

7

NOV 02 2015

CLERK OF THE COURT

BY: Adriana Green
Deputy Clerk

1 Michael Freund SBN 99687
Ryan Hoffman SBN 283297
2 Michael Freund & Associates
1919 Addison Street, Suite 105
3 Berkeley, CA 94704
Telephone: (510) 540-1992
4 Facsimile: (510) 540-5543

5 Attorneys for Plaintiff
ENVIRONMENTAL RESEARCH CENTER

6 Duane M. Linstrom SBN 206294
7 11750 Sorrento Valley Rd., Suite 250
San Diego, CA 92121
8 Telephone: (619) 436-1000
Facsimile: (619) 436-1001

9 Attorney for Defendant
10 TAXUS CARDIUM PHARMACEUTICALS
GROUP, INC.

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA

13 COUNTY OF SAN FRANCISCO

14 ENVIRONMENTAL RESEARCH
15 CENTER, a California non-profit
corporation,

16 Plaintiff,

17 v.

18 TAXUS CARDIUM PHARMACEUTICALS
19 GROUP, INC. dba MEDPODIUM; CELL-
20 NIQUE CORPORATION dba HEALTHY
BRANDS COLLECTIVE; and DOES 1-100,

21 Defendants.

CASE NO. CGC-14-539326

STIPULATED CONSENT JUDGMENT;
[PROPOSED] ORDER

Health & Safety Code § 25249.5 *et seq.*

Action Filed: May 15, 2014

Trial Date: None set

24 I. INTRODUCTION

25 1.1 On May 15, 2014, Plaintiff Environmental Research Center ("ERC"), a non-
26 profit corporation, as a private enforcer, and in the public interest, initiated this action by filing
27 a Complaint for Injunctive and Declaratory Relief and Civil Penalties (the "Complaint")
28 pursuant to the provisions of California Health and Safety Code section 25249.5 *et seq.*

1 ("Proposition 65"), against To Go Brands, Inc., Taxus Cardium Pharmaceuticals Group, Inc.
2 dba Medpodium ("Taxus Cardium"), Cell-nique Corporation dba Healthy Brands Collective
3 and Does 1-100. Subsequently, on December 10, 2014 an Amended Complaint was filed (the
4 "Amended Complaint") removing To Go Brands, Inc. as a Defendant. Cell-nique Corporation
5 dba Healthy Brands Collective was also later dismissed from the action. In this action, ERC
6 alleges that a number of products manufactured, distributed or sold by Taxus Cardium contain
7 lead, a chemical listed under Proposition 65 as a carcinogen and reproductive toxin, and expose
8 consumers to this chemical at a level requiring a Proposition 65 warning. These products
9 (referred to hereinafter individually as a "Covered Product" or collectively as "Covered
10 Products") are: (1) To Go Brands Inc. Greens To Go Delicious Apple Melon Flavor, (2) To Go
11 Brands Inc. Smoothie Complete Vanilla Berry, and (3) To Go Brands Inc. Go Greens Powder Mix
12 Green Apple Flavor.

13 1.2 ERC and Taxus Cardium are hereinafter referred to individually as a "Party" or
14 collectively as the "Parties."

15 1.3 ERC is a California non-profit corporation dedicated to, among other causes,
16 helping safeguard the public from health hazards by reducing the use and misuse of hazardous
17 and toxic chemicals, facilitating a safe environment for consumers and employees, and
18 encouraging corporate responsibility.

19 1.4 ERC contends that Taxus Cardium is a business entity that has employed ten or
20 more persons at all times relevant to this action, and qualifies as a "person in the course of
21 business" within the meaning of Proposition 65. Taxus Cardium disputes this contention for at
22 least part of the time period relevant to this action. Taxus Cardium previously had an ownership
23 interest in the company that manufactured, distributed, and sold the Covered Products.

24 1.5 The Amended Complaint is based on allegations contained in ERC's Notices of
25 Violation dated May 17, 2013 and July 29, 2014, that were served on the California Attorney
26 General, other public enforcers, and Taxus Cardium ("Notices"). True and correct copies of the
27 Notices are attached as Exhibit A and are hereby incorporated by reference. More than 60 days
28 have passed since the Notices were mailed and uploaded to the Attorney General's website, and

1 no designated governmental entity has filed a complaint against Taxus Cardium with regard to
2 the Covered Products or the alleged violations.

3 1.6 ERC's Notices and Amended Complaint allege that use of the Covered Products
4 exposes persons in California to lead without first providing clear and reasonable warnings in
5 violation of California Health and Safety Code section 25249.6. Taxus Cardium denies all
6 material allegations contained in the Notices and Amended Complaint.

7 1.7 The Parties have entered into this Consent Judgment in order to settle,
8 compromise and resolve disputed claims and thus avoid prolonged and costly litigation.
9 Nothing in this Consent Judgment shall constitute or be construed as an admission by any of
10 the Parties, or by any of their respective officers, directors, shareholders, employees, agents,
11 parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers,
12 distributors, wholesalers, or retailers. Except for the representations made above, nothing in
13 this Consent Judgment shall be construed as an admission by the Parties of any fact, issue of
14 law, or violation of law, nor shall compliance with this Consent Judgment be construed as an
15 admission by the Parties of any fact, issue of law, or violation of law, at any time, for any
16 purpose.

