 15 | APPROVED AS TO FORM:  |
| 16 | Dated: 1/21/, 2014 ENVIRONMENTAL RESEARCH CENTER  |
| 17 | By:   |
| 18 | Michael Freund<br>Attorney for Plaintiff  |
| 19 | Dated:, 2014 USPlabs, LLC   |
| 20 | By:   |
| 21 | Arthur Fine Attorney for Defendant  |
| 22 |   |
| 23 |   |
| 24 | JUDGMENT  |
| 25 | Based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is approved  |
| 26 | and Judgment is hereby entered according to its terms.  |
| 27 | -1 Rad Rasal  |
| 28 | Dated: 5/2 , 2014 Judge of the Superior Court   |
|    | GAIL B. BEREOLA   |

STIPULATED CONSENT JUDGMENT AND ORDER

RG13684589

Page 16

Mitchell Silberberg & Knupp LLP

5756277.1

Exhibit A



## **Environmental Research Center**

5694 Mission Center Road #199 San Diego, CA 92108 619.309.4194

September 4, 2010

## VIA CERTIFIED MAIL

Current CEO or President USP Labs, LLC 2221 Manana Dr Ste 120 Dallas, TX - 75220

## VIA PRIORITY MAIL

District Attorneys of All California Counties and Select City Attorneys (See Attached Certificate of Service)

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 P.O. Box 70550 Oakland, CA 94612-0550

Re: Notice of Violations of California Health & Safety Code Section 25249.5 et seq.

Dear Addressees:

I represent the Environmental Research Center ("ERC") in connection with this Notice of Violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, which is codified at California Health & Safety Code Section 25249.5 et seq. and also referred to as Proposition 65.

ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

The names of the companies covered by this notice that violated Proposition 65 (hereinafter "the Violators") are:

#### USP Labs, LLC

The products that are the subject of this notice and the chemicals in those products identified as exceeding allowable levels are:

USP Labs PowerFULL - Lead

Notice of Violations of California Health & Safety Code §25249.5 et seq. September 4, 2010 Page 2

USP Labs Recreate Clinical Strength Fat Loss - Trial Pack -Lead USP Labs PRIME The Ultimate Muscle Pill - Lead

On February 27, 1987, the State of California officially listed lead as a chemical known to cause developmental toxicity, and male and female reproductive toxicity. On October 1, 1992, the State of California officially listed lead as chemical known to cause cancer.

This letter is a notice to each of the Violators and the appropriate governmental authorities of the Proposition 65 violations concerning the listed products. This notice covers all violations of Proposition 65 involving the Violators currently known to ERC from the information now available. ERC may continue to investigate other products that may reveal further violations. A summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, is enclosed with the copy of this letter to each of the Violators.

Each of the Violators has manufactured, marketed, distributed, and/or sold the listed products, which have exposed and continue to expose numerous individuals within California to the identified chemicals. The primary route of exposure to these chemicals has been through ingestion, but may have also occurred through inhalation and/or dermal contact. Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to the identified chemicals. The method of warning should be a warning that appears on the product's label. Each of the Violators violated Proposition 65 because they failed to provide an appropriate warning to persons using these products that they are being exposed to the identified chemicals.

Pursuant to Section 25249.7(d) of the statute, ERC intends to file a citizen enforcement action sixty days after effective service of this notice unless each of the Violators agrees in an enforceable written instrument to: (1) reformulate the listed products so as to eliminate further exposures to the identified chemicals; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65 and my client's objectives in pursuing this notice, ERC is interested in seeking a constructive resolution to this matter. Such resolution will avoid both further unwarned consumer exposures to the identified chemicals and expensive and time consuming litigation.

Please direct all questions concerning this notice to ERC's attorney, Karen A. Evans, 4218 Biona Pl., San Diego, CA 92116, telephone no.: 619-640-8100, e-mail: <a href="mailto:kaevans1@cox.net">kaevans1@cox.net</a>.

Sincerely,

Chris Heptinstall
Executive Director

Environmental Research Center

Notice of Violations of California Health & Safety Code §25249.5 et seq. Page 3

cc: Karen Evans

Attachments

Certificate of Merit
Certificate of Service
OEHHA Summary (to USP Labs only)
Additional Supporting Information for Certificate of Merit (to AG only)

Notice of Violations of California Health & Safety Code §25249.5 et seq. September 4, 2010
Page 4

## CERTIFICATE OF MERIT

Re: Environmental Research Center's Notice of Proposition 65 Violations by USP Labs, LLC.

## 1, Karen Evans, declare:

- This Certificate of Merit accompanies the attached sixty-day notice in which it is alleged the party identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
- 2. I am an attorney for the noticing party.
- 3. 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 exposure to the listed chemical that is the subject of the notice.
- 4. Based on the information obtained through those consultants, and on other 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 that the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.
- 5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California 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.