17 1.8 Except as expressly set forth herein, nothing in this Consent Judgment shall
18 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any
19 other or future legal proceeding unrelated to these proceedings.

20 1.9 The Effective Date of this Consent Judgment is the date on which it is entered as
21 a Judgment by this Court.

22 2. JURISDICTION AND VENUE

23 For purposes of this Consent Judgment and any further court action that may become
24 necessary to enforce this Consent Judgment, the Parties stipulate that this Court has subject matter
25 jurisdiction over the allegations of violations contained in the Amended Complaint, personal
26 jurisdiction over Taxus Cardium as to the acts alleged in the Amended Complaint, that venue is
27 proper in San Francisco County, and that this Court has jurisdiction to enter this Consent
28 Judgment as a full and final resolution of all claims up through and including the Effective Date

1 which were or could have been asserted in this action based on the facts alleged in the Notices and
2 Amended Complaint.

3 **3. INJUNCTIVE RELIEF**

4 **3.1** Beginning on the Effective Date, Taxus Cardium shall be permanently enjoined
5 from manufacturing for sale in the State of California, "Distributing into the State of
6 California", or directly selling in the State of California, any Covered Product which exposes a
7 person to a "Daily Exposure Level" of more than 0.5 micrograms per day when the maximum
8 suggested dose is taken as directed on the Covered Product's label, unless it meets the warning
9 requirements under Section 3.2.

10 **3.1.1** As used in this Consent Judgment, the term "Distributing into the State
11 of California" shall mean to directly ship a Covered Product into California for sale in
12 California or to sell a Covered Product to a distributor that Taxus Cardium knows will sell the
13 Covered Product in California.

14 **3.1.2** For purposes of this Consent Judgment, the "Daily Lead Exposure
15 Level" shall be measured in micrograms, and shall be calculated using the following formula:
16 micrograms of lead per gram of product, multiplied by grams of product per serving of the
17 product (using the largest serving size appearing on the product label), multiplied by servings
18 of the product per day (using the largest number of servings in a recommended dosage
19 appearing on the product label), which equals micrograms of lead exposure per day.

20 **3.2 Clear and Reasonable Warnings**

21 If Taxus Cardium is required to provide a warning pursuant to Section 3.1, the following
22 warning must be utilized:

23 **WARNING: This product contains lead, a chemical known to the State of California**
24 **to cause [cancer and] birth defects or other reproductive harm.**

25 Taxus Cardium shall use the phrase "cancer and" in the warning only if the maximum daily dose
26 recommended on the label contains more than 15 micrograms of lead as determined pursuant to
27 the quality control methodology set forth in Section 3.4.

1 The warning shall be securely affixed to or printed upon the container or label of each
2 Covered Product. In addition, for Covered Products sold over Taxus Cardium's website, the
3 warning shall appear on Taxus Cardium's checkout page on its website for California consumers
4 identifying any Covered Product, and also appear prior to completing checkout on Taxus
5 Cardium's website when a California delivery address is indicated for any purchase of any
6 Covered Product.

7 The warning shall be at least the same size as the largest of any other health or safety
8 warnings also appearing on its website or on the label or container of Taxus Cardium's product
9 packaging and the word "WARNING" shall be in all capital letters and in bold print. No other
10 statements about Proposition 65 or lead may accompany the warning.

11 Taxus Cardium must display the above warnings with such conspicuousness, as compared
12 with other words, statements, or design of the label or container, as applicable, to render the
13 warning likely to be read and understood by an ordinary individual under customary conditions of
14 purchase or use of the product.

15 4. SETTLEMENT PAYMENT

16 4.1 In full satisfaction of all potential civil penalties, payment in lieu of civil
17 penalties, attorney's fees, and costs, Taxus Cardium shall make a total payment of \$55,000.00
18 ("Total Settlement Amount") to ERC. Within ^{written notice of} 25 days of the Effective Date, Taxus Cardium
19 shall make a lump sum payment of \$10,000.00. Thereafter, Taxus Cardium shall pay the
20 remaining \$45,000.00 in eleven monthly consecutive payments due and owing on the same day
21 of the month as the Effective Date. Payments two through ten shall be in the amount of
22 \$4,090.91, while the last payment shall be in the amount of \$4,090.90. Taxus Cardium shall
23 make these payments by wire transfer to ERC's escrow account, for which ERC will give
24 Taxus Cardium the necessary account information. The Total Settlement Amount shall be
25 apportioned as follows:

26 4.2 \$13,564.00 shall be considered a civil penalty pursuant to California Health and
27 Safety Code §25249.7(b)(1). ERC shall remit 75% (\$10,173.00) of the civil penalty to the
28 Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe

1 Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety
2 Code §25249.12(c). ERC will retain the remaining 25% (\$3,391.00) of the civil penalty.

3 4.3 \$1,728.23 shall be distributed to ERC as reimbursement to ERC for reasonable
4 costs incurred in bringing this action.

5 4.4 \$10,232.28 shall be distributed to ERC in lieu of further civil penalties, for the
6 day-to-day business activities such as (1) continued enforcement of Proposition 65, which
7 includes work, analyzing, researching and testing consumer products that may contain
8 Proposition 65 chemicals, focusing on the same or similar type of ingestible products that are
9 the subject matter of the current action; (2) the continued monitoring of past consent judgments
10 and settlements to ensure companies are in compliance with Proposition 65; and (3) giving a
11 donation of \$512.00 to the Global Community Monitor to address reducing toxic chemical
12 exposures in California.

13 4.5 \$2,385.00 shall be distributed to Michael Freund as reimbursement of ERC's
14 attorney's fees, \$10,305.00 shall be distributed to Ryan Hoffman as reimbursement of ERC's
15 attorney's fees, while \$16,785.49 shall be distributed to ERC for its in-house legal fees.

16 **5. MODIFICATION OF CONSENT JUDGMENT**

17 5.1 This Consent Judgment may be modified only (i) by written stipulation of the
18 Parties or pursuant to Section 5.4 and (ii) upon entry by the Court of a modified consent
19 judgment.

20 5.2 If Taxus Cardium seeks to modify this Consent Judgment under Section 5.1, then
21 Taxus Cardium must provide written notice to ERC of its intent ("Notice of Intent"). If ERC
22 seeks to meet and confer regarding the proposed modification in the Notice of Intent, then ERC
23 must provide written notice to Taxus Cardium within thirty days of receiving the Notice of
24 Intent. If ERC notifies Taxus Cardium in a timely manner of ERC's intent to meet and confer,
25 then the Parties shall meet and confer in good faith as required in this Section. The Parties
26 shall meet in person or via telephone within thirty (30) days of ERC's notification of its intent
27 to meet and confer. Within thirty days of such meeting, if ERC disputes the proposed
28 modification, ERC shall provide to Taxus Cardium a written basis for its position. The Parties

1 shall continue to meet and confer for an additional thirty (30) days in an effort to resolve any
2 remaining disputes. Should it become necessary, the Parties may agree in writing to different
3 deadlines for the meet-and-confer period.

4 5.3 In the event that Taxus Cardium initiates or otherwise requests a modification
5 under Section 5.1, and the meet and confer process leads to a joint motion or application of the
6 Consent Judgment, Taxus Cardium shall reimburse ERC its costs and reasonable attorney's
7 fees for the time spent in the meet-and-confer process and filing and arguing the motion or
8 application.

9 5.4 Where the meet-and-confer process does not lead to a joint motion or
10 application in support of a modification of the Consent Judgment, then either Party may seek
11 judicial relief on its own. In such a situation, the prevailing Party may seek to recover costs
12 and reasonable attorney's fees. As used in the preceding sentence, the term "prevailing party"
13 means a party who is successful in obtaining relief more favorable to it than the relief that the
14 other party was amenable to providing during the Parties' good faith attempt to resolve the
15 dispute that is the subject of the modification.

16 **6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT**
17 **JUDGMENT**

18 6.1 This Court shall retain jurisdiction of this matter to enforce, modify or terminate
19 this Consent Judgment.

20 **7. APPLICATION OF CONSENT JUDGMENT**

21 This Consent Judgment may apply to, be binding upon, and benefit the Parties and their
22 respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries,
23 divisions, affiliates, franchisees, licensees, customers (excluding private labelers), distributors,
24 wholesalers, retailers, predecessors, successors, and assigns. This Consent Judgment shall have no
25 application to Covered Products which are distributed or sold exclusively outside the State of
26 California and which are not used by California consumers.

1 **8. BINDING EFFECT, CLAIMS COVERED AND RELEASED**

2 8.1 This Consent Judgment is a full, final, and binding resolution between ERC, on
3 behalf of itself and in the public interest, and Taxus Cardium, of any alleged violation of
4 Proposition 65 or its implementing regulations for failure to provide Proposition 65 warnings of
5 exposure to lead from the handling, use, or consumption of the Covered Products and fully
6 resolves all claims that have been or could have been asserted in this action up to and including
7 the Effective Date for failure to provide Proposition 65 warnings for the Covered Products.
8 ERC, on behalf of itself and in the public interest, hereby discharges Taxus Cardium and its
9 respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries,
10 divisions, affiliates, suppliers, franchisees, licensees, customers (not including private label
11 customers of Taxus Cardium), distributors, wholesalers, retailers, and all other upstream and
12 downstream entities in the distribution chain of any Covered Product, and the predecessors,
13 successors and assigns of any of them (collectively, "Released Parties"), from any and all
14 claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs and
15 expenses asserted, or that could have been asserted, as to any alleged violation of Proposition
16 65 arising from the failure to provide Proposition 65 warnings on the Covered Products
17 regarding lead.

18 8.2 ERC on its own behalf only, and Taxus Cardium on its own behalf only, further
19 waive and release any and all claims they may have against each other for all actions or
20 statements made or undertaken in the course of seeking or opposing enforcement of Proposition
21 65 in connection with the Notices or Amended Complaint up through and including the
22 Effective Date, provided, however, that nothing in Section 8 shall affect or limit any Party's
23 right to seek to enforce the terms of this Consent Judgment.