Karen a. Evans

Dated: September 4. 2010

Karen A. Evans

Attorney for Environmental Research Center

Notice of Violations of California Health & Safety Code §25249.5 et seq. September 4, 2010 Page 5

#### CERTIFICATE OF SERVICE

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States, over the age of 18 years of age, and am not a party to the within entitled action. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742

On September 4, 2010, I served the following documents: NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY"

On the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Current CEO or President USP Labs, LLC 2221 Manana Dr Ste 120 Dallas, TX - 75220

On September 4, 2010, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; ADDITIONAL SUPPORTING INFORMATION FOR CERTIFICATE OF MERIT AS REQUIRED BY CALIFORNIA HEALTH & SAFETY CODE §25249.7(d)(1) on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 Post Office Box 70550 Oakland, CA 94612-0550

On September 4, 2010, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT on each of the parties on the Service List attached hereto by placing a true and correct copy thereof in a sealed envelope, addressed to each of the parties on the Service List attached hereto, and depositing it with the U.S. Postal Service for delivery by Priority Mail.

Executed on September 4, 2010, in Fort Oglethorpe, Georgia.

Chris Heptinstall

Notice of Violations of California Health & Safety Code §25249.5 et seq. September 4, 2010
Page 6

## Service List

District Attorney, Alameda County 1225 Fallon Street, Room 900 Oakland, CA 94612

District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120

District Attorney, Amador County 708 Court Street, #202 Jackson, CA 95642

District Attorney, Butte County 25 County Center Drive Oroville, CA 95965

District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249

District Attorney, Colusa County 547 Market Street Colusa, CA 95932

District Atterney, Contra Costa County 900 Ward Street Martinez, CA 94553

District Attorney, Dei Norte County 450 H Street, Ste. 171 Crescent City, CA 95531

District Attorney, El Dorado County 515 Main Street Piacerville, CA 95667

District Attorney, Fresno County 2220 Tulare Street, #1000 Fresno, CA 93721

District Attorney, Glenn County Post Office Box 430 Willows, CA 95988

District Attorney, Humboldt County \$25 5th Street Eureka, CA 95501

District Attorney, Imperial County 939 West Main Street, Ste 102 El Centro, CA 92243

District Actorney, Inyo County 230 W. Line Street Bishop, CA 93514

District Afformey, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301 District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230

District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453

District Attorney, Lassen County 220 South Lassen Street, Ste. 8 Susanville, CA 96130

District Attorney, Los Angeles County 210 West Temple Street, Rm 345 Los Angeles, CA 90012

District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637

District Attorney, Marin County 3501 Civic Center, Room 130 San Rafael, CA 94903

District Attornéy, Mariposa County Post Office Box 730 Mariposa, CA 95338

District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482

District Attorney, Merced County 2222 M Street Merced, CA 95340

District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020

District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517

District Attorney, Monterey County 230 Church Street, Bldg 2 Salinas, CA 93901

District Attorney, Napa County 931 Parkway Mall Napa, CA 94559

District Attorney, Nevada County 110 Union Street Nevada City, CA 95959

District Attorney, Orange County 401 Civic Center Drive West Santa Ana, CA 92701

# Notice of Violations of California Health & Safety Code §25249.5 et seq. September 4, 2010 Page 7

District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678

District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971

District Attorney, Riverside County 4075 Main Street, 1st Floor Riverside, CA 92501

District Attorney, Sacramento County 901 "G" Street Sacramento, CA 9581

District Attorney, San Benito County 419 Fourth Street, 2<sup>nd</sup> Floor Hollister, CA 95023

District Attorney, San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004

District Attorney, San Diego County 330 West Broadway, Room 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Room 325 San Francisco, CA 94103

District Attorney, San Joaquin County Post Office Box 990 Stockton, CA 95201

District Attorney, San Luis Obispo County 1050 Monterey Street, Room 450 San Luis Obispo, CA 93408

District Attorney, San Mateo County 400 County Ctr., 3<sup>rd</sup> Floor Redwood City, CA 94063

District Attorney, Santa Barbara County 1105 Santa Barbara Street Santa Barbara, CA 93101

District Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110

District Attorney, Santa Čruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95060

District Attorney, Shasta County 1525 Court Street, Third Floor Redding, CA 96001-1632

District Attorney, Sierra County PO Box 457 Downeyille, CA 95936 District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097

District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533

District Attorney, Sonoma County 600 Administration Drive, Room 212J Santa Rosa, CA 95403

District Attorney, Stanislaus County 832 12th Street, Ste 300 Modesto, CA 95353

District Attorney, Sutter County 446 Second Street Yuba City, CA 95991

District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080

District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093

District Attorney, Tulare County 221 S. Mooney Avenue, Room 224 Visalia, CA 93291

District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370

District Attorney, Ventura County 800 South Victoria Avenue Ventura, CA 93009

District Attorney, Yolo County 301 2<sup>nd</sup> Street Woodland, CA 95695

District Attorney, Yuba County 215 Fifth Street Marysville, CA 95901

Los Angeles City Attorney's Office City. Hall East 200 N. Main Street, Rm 800 Los Angeles, CA 90012

San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101

San Francisco City Attorney's Office City Hall, Room 234 I Drive Carlton B Goodlett Place San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street San Jose, CA 95113



## **Environmental Research Center**

5694 Mission Center Road #199 San Diego, CA 92108 619.309.4194

October 8, 2010

## VIA CERTIFIED MAIL

Current President or CEO USP Labs LLC 2221 Manana Dr Ste 120 Dallas, TX - 75220

## VIA PRIORITY MAIL

District Attorneys of All California Counties and Select City Attorneys (See Attached Certificate of Service)

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 P.O. Box 70550 Oakland, CA 94612-0550

Re: Notice of Violations of California Health & Safety Code Section 25249.5 et seq.