24 8.3 It is possible that other claims not known to the Parties arising out of the facts
25 alleged in the Notices or the Amended Complaint and relating to the Covered Products will
26 develop or be discovered. ERC on behalf of itself only, and Taxus Cardium, acknowledge that
27 this Consent Judgment is expressly intended to cover and include all such claims up through
28 the Effective Date, including all rights of action therefore. ERC and Taxus Cardium

1 acknowledge that the claims released in Sections 8.1 and 8.2 above may include unknown
2 claims, and nevertheless waive California Civil Code section 1542 as to any such unknown
3 claims. California Civil Code section 1542 reads as follows:

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

9 ERC on behalf of itself only and Taxus Cardium, acknowledge and understand the significance
10 and consequences of this specific waiver of California Civil Code section 1542.

11 8.4 Compliance with the terms of this Consent Judgment shall be deemed to
12 constitute compliance with Proposition 65 by any releasee regarding alleged exposures to lead
13 in the Covered Products as set forth in the Notices and the Amended Complaint.

14 8.5 Nothing in this Consent Judgment is intended to apply to any occupational or
15 environmental exposures arising under Proposition 65, nor shall it apply to any of Taxus
16 Cardium's products other than the Covered Products.

17 9. SEVERABILITY OF UNENFORCEABLE PROVISIONS

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

20 10. GOVERNING LAW

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

23 11. PROVISION OF NOTICE

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

27 FOR ENVIRONMENTAL RESEARCH CENTER:

28 Chris Heptinstall, Executive Director, Environmental Research Center
3111 Camino Del Rio North, Suite 400
San Diego, CA 92108
Tel: (619) 500-3090
Email: chris_erc501c3@yahoo.com

1 With a copy to:
2 Michael Freund
3 Ryan Hoffman
4 Michael Freund & Associates
5 1919 Addison Street, Suite 105
6 Berkeley, CA 94704
7 Telephone: (510) 540-1992
8 Facsimile: (510) 540-5543

9 **TAXUS CARDIUM PHARMACEUTICALS GROUP, INC.;**
10 **CELL-NIQUE CORPORATION dba HEALTHY BRANDS COLLECTIVE**

11 *11750 Sorrento Valley Road*
12 *Suite 250*
13 *San Diego, CA. 92121*
14 *Telephone: (858) 436-1000*
15 *Facsimile: (858)436-1001*

16 With a copy to:
17 Duane M. Linstrom
18 11750 Sorrento Valley Rd., Suite 250
19 San Diego, CA 92121
20 Telephone: (619) 436-1000
21 Facsimile: (619) 436-1001

22 **12. COURT APPROVAL**

23 **12.1** Upon execution of this Consent Judgment by the Parties, ERC shall notice a
24 Motion for Court Approval. The Parties shall use their best efforts to support entry of this
25 Consent Judgment.

26 **12.2** If the California Attorney General objects to any term in this Consent Judgment,
27 the Parties shall use their best efforts to resolve the concern in a timely manner, and if possible
28 prior to the hearing on the motion.

12.3 If this Stipulated Consent Judgment is not approved by the Court, it shall be
void and have no force or effect.

13. EXECUTION AND COUNTERPARTS

This Consent Judgment may be executed in counterparts, which taken together shall be
deemed to constitute one document. A facsimile or pdf signature shall be construed as valid as
the original signature.

1 **14. DRAFTING**

2 The terms of this Consent Judgment have been reviewed by the respective counsel for each
3 Party prior to its signing, and each Party has had an opportunity to fully discuss the terms and
4 conditions with legal counsel. The Parties agree that, in any subsequent interpretation and
5 construction of this Consent Judgment, no inference, assumption, or presumption shall be drawn,
6 and no provision of this Consent Judgment shall be construed against any Party, based on the fact
7 that one of the Parties and/or one of the Parties' legal counsel prepared and/or drafted all or any
8 portion of the Consent Judgment. It is conclusively presumed that all of the Parties participated
9 equally in the preparation and drafting of this Consent Judgment.

10 **15. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES**

11 If a dispute arises with respect to either Party's compliance with the terms of this Consent
12 Judgment entered by the Court, the Parties shall meet in person or by telephone and endeavor to
13 resolve the dispute in an amicable manner. No action or motion may be filed in the absence of
14 such a good faith attempt to resolve the dispute beforehand. In the event an action or motion is
15 filed, however, the prevailing party may seek to recover costs and reasonable attorney's fees. As
16 used in the preceding sentence, the term "prevailing party" means a party who is successful in
17 obtaining relief more favorable to it than the relief that the other party was amenable to providing
18 during the Parties' good faith attempt to resolve the dispute that is the subject of such enforcement
19 action.

20 **16. ENTIRE AGREEMENT, AUTHORIZATION**

21 16.1 This Consent Judgment contains the sole and entire agreement and
22 understanding of the Parties with respect to the entire subject matter herein, and any and all
23 prior discussions, negotiations, commitments and understandings related hereto. No
24 representations, oral or otherwise, express or implied, other than those contained herein have
25 been made by any Party. No other agreements, oral or otherwise, unless specifically referred to
26 herein, shall be deemed to exist or to bind any Party.

1 16.2 Each signatory to this Consent Judgment certifies that he or she is fully
2 authorized by the Party he or she represents to stipulate to this Consent Judgment. Except as
3 explicitly provided herein, each Party shall bear its own fees and costs.

4 **17. REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT AND ENTRY OF**
5 **CONSENT JUDGMENT**

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

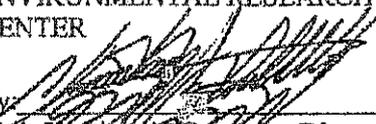
9 (1) Find that the terms and provisions of this Consent Judgment represent a fair and
10 equitable settlement of all matters raised by the allegations of the Amended Complaint, that the
11 matter has been diligently prosecuted, and that the public interest is served by such settlement; and

12 (2) Make the findings pursuant to California Health and Safety Code section
13 25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.

14 **IT IS SO STIPULATED:**

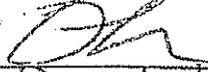
15 Dated: 6/26/, 2015

ENVIRONMENTAL RESEARCH
CENTER

By: 
Chris Heppner, Executive Director

18 Dated: 6/26, 2015

TAXUS CARDIUM
PHARMACEUTICALS GROUP, INC.

By: 
Its: Secretary General Counsel

1 APPROVED AS TO FORM:

2 Dated: 6/29, 2015

MICHAEL FREUND & ASSOCIATES

3 By: 

4 Michael Freund
5 Ryan Hoffman
6 Attorneys for Plaintiff Environmental
7 Research Center

8 Dated: Jun 26, 2015

9 DUANE M. LINSTROM, ATTORNEY AT
10 LAW

11 By: 

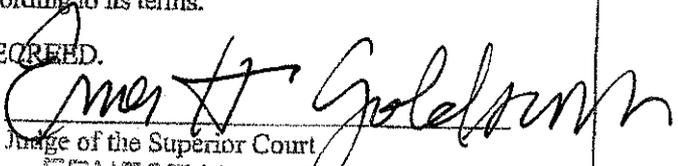
12 Duane M. Linstrom
13 Attorney for Defendant
14 Taxus Cardium Pharmaceuticals Group,
15 Inc.

16
17 ORDER AND JUDGMENT

18 Based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is
19 approved and Judgment is hereby entered according to its terms.

20 IT IS SO ORDERED, ADJUDGED AND DECREED.

21 NOV 02 2015, 2015


22 Judge of the Superior Court
23 ERNEST H. GOLDSMITH



Environmental Research Center

3111 Camino Del Rio North, Suite 400

San Diego, CA 92108

619-500-3090

May 17, 2013

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

Dear Alleged Violators and the Appropriate Public Enforcement Agencies:

I am the Executive Director of the Environmental Research Center (“ERC”). 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 Violators 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 Violators and the appropriate public enforcement agencies. Pursuant to Section 25249.7(d) of the statute, 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 an attachment with the copy of this letter served to the alleged Violators identified below.

Alleged Violators. The names of the companies covered by this notice that violated Proposition 65 (hereinafter collectively referred to as the “Violators”) are:

To Go Brands, Inc.
Brands To Go Inc.
BioPharma Scientific LLC
Medpodium Health Products, Inc.
Cardium Therapeutics, Inc.

Exhibit A

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

- **To Go Brands Inc. Greens To Go Delicious Apple Melon Flavor – Lead**
- **BioPharma Scientific LLC Nanolean Weight Management Natural Berry – Lead**
- **BioPharma Scientific LLC Nanomeal All-In-One Meal Tropical Fruit Blend – Lead**
- **BioPharma Scientific LLC Nanoreds10 Fruit & Vegetable Superfood with Resveratrol Natural Berry – Lead**
- **BioPharma Scientific LLC Nanogreens10 Vegetable & Fruit Superfood Natural Green Apple – Lead**
- **BioPharma Scientific LLC Nanomega3 Heart, Brain & Vision Superfood Pineapple Orange – Lead**
- **To Go Brands Inc. Smoothie Complete Vanilla Berry – 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 May 17, 2010, 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 Violators violated Proposition 65 because they 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 Violators 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.

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

May 17, 2013

Page 3

Please direct all questions concerning this notice to ERC at the above listed address and telephone number.

Sincerely,



Chris Heptinstall
Executive Director
Environmental Research Center

Attachments

Certificate of Merit

Certificate of Service

OEHHA Summary (to To Go Brands, Inc.; Brands To Go Inc.; BioPharma Scientific LLC;
Medpodium Health Products, Inc.; Cardium Therapeutics, Inc.; and their Registered
Agents 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 To Go Brands, Inc.; Brands To Go Inc.; BioPharma Scientific LLC; Medpodium Health Products, Inc.; and Cardium Therapeutics, Inc.

I, Chris Heptinstall, declare:

1. This Certificate of Merit accompanies the attached 60-day notice in which it is alleged the parties identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.

2. I am the Executive Director 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 Violators will be able to establish any of the affirmative defenses set forth in the statute.