Dear Addressees:

I am the Executive Director of the Environmental Research Center ("ERC") in connection with this Notice of Violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, which is codified at California Health & Safety Code Section 25249.5 et seq. and also referred to as Proposition 65.

ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

The name of the Company covered by this Notice that violated Proposition 65 is:

USP Labs LLC

The product that is the subject of this Notice and the chemical in that product identified as exceeding ullowable levels is:

Notice of Violations of California Health & Safety Code §25249.5 et seq. October 8, 2010 Page 2

## USP Labs - Super Cissus RX - Lead

On February 27, 1987, the State of California officially listed lead as a chemical known to cause developmental toxicity, and male and female reproductive toxicity. On October 1, 1992, the State of California officially listed lead as chemical known to cause cancer.

This letter is a Notice to USP Labs LLC and the appropriate governmental authorities of the Proposition 65 violations concerning the listed products. This Notice covers all violations of Proposition 65 involving USP Labs LLC currently known to ERC from the information now available. ERC may continue to investigate other products that may reveal further violations. A summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, has been provided to the Noticed Company with a copy of this letter.

USP Labs LLC has manufactured, marketed, distributed, and/or sold the listed products, which have exposed and continue to expose numerous individuals within California to the identified chemicals. The primary route of exposure to these chemicals has been through ingestion, but may have also occurred through inhalation and/or dermal contact. Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to the identified chemicals. The method of warning should be a warning that appears on the product's label. USP Labs LLC violated Proposition 65 because the Company has failed to provide an appropriate warning to persons using these products that they are being exposed to the identified chemical.

Pursuant to Section 25249.7(d) of the statute, ERC intends to file a citizen enforcement action sixty days after effective service of this Notice unless USP Labs LLC agrees in an enforceable written instrument to: (1) reformulate the listed products so as to eliminate further exposures to the identified chemicals; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65 and ERC 's objectives in pursuing this Notice, ERC is interested in seeking a constructive resolution to this matter. Such resolution will avoid both further unwarned consumer exposures to the identified chemicals and expensive and time consuming litigation.

Please direct all questions concerning this notice to ERC's attorney, Michael Freund, address: 1915 Addison Street, Berkley, California, 94704-1101, telephone no.: 510-540-1992, e-mail: Freund1@aol.com.

Sincerely.

Chris Heptinstall
Executive Director

Market 19

Environmental Research Center

Notice of Violations of California Health & Safety Code §25249.5 et seq. October 8, 2010
Page 3

cc: Karen Evans

Attachments

Certificate of Merit
Certificate of Service
OEHHA Summary (to USP Labs LLC only)
Additional Supporting Information for Certificate of Merit (to AG only)

Notice of Violations of California Health & Safety Code §25249.5 et seq. October 8, 2010 Page 4

#### CERTIFICATE OF MERIT

Re: Environmental Research Center's Notice of Proposition 65 Violations by USP Labs LLC

- Michael Freund, declare:
  - 1. This Certificate of Merit accompanies the attached sixty-day Notice in which it is alleged the party identified in the Notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
  - 2. I am an attorney for the noticing party.
  - 3. 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 exposure to the listed chemical that is the subject of the Notice.
  - 4. Based on the information obtained through those consultants, and on other 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 that the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.
  - 5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this Certificate, including the information identified in California 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.

Dated: October 8, 2010

Michael Freund

Attorney for Environmental Research Center

Notice of Violations of California Health & Safety Code §25249.5 et seq. October 8, 2010 Page 5

## CERTIFICATE OF SERVICE

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States, over the age of 18 years of age, and am not a party to the within entitled action. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742

On October 8, 2010, I served the following documents:

NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY"

On the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Current President or CEO USP Labs LLC 2221 Manana Dr Ste 120 Dallas, TX - 75220

On October 8, 2010, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; ADDITIONAL SUPPORTING INFORMATION FOR CERTIFICATE OF MERIT AS REQUIRED BY CALIFORNIA HEALTH & SAFETY CODE §25249.7(d)(1) on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 Post Office Box 70550 Oakland, CA 94612-0550

On October 8, 2010, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT on each of the parties on the Service List attached hereto by placing a true and correct copy thereof in a sealed envelope, addressed to each of the parties on the Service List attached hereto, and depositing it with the U.S. Postal Service for delivery by Priority Mail.

Executed on October 8, 2010, in Fort Oglethorpe, Georgia.