5. The copy of this Certificate of Merit served on the Attorney General attaches to it factual information sufficient to establish the basis for this certificate, including the information identified in Health and Safety Code section 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: May 17, 2013



Chris Heptinstall

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 May 17, 2013, 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 with the postage fully prepaid for delivery by Certified Mail:

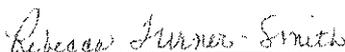
President or CEO To Go Brands, Inc. 9010 Venamar Drive, Suite 101 San Diego, CA 92121	Deren Howe (Registered Agent of To Go Brands, Inc.) 9010 Venamar Drive, Suite 101 San Diego, CA 92121	President or CEO Cardium Therapeutics, Inc. 3611 Valley Centre Drive, Suite 525 San Diego, CA 92130
President or CEO Brands To Go Inc. 9010 Kenamar Drive, Suite 101 San Diego, CA 92121	Deren Howe (Registered Agent of To Go Brands, Inc.) 9010 Kenamar Drive, Suite 101 San Diego, CA 92121	President or CEO Medpodium Health Products, Inc. 12255 El Camino Real, Suite 250 San Diego, CA 92130
President or CEO To Go Brands, Inc. 8505 Commerce Avenue San Diego, CA 92121	Richard Thornton (Registered Agent of BioPharma Scientific LLC) 5740 Fleet Street #200 Carlsbad, CA 92008	President or CEO Cardium Therapeutics, Inc. 12255 El Camino Real, Suite 250 San Diego, CA 92130
	President or CEO BioPharma Scientific 5740 Fleet Street #200 Carlsbad, CA 92008	

On May 17, 2013, 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 May 17, 2013, 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 with the postage fully prepaid for delivery by Priority Mail.

Executed on May 17, 2013, in Fort Oglethorpe, Georgia.


Rebecca Turner-Smith

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

May 17, 2013

Page 6

Service List

District Attorney, Alameda County 1225 Fallon Street, Suite 900 Oakland, CA 94612	District Attorney, Los Angeles County 210 West Temple Street, Suite 18000 Los Angeles, CA 90012	District Attorney, San Diego County 330 West Broadway, Suite 1300 San Diego, CA 92101	District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370
District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120	District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637	District Attorney, San Francisco County 850 Bryant Street, Suite 322 San Francisco, CA 94103	District Attorney, Ventura County 800 South Victoria Ave. Suite 314 Ventura, CA 93009
District Attorney, Amador County 708 Court Street, Suite 202 Jackson, CA 95642	District Attorney, Marin County 3501 Civic Center Drive, Room 130 San Rafael, CA 94903	District Attorney, San Joaquin County 222 E. Weber Ave. Rm. 202 Stockton, CA 95202	District Attorney, Yolo County 301 2 nd Street Woodland, CA 95695
District Attorney, Butte County 25 County Center Drive, Suite 245 Oroville, CA 95965	District Attorney, Mariposa County Post Office Box 730 Mariposa, CA 95338	District Attorney, San Luis Obispo County 1035 Palm St, Room 450 San Luis Obispo, CA 93408	District Attorney, Yuba County 215 Fifth Street, Suite 152 Marysville, CA 95901
District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249	District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482	District Attorney, San Mateo County 400 County Cir., 3 rd Floor Redwood City, CA 94063	Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Suite 800 Los Angeles, CA 90012
District Attorney, Colusa County 346 Fifth Street Suite 101 Colusa, CA 95932	District Attorney, Merced County 550 W. Main Street Merced, CA 95340	District Attorney, Santa Barbara County 1112 Santa Barbara Street Santa Barbara, CA 93101	San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101
District Attorney, Contra Costa County 900 Ward Street Martinez, CA 94553	District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020	District Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110	San Francisco, City Attorney City Hall, Room 234 1 Dr Carlton B Goodlett PL San Francisco, CA 94102
District Attorney, Del Norte County 450 H Street, Room 171 Crescent City, CA 95531	District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517	District Attorney, Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95060	San Jose City Attorney's Office 200 East Santa Clara Street, 16 th Floor San Jose, CA 95113
District Attorney, El Dorado County 515 Main Street Placerville, CA 95667	District Attorney, Monterey County Post Office Box 1131 Salinas, CA 93902	District Attorney, Shasta County 1355 West Street Redding, CA 96001	
District Attorney, Fresno County 2220 Tulare Street, Suite 1000 Fresno, CA 93721	District Attorney, Napa County 931 Parkway Mall Napa, CA 94559	District Attorney, Sierra County PO Box 457 Downieville, CA 95936	
District Attorney, Glenn County Post Office Box 430 Willows, CA 95988	District Attorney, Nevada County 110 Union Street Nevada City, CA 95959	District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097	
District Attorney, Humboldt County 825 5th Street 4 th Floor Eureka, CA 95501	District Attorney, Orange County 401 West Civic Center Drive Santa Ana, CA 92701	District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533	
District Attorney, Imperial County 940 West Main Street, Ste 102 El Centro, CA 92243	District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678	District Attorney, Sonoma County 600 Administration Drive, Room 212J Santa Rosa, CA 95403	
District Attorney, Inyo County 230 W. Line Street Bishop, CA 93514	District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971	District Attorney, Stanislaus County 832 12 th Street, Ste 300 Modesto, CA 95354	
District Attorney, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301	District Attorney, Riverside County 3960 Orange Street Riverside, CA 92501	District Attorney, Sutter County 446 Second Street Yuba City, CA 95991	
District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230	District Attorney, Sacramento County 901 "G" Street Sacramento, CA 95814	District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080	
District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453	District Attorney, San Benito County 419 Fourth Street, 2 nd Floor Hollister, CA 95023	District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093	
District Attorney, Lassen County 220 South Lassen Street, Ste. 8 Susanville, CA 96130	District Attorney, San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004	District Attorney, Tulare County 221 S. Mooney Blvd., Room 224 Visalia, CA 93291	

APPENDIX A

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

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

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

FOR INFORMATION CONCERNING THE BASIS FOR THE ALLEGATIONS IN THE NOTICE RELATED TO YOUR BUSINESS, CONTACT THE PERSON IDENTIFIED ON THE NOTICE.

Proposition 65 appears in California law as Health and Safety Code Sections 25249.5 through 25249.13. The statute is available online at: <http://oehha.ca.gov/prop65/law/P65law72003.html>. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 27 of the California Code of Regulations, sections 25102 through 27001.¹ These implementing regulations are available online at: <http://oehha.ca.gov/prop65/law/P65Regs.html>.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Governor's List." Proposition 65 requires the Governor to publish a list of chemicals that are known to the State of California to cause cancer and/or reproductive toxicity. This means that chemicals are placed on the Proposition 65 list if they are known to cause cancer and/or birth defects or other reproductive harm, such as

¹ All further regulatory references are to sections of Title 27 of the California Code of Regulations unless otherwise indicated. The statute, regulations and relevant case law are available on the OEHHA website at: <http://www.oehha.ca.gov/prop65/law/index.html>.

damage to female or male reproductive systems or to the developing fetus. This list must be updated at least once a year. The current Proposition 65 list of chemicals is available on the OEHHA website at:

http://www.oehha.ca.gov/prop65/prop65_list/Newlist.html.

Only those chemicals that are on the list are regulated under this law. Businesses that produce, use, release or otherwise engage in activities involving listed chemicals must comply with the following:

Clear and reasonable warnings. A business is required to warn a person before "knowingly and intentionally" exposing that person to a listed chemical unless an exemption applies; for example, when exposures are sufficiently low (see below). The warning given must be "clear and reasonable." This means that the warning must: (1) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm and (2) be given in such a way that it will effectively reach the person before he or she is exposed. Some exposures are exempt from the warning requirement under certain circumstances discussed below.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water. Some discharges are exempt from this requirement under certain circumstances discussed below.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. You should consult the current version of the statute and regulations (<http://www.oehha.ca.gov/prop65/law/index.html>) to determine all applicable exemptions, the most common of which are the following:

Grace Period. Proposition 65 warning requirements do not apply until 12 months after the chemical has been listed. The Proposition 65 discharge prohibition does not apply to a discharge or release of a chemical that takes place less than 20 months after the listing of the chemical.

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

Businesses with nine or fewer employees. Neither the warning requirement nor the discharge prohibition applies to a business that employs a total of nine or fewer employees. This includes all employees, not just those present in California.

Exposures that pose no significant risk of cancer. For chemicals that are listed as known to the State to cause cancer ("carcinogens"), a warning is not required if the business can demonstrate that the exposure occurs at a level that poses "no significant risk." This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific "No Significant Risk Levels" (NSRLs) for many listed carcinogens. Exposures below these levels are exempt from the warning requirement. See OEHHA's website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of NSRLs, and Section 25701 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause reproductive toxicity, a warning is not required if the business can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the "no observable effect level" divided by a 1,000. This number is known as the Maximum Allowable Dose Level (MADL). See OEHHA's website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of MADLs, and Section 25801 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures to Naturally Occurring Chemicals in a Food. Certain exposures to chemicals that occur in foods naturally (i.e., that do not result from any known human activity, including activity by someone other than the person causing the exposure) are exempt from the warning requirements of the law. If the chemical is a contaminant² it must be reduced to the lowest level feasible. Regulations explaining this exemption can be found in Section 25501.

Discharges that do not result in a "significant amount" of the listed chemical entering into any source of drinking water. The prohibition from discharges into drinking water does not apply if the discharger is able to demonstrate that a "significant amount" of the listed chemical has not, does not, or will not pass into or probably pass into a source of drinking water, and that the discharge complies with all other applicable laws, regulations, permits, requirements, or orders. A "significant amount" means any detectable amount, except an amount that would meet the "no significant risk" level for chemicals that cause cancer or that is 1,000 times below the "no observable effect" level for chemicals that cause reproductive toxicity, if an individual were exposed to that amount in drinking water.

² See Section 25501(a)(4)

HOW IS PROPOSITION 65 ENFORCED?

Enforcement is carried out through civil lawsuits. These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys. Lawsuits may also be brought by private parties acting in the public interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. The notice must comply with the information and procedural requirements specified in Section 25903 of the regulations and in Title 11, sections 3100-3103. A private party may not pursue an independent enforcement action under Proposition 65 if one of the governmental officials noted above initiates an action within sixty days of the notice.