Chris Heptinstall

Notice of Violations of California Health & Safety Code §25249.5 et seq. October 8, 2010 Page 6

#### Service List

District Attorney, Alameda County 1225 Fallon Street, Room 900 Oakland, CA. 94612

District Attorney, Alpine County P.O. Box 248 Markleaville, CA 96120

District Attorney, Amador County 708 Court Street, #202 Jackson, CA 95642

District Attorney, Butte County 25 County Center Drive Oroville, CA 95965

District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249

District Attorney, Colusa County 547 Market Street Colusa, CA 95932

District Attorney, Contra Costa County 900 Ward Street Martinez, CA 94553

District Attorney, Del Norte County 450 H Street, Ste 171 Crescent City, CA 95531

District Attorney, El Dorado County 515 Main Street Placerville, CA 95667

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District Attorney, Glenn County Post Office Box 430 Willows, CA 95988

District Attorney, Humboldt County 825 5th Street Eureka, CA 95501

District Attorney, Imperial County 939 West Main Street, Ste 102 El Centro, CA 92243

District Attorney, Inyo County 230 W. Line Street Bishop, CA 93514

District Attorney, Kern County 1215 Truxtun Avenue Bakersñeid, CA 93301 District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230

District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453

District Attorney, Lassen County 220 South Lassen Street, Ste 8 Susanville, CA 96130

District Attorney, Los Angeles County 210 West Temple Street, Rm 345 Los Angeles, CA 90012

District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637

District Attorney, Marin County 3501 Civic Center, Room 130 San Rafaei, CA 94903

District Attorney, Mariposa County Post Office Box 730 Mariposa, CA 95338.

District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482

District Attorney, Merced County 2222 M Street Merced, CA 95340

District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020

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District Attorney, Napa County 931 Parkway Mall Napa, CA 94559

District Attorney, Nevada County 110 Union Street Nevada City, CA 95959

District Attorney, Orange County 401 Civic Center Drive West Santa Ana, CA 92701

## Notice of Violations of California Health & Safety Code §25249.5 et seq. October 8, 2010

Page 7

District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678

District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971

District Attorney, Riverside County 4075 Main Street, 1st Floor Riverside, CA 92501

District Attorney, Sacramento County 901 "G" Street Sacramento, CA 9581

District Attorney, San Benito County 419 Fourth Street, 2<sup>nd</sup> Floor Hollister, CA 95023

District Attorney, San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004

District Attorney, San Diego County 330 West Broadway, Room 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Room 325 San Francisco, CA 94103

District Attorney, San Joaquin County Post Office Box 990 Stockton, CA 95201

District Attorney, San Luis Obispo County 1050 Monterey Street, Room 450 San Linis Obispo, CA 93408

District Attorney, San Mateo County 400 County Ctr., 3<sup>rd</sup> Floor, Redwood City, CA 94063

District Attorney, Santa Barbara County 1105 Santa Barbara Street Santa Barbara, CA 93101

District Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110

District Attorney, Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95060

District Attorney, Shasta County 1525 Court Street, Third Floor Redding, CA 96001-1632

District Attorney, Sierra County PO Box 457 Downieville, CA 95936 District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097

District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533

District Attorney, Sonoma County 600 Administration Drive, Room 212J Santa Rosa, CA 95403

District Attorney, Stanislaus County 832 12th Street, Ste 300 Modesto, CA 95353

District Attorney, Sutter County 446 Second Street Yuba City, CA 95991

District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080

District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093

District Attorney, Tulare County 221 S. Mooney Avenue, Room 224 Visalia, CA 93291

District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370

District Attorney, Ventura County 800 South Victoria Avenue Ventura, CA 93009.

District Attorney, Yolo County 301 2<sup>nd</sup> Street Woodland, CA 95695

District Attorney, Yuba County 215 Fifth Street Marysville, CA 95901

Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Rm 800 Los Angeles, CA 90012

San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101

San Francisco City Attorney's Office City Hall, Room 234 I Drive Carlton B Goodiett Place San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street San Jose, CA 95113



## **Environmental Research Center**

5694 Mission Center Road #199 San Diego, CA 92108 619.309.4194

November 23, 2010

## VIA CERTIFIED MAIL

Current President or CEO USP Labs LLC 2221 Manana Dr Ste 120 Dailas, TX - 75220

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 P.O. Box 70550 Oakland, CA. 94612-0550

## VIA PRIORITY MAIL

District Attorneys of All California Counties and Select City Attorneys (See Attached Certificate of Service)

Re: Notice of Violations of California Health & Safety Code Section 25249.5 et seg.

#### Dear Addressees:

I am the Executive Director of the Environmental Research Center ("ERC") in connection with this Notice of Violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, which is codified at California Health & Safety Code Section 25249.5 et seq. and also referred to as Proposition 65.

ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

The name of the Company covered by this Notice that violated Proposition 65 is:

#### USP Labs LLC

The product that is the subject of this Notice and the chemical in that product identified as exceeding allowable levels is:

## USP Labs PRIME The Ultimate Muscle Pill - Arsenic

On May 1, 1997, the State of California officially listed arsenic (inorganic oxides) as a chemical known to cause reproductive toxicity.

Notice of Violations of California Health & Safety Code §25249.5 et seq. November 23, 2010 Page 2

This letter is a Notice to USP Labs LLC and the appropriate governmental authorities of the Proposition 65 violations concerning the listed products. This Notice covers all violations of Proposition 65 involving USP Labs LLC currently known to ERC from the information now available. ERC may continue to investigate other products that may reveal further violations. A summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, has been provided to the Noticed Company with a copy of this letter.

USP Labs LLC has manufactured, marketed, distributed, and/or sold the listed products, which have exposed and continue to expose numerous individuals within California to the identified chemicals. The primary route of exposure to these chemicals has been through ingestion, but may have also occurred through inhalation and/or dermal contact. Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to the identified chemicals. The method of warning should be a warning that appears on the product's label. USP Labs LLC violated Proposition 65 because the Company has failed to provide an appropriate warning to persons using these products that they are being exposed to the identified chemical.

Pursuant to Section 25249.7(d) of the statute, ERC intends to file a citizen enforcement action sixty days after effective service of this Notice unless USP Labs LLC agrees in an enforceable written instrument to: (1) reformulate the listed products so as to eliminate further exposures to the identified chemicals; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65 and ERC 's objectives in pursuing this Notice. ERC is interested in seeking a constructive resolution to this matter. Such resolution will avoid both further unwarned consumer exposures to the identified chemicals and expensive and time consuming litigation.

Please direct all questions concerning this notice to ERC's attorney, Michael Freund, address: 1915 Addison Street, Berkley, California, 94704-1101, telephone no.: 510-540-1992, e-mail: Freund1@aol.com.

Sincerely,

Chris Heptinstall
Executive Director
Environmental Research Center

cc: Karen Evans

Attachments

Certificate of Merit
Certificate of Service
OEHHA Summary (to USP Labs LLC only)
Additional Supporting Information for Certificate of Merit (to AG only)

Notice of Violations of California Health & Safety Code §25249.5 et seq. November 23, 2010 Page 3

#### CERTIFICATE OF MERIT

Re: Environmental Research Center's Notice of Proposition 65 Violations by USP Labs LLC

## I. Michael Freund, declare:

- 1. This Certificate of Merit accompanies the attached sixty-day Notice in which it is alleged the party identified in the Notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
- 2. I am an attorney for the noticing party.
- 3. 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 exposure to the listed chemical that is the subject of the Notice.
- 4. Based on the information obtained through those consultants, and on other 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 that the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.
- 5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this Certificate, including the information identified in California 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.

Dated: November 23, 2010

Michael Freund
Attorney for Environmental Research Center

The Freund

Notice of Violations of California Health & Safety Code §25249.5 et seq. November 23. 2010 Page 4

#### CERTIFICATE OF SERVICE

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States, over the age of 18 years of age, and am not a party to the within entitled action. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742

On November 23, 2010, I served the following documents:

NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY"

On the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Current President or CEO USP Labs LLC 2221 Manana Dr Ste 120 Dallas, TX - 75220

On November 23, 2010, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; ADDITIONAL SUPPORTING INFORMATION FOR CERTIFICATE OF MERIT AS REQUIRED BY CALIFORNIA HEALTH & SAFETY CODE §25249.7(d)(1)

On the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 Post Office Box 70550 Oakland, CA 94612-0550

On November 23, 2010, I served the following documents: **NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5** *ET SEQ.*; **CERTIFICATE OF MERIT** on each of the parties on the Service List attached hereto by placing a true and correct copy thereof in a sealed envelope, addressed to each of the parties on the Service List attached hereto, and depositing it with the U.S. Postal Service for delivery by Priority Mail.

Executed on November 23, 2010, in Fort Oglethorpe, Georgia.

Chris Heptinstall

Notice of Violations of California Health & Safety Code §25249.5 et seq. November 23, 2010 Page 5

## Service List

District Attorney, Alameda County 1225 Fallon Street, Room 900 Oakland, CA, 94612

District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120

District Attorney, Amador County 708 Court Street, #202 Jackson, CA 95642

District Attorney, Butte County 25 County Center Drive Oroville, CA 95965

District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249

District Attorney, Colusa County 547 Market Street Colusa, CA 95932

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District Attorney, Del Norte County 450 H Street, Ste. 171 Crescent City, CA 95531

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District Attorney, Fresno County 2220 Tulare Street, #1000 Fresno, CA 93721

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District Attorney, Imperial County 939 West Main Street, Ste 102 El Centro, CA 92243

District Attorney, Inyo County 230 W. Line Street Bishop, CA 93514

District Attorney, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301 District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230

District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453

District Attorney, Lassen County 220 South Lassen Street, Ste. 8 Susanville, CA 96130

District Attorney, Los Angeles County 210 West Temple Street, Rm 345 Los Angeles, CA 90012

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District Attorney, Marin County 3501 Civic Center, Room 130 San Rafael, CA 94903

District Attorney, Mariposa County Post Office Box 730 Mariposa, CA 95338

District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482

District Attorney, Merced County 2222 M Street Merced, CA 95340

District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020

District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517

District Attorney, Monterey County 230 Church Street, Bldg 2 Salinas, CA 93901

District Attorney, Napa County 931 Parkway Mall Napa, CA 94559

District Attorney, Nevada County 110 Union Street Nevada City, CA 95959

District Attorney, Orange County 401 Civic Center Drive West Santa Ana, CA 92701

# Notice of Violations of California Health & Safety Code §25249.5 et seq. November 23, 2010 Page 6

District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678

District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971

District Attorney, Riverside County 4075 Main Street, 1st Floor Riverside, CA 92501

District Attorney, Sacramento County 901 "G" Street Sacramento, CA 9581

District Attorney, San Benito County 419 Fourth Street, 2<sup>nd</sup> Floor Hollister, CA 95023

District Attorney San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004

District Attorney, San Diego County 330 West Broadway, Room 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Room 325 San Francisco, CA 94103

District Attorney, San Joaquin County Post Office Box 990 Stockton, CA 95201

District Attorney, San Luis Obispo County 1050 Monterey Street, Room 450 San Luis Obispo, CA 93408

District Attorney, San Mateo County 400 County Ctr., 3<sup>rd</sup> Floor Redwood City, CA 94063

District Attorney, Santa Barbara County 1105 Santa Barbara Street Santa Barbara, CA 93101

District Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110

District Attorney, Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95060

District Attorney, Shasta County 1525 Court Street, Third Ploor Redding, CA 96001-1632

District Attorney, Sterra County PO Box 457 Downleville, CA 95936 District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097

District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533

District Attorney, Sonoma County 600 Administration Drive. Room 212J Santa Rosa, CA 95403

District Attorney, Stanislaus County 832 12th Street, Ste 300 Modesto, CA 95353

District Attorney, Sutter County 446 Second Street Yuba City, CA 95991

District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080

District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093

District Attorney, Tulare County 221 S. Mooney Avenue, Room 224 Visalia, CA 93291

District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370

District Attorney, Ventura County 800 South Victoria Avenue Ventura, CA 93009

District Attorney, Yolo County 301 2<sup>nd</sup> Street Woodland, CA 95695

District Attorney, Yuba County 215 Fifth Street Marysville, CA 95901

Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Rm 800 Los Angeles, CA 90012

San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101

San Francisco City Attorney's Office City Hall, Room 234 1 Drive Carlton B Goodlett Place San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street San Jose, CA 95113



# **Environmental Research Center**

5694 Mission Center Road #199 San Diego, CA 92108 -619.309.4194

January 14, 2011

# VIA CERTIFIED MAIL

Current President or CEO USP Labs LLC 2221 Manana Dr Ste 120 Dallas, TX - 75220

# VIA PRIORITY MAIL

District Attorneys of All California Counties and Select City Attorneys (See Attached Certificate of Service)

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 P.O. Box 70550 Oakland, CA 94612-0550

Re: Notice of Violations of California Health & Safety Code Section 25249.5 et seq.

Dear Addressees:

I am the Executive Director of the Environmental Research Center ("ERC") in connection with this Notice of Violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, which is codified at California Health & Safety Code Section 25249.5 et seq. and also referred to as Proposition 65.

ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

The name of the Company covered by this Notice that violated Proposition 65 is:

#### **USP Labs LLC**

The product that is the subject of this Notice and the chemical in that product identified as exceeding allowable levels is:

# USP Labs LLC Pink Magic 180 Capsules - Lead

On February 27, 1987, the State of California officially listed lead as a chemical known to cause developmental toxicity, and male and female reproductive toxicity. On October 1, 1992, the State of California officially listed lead as chemical known to cause cancer.

This letter is a Notice to USP Labs LLC and the appropriate governmental authorities of the Proposition 65 violations concerning the listed products. This Notice covers all violations of Proposition 65 involving USP Labs LLC currently known to ERC from the information now available. ERC may continue to investigate other products that may reveal further violations. A summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, has been provided to the Noticed Company with a copy of this letter.

USP Labs LLC has manufactured, marketed, distributed, and/or sold the listed products, which have exposed and continue to expose numerous individuals within California to the identified chemicals. The primary route of exposure to these chemicals has been through ingestion, but may have also occurred through inhalation and/or dermal contact. Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to the identified chemicals. The method of warning should be a warning that appears on the product's label. USP Labs LLC violated Proposition 65 because the Company has failed to provide an appropriate warning to persons using these products that they are being exposed to the identified chemical.

Pursuant to Section 25249.7(d) of the statute, ERC intends to file a citizen enforcement action sixty days after effective service of this Notice unless USP Labs LLC agrees in an enforceable written instrument to: (1) reformulate the listed products so as to eliminate further exposures to the identified chemicals; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65 and ERC is objectives in pursuing this Notice, ERC is interested in seeking a constructive resolution to this matter. Such resolution will avoid both further unwarned consumer exposures to the identified chemicals and expensive and time consuming litigation.

Please direct all questions concerning this notice to ERC's attorney, Michael Freund, address: 1915 Addison Street. Berkley. California, 94704-1101, telephone no.: 510-540-1992, e-mail: Freund1@aol.com.

Sincerely,

Chris Heptinstall
Executive Director

Environmental Research Center

ce: Karen Evans

Anachments

Certificate of Merit
Certificate of Service
OEHHA Summary (to USP Labs LLC only)
Additional Supporting Information for Certificate of Merit (to AG only)

# CERTIFICATE OF MERIT

Re: Environmental Research Center's Notice of Proposition 65 Violations by USP Labs LLC

- 1. Michael Freund, declare:
  - 1. This Certificate of Merit accompanies the attached sixty-day Notice in which it is alleged the party identified in the Notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
  - 2. I am an attorney for the noticing party.
  - 3. 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 exposure to the listed chemical that is the subject of the Notice.
  - 4. Based on the information obtained through those consultants, and on other 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 that the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.
  - 5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this Certificate, including the information identified in California 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.

Dated: January 14, 2011

Michael Freund

Attorney for Environmental Research Center

My freund

## CERTIFICATE OF SERVICE

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States, over the age of 18 years of age, and am not a party to the within entitled action. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742

On January 14, 2011, I served the following documents: NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY" on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Current President or CEO USP Labs LLC 2221 Manana Dr Ste 120 Dallas, TX - 75220

On January 14, 2011, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; ADDITIONAL SUPPORTING INFORMATION FOR CERTIFICATE OF MERIT AS REQUIRED BY CALIFORNIA HEALTH & SAFETY CODE §25249.7(d)(1) on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 Post Office Box 70550 Oakland, CA 94612-0550

On January 14, 2011, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT on each of the parties on the Service List attached hereto by placing a true and correct copy thereof in a sealed envelope, addressed to each of the parties on the Service List attached hereto, and depositing it with the U.S. Postal Service for delivery by Priority Mail.

Executed on January 14, 2011, in Fort Oglethorpe, Georgia.

Chris Heptinstall

#### Service List

District Attorney, Alameda County 1225 Fallon Street, Room 900 Oakland, CA 94612

District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120

District Attorney. Amador County 708 Court Street, #202 Jackson, CA 95642

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District Attorney, San Diege County 330 West Broadway, Room 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Room 325 San Francsico, CA 94103

District Attorney, San Joaquin County Post Office Box 990 Stockton, CA 95201

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District Attorney, Shasta County 1525 Court Street, Third Floor Redding, CA 96001-1632

District Attorney, Sierra County PO Box 457 Downleville, CA 95936 District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097

District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533

District Attorney, Sonoma Councy 600 Administration Drive, Room 212J Santa Rosa, CA 95403

District Attorney, Stanislaus County 832 12th Street, Ste 300 Modesto, CA 95353

District Attorney, Sutter County 446 Second Street Yuba City, CA 95991

District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080

District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093

District Attorney, Tulare County 221 S. Mooney Avenue, Room 224 Visalia, CA 93291

District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370

District Attorney, Ventura County 800 South Victoria Avenue Ventura, CA 93009

District Attorney, Yolo County 301 2<sup>nd</sup> Street Woodland, CA 95695

District Attorney, Yuba County 215 Fifth Street Marysville, CA 95901

Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Rm 800 Los Angeles, CA 90012

San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101

San Francisco City Attorney's Office City Hall, Room 234 1 Drive Carlton B Goodlett Place San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street San Jose, CA 95113

# Michael Freund & Associates

1919 Addison Street, Suite 105 Berkeley, CA 94704 Voice: 510.540.1992 • Fax: 510.540.5543

Michael Freund, Esq. Ryan Hoffman, Esq. OF COUNSEL.

Denise Ferkich Hoffman, Esq.

January 10, 2014

# NOTICE OF VIOLATION OF CALIFORNIA HEALTH & SAFETY CODE SECTION 25249.5 ET SEQ. (PROPOSITION 65)

Dear Alleged Violator and the Appropriate Public Enforcement Agencies:

I represent Environmental Research Center ("ERC"), 3111 Camino Del Rio North, Suite 400. San Diego, CA 92108; Tel. (619) 500-3090. ERC's Executive Director is Chris Heptinstall. ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

ERC has identified violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), which is codified at California Health & Safety Code §25249.5 et seq., with respect to the products identified below. These violations have occurred and continue to occur because the alleged Violator identified below failed to provide required clear and reasonable warnings with these products. This letter serves as a notice of these violations to the alleged Violator and the appropriate public enforcement agencies. Pursuant to Health and Safety Code Section 25249.7(d), ERC intends to file a private enforcement action in the public interest 60 days after effective service of this notice unless the public enforcement agencies have commenced and are diligently prosecuting an action to rectify these violations.

General Information about Proposition 65. A copy of a summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, is enclosed with this letter served to the alleged Violator identified below.

Alleged Violator. The name of the company covered by this notice that violated Proposition 65 (hereinafter the "Violator") is:

USPLabs, LLC dba USPlabs, LLC

Consumer Products and Listed Chemicals. The products that are the subject of this notice and the chemical in those products identified as exceeding allowable levels are:

USPlabs LLC OxyElite Protein Powder Milk Chocolate - Lead

USPlabs LLC OxyElite Protein Powder Vanilla Ice Cream - Lead

On February 27, 1987, the State of California officially listed lead as a chemical known to cause developmental toxicity, and male and female reproductive toxicity. On October 1, 1992, the State of California officially listed lead and lead compounds as chemicals known to cause cancer.

It should be noted that ERC may continue to investigate other products that may reveal further violations and result in subsequent notices of violations.

Route of Exposure. The consumer exposures that are the subject of this notice result from the purchase, acquisition, handling and recommended use of these products. Consequently, the primary route of exposure to these chemicals has been and continues to be through ingestion, but may have also occurred and may continue to occur through inhalation and/or dermal contact.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least January 10, 2011, as well as every day since the products were introduced into the California marketplace, and will continue every day until clear and reasonable warnings are provided to product purchasers and users or until these known toxic chemicals are either removed from or reduced to allowable levels in the products. Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to the identified chemicals. The method of warning should be a warning that appears on the product label. The Violator violated Proposition 65 because it failed to provide persons handling and/or using these products with appropriate warnings that they are being exposed to these chemicals.

Consistent with the public interest goals of Proposition 65 and a desire to have these ongoing violations of California law quickly rectified, ERC is interested in seeking a constructive resolution of this matter that includes an enforceable written agreement by the Violator to: (1) reformulate the identified products so as to eliminate further exposures to the identified chemicals, or provide appropriate warnings on the labels of these products; and (2) pay an appropriate civil penalty. Such a resolution will prevent further unwarned consumer exposures to the identified chemicals, as well as an expensive and time consuming litigation.

ERC has retained me as legal counsel in connection with this matter. Please direct all communications regarding this Notice of Violation to my attention at the law office address and telephone number indicated on the letterhead.

Sincerely,

Michael Freund

Attachments

Certificate of Merit Certificate of Service

OEHHA Summary (to USPLabs, LLC dba USPlabs, LLC and its Registered Agent for Service of Process only)

Additional Supporting Information for Certificate of Merit (to AG only)

#### **CERTIFICATE OF MERIT**

Re: Environmental Research Center's Notice of Proposition 65 Violations by USPLabs, LLC dba USPlabs, LLC

## I. Michael Freund, declare:

- 1. This Certificate of Merit accompanies the attached 60-day notice in which it is alleged that the party identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
  - 2. I am an attorney for the noticing party.
- 3. 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 exposure to the listed chemicals that are the subject of the notice.
- 4. Based on the information obtained through those consultants, and on other 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 that the information did not prove that the alleged Violator will be able to establish any of the affirmative defenses set forth in the statute.
- 5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California 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.

Dated: January 10, 2014

Michael Freund

Mital Freund

#### CERTIFICATE OF SERVICE

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States, over the age of 18 years of age, and am not a party to the within entitled action. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742. I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at Fort Oglethorpe, Georgia.

On January 10, 2014, I served the following documents: NOTICE OF VIOLATION OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY" on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it at a U.S. Postal Service Office with the postage fully prepaid for delivery by Certified Mail:

Current President or CEO USPLabs, LLC dba USPlabs, LLC 10761 King William Drive Dallas, TX 75220

CT Corporation System (USPLabs, LLC dba USPlabs, LLC's Registered Agent for Service of Process) 350 North Saint Paul Street Suite 2900 Dallas, TX 75201

On January 10, 2014, I electronically served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; ADDITIONAL SUPPORTING INFORMATION FOR CERTIFICATE OF MERIT AS REQUIRED BY CALIFORNIA HEALTH & SAFETY CODE §25249.7(d)(1) on the following party by uploading a true and correct copy thereof on the California Attorney General's website, which can be accessed at https://oag.ca.gov/prop65/add-60-day-notice:

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 Oakland, CA 94612-0550

On January 10, 2014, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT on each of the parties on the Service List attached hereto by placing a true and correct copy thereof in a sealed envelope, addressed to each of the parties on the Service List attached hereto, and depositing it at a U.S. Postal Service Office with the postage fully prepaid for delivery by First Class Mail.

Executed on January 10, 2014 in Fort Oglethorpe, Georgia.

Tiffany Capehart

#### Service List

District Attorney, Alameda County 1225 Fallon Street, Suite 900 Oakland, CA 94612

District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120

District Attorney, Amador County Tox Court Street Jackson, CA 95642

District Attorney, Butte County 25 County Center Drive, Suite 245 Oroville, CA 95965

District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249

District Attorney, Coluse County 346 Fifth Street Suite 101 Coluse CA 95932

District Attorney, Contra Costa County 900 Ward Street Martinez, CA 94553

District Attorney, Del Norte County 450 H Street, Room 171 Crescent City, CA 95531

District Attorney, El Dorado County 515 Main Street Placerville, CA 95667

District Attorney, Fresno County 2230 Tulare Street, Suite 1000 Fresno, CA 93721

District Attorney, Glenn County Post Office Box 430 Willows CA 95988

District Attorney, Humboldt County 825 5th Street 4<sup>th</sup> Floor Eureka, CA 95501

District Attorney, Imperial County 940 West Main Street Ste 102 Ed Contro, CA 92243

District Attorney, Invo County 250 W. Line Street Bishop, CA 93514

District Attorney, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301

District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230

District Attorney, Lake County 255 N. Forbes Street Lukeport, CA 95453

District Attorney, Lassen County 220 South Lassen Street, Ste. 8 Susanville, CA 96130 District Attorney, Los Angeles County 210 West Temple Street, Suite 18000 Los Angeles, CA 90012

District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637

District Attorney, Marin County 3501 Civic Center Drive, Room 130 San Rafael, CA 94903

District Attorney, Mariposa County Post Office Box 730 Mariposa, CA 95338

District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482

District Attorney, Merced County 550 W. Main Street Merced, CA 95340

District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020

District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517

District Attorney, Monterey County Post Office Box 1131 Salinas, CA 93902

District Attorney, Napa County 931 Parkway Mall Napa, CA 94559

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District Attorney, Riverside County 3960 Orange Street Riverside, CA 92501

District Attorney, Sacramento County 901 "G" Street Sacramento, CA 95814

District Attorney, San Benito County 419 Fourth Street, 2<sup>nd</sup> Floor Hollister, CA 95023

District Attorney, San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004 District Attorney, San Diego County 330 West Broadway, Suite 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Suite 322 San Francsico, CA 94103

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