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

FOR FURTHER INFORMATION ABOUT THE LAW OR REGULATIONS...

Contact the Office of Environmental Health Hazard Assessment's Proposition 65 Implementation Office at (916) 445-6900 or via e-mail at P65Public.Comments@oehha.ca.gov.

Revised: July, 2012

NOTE: Authority cited: Section 25249.12, Health and Safety Code. Reference: Sections 25249.5, 25249.6, 25249.9, 25249.10 and 25249.11, Health and Safety Code.

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.

July 29, 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 product 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 this product. 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:

Taxus Cardium Pharmaceuticals Inc. dba Medpodium

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

To Go Brands Inc. Go Greens Powder Mix Green Apple Flavor – 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 this product. 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.

July 29, 2014

Page 2

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least July 29, 2011, as well as every day since the product was 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 product. 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 this product 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 product so as to eliminate further exposures to the identified chemicals, or provide appropriate warnings on the labels of this product; (2) pay an appropriate civil penalty; and (3) provide clear and reasonable warnings compliant with Proposition 65 to all persons who purchased the above product in the last four years. 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 or at rrhoffma@gmail.com.**

Sincerely,



Ryan Hoffman

Attachments

Certificate of Merit

Certificate of Service

OEHHA Summary (to Taxis Cardium Pharmaceutical Group Inc. dba Medpodium, and their Registered Agents 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 Taxus Cardium Pharmaceuticals Group Inc. dba Medpodium

I, Ryan Hoffman, 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: July 29, 2014



Ryan Hoffman

July 29, 2014

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. 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 July 29, 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
Taxus Cardium Pharmaceutical Group Inc. dba Medpodium
12255 El Camino Real, Suite 250
San Diego, CA 92130

Current President or CEO
Taxus Cardium Pharmaceutical Group Inc. dba Medpodium
11750 Sorrento Valley Road, Suite 250
San Diego, CA 92121

Tyler Dylan-Hyde
(Taxus Cardium Pharmaceutical Group Inc. dba Medpodium's
Registered Agent for Service of Process)
12255 El Camino Real, Suite 250
San Diego, CA 92130

The Corporation Trust Company
(Taxus Cardium Pharmaceutical Group Inc. dba Medpodium's
Registered Agent for Service of Process)
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

On July 29, 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 July 29, 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 July 29, 2014, in Fort Oglethorpe, Georgia.



Tiffany Capehart

Notice of Violation of California Health & Safety Code §25249.5 *et seq.*

July 29, 2014

Page 5

Service List

District Attorney, Alameda County 1225 Fallon Street, Suite 900 Oakland, CA 94612	District Attorney, Los Angeles County 210 West Temple Street, Suite 18000 Los Angeles, CA 90012	District Attorney, San Diego County 330 West Broadway, Suite 1300 San Diego, CA 92101	District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370
District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120	District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637	District Attorney, San Francisco County 850 Bryant Street, Suite 322 San Francisco, CA 94103	District Attorney, Ventura County 800 South Victoria Ave, Suite 314 Ventura, CA 93009
District Attorney, Amador County 708 Court Street Jackson, CA 95642	District Attorney, Marin County 3501 Civic Center Drive, Room 130 San Rafael, CA 94903	District Attorney, San Joaquin County 222 E. Weber Ave. Rm. 202 Stockton, CA 95202	District Attorney, Yolo County 301 2 nd Street Woodland, CA 95695
District Attorney, Butte County 25 County Center Drive, Suite 245 Oroville, CA 95965	District Attorney, Mariposa County Post Office Box 730 Mariposa, CA 95338	District Attorney, San Luis Obispo County 1035 Palm St, Room 450 San Luis Obispo, CA 93408	District Attorney, Yuba County 215 Fifth Street, Suite 152 Marysville, CA 95901
District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249	District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482	District Attorney, San Mateo County 400 County Ctr., 3 rd Floor Redwood City, CA 94063	Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Suite 800 Los Angeles, CA 90012
District Attorney, Colusa County 346 Fifth Street Suite 101 Colusa, CA 95932	District Attorney, Merced County 550 W. Main Street Merced, CA 95340	District Attorney, Santa Barbara County 1112 Santa Barbara Street Santa Barbara, CA 93101	San Diego City Attorney's Office 1200 3 rd Avenue, Ste 1620 San Diego, CA 92101
District Attorney, Contra Costa County 900 Ward Street Martinez, CA 94553	District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020	District Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110	San Francisco, City Attorney City Hall, Room 234 1 Dr Carlton B Goodlett Pl, San Francisco, CA 94102
District Attorney, Del Norte County 450 H Street, Room 171 Crescent City, CA 95531	District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517	District Attorney, Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95060	San Jose City Attorney's Office 200 East Santa Clara Street, 16 th Floor San Jose, CA 95113
District Attorney, El Dorado County 515 Main Street Placerville, CA 95667	District Attorney, Monterey County Post Office Box 1131 Salinas, CA 93902	District Attorney, Shasta County 1355 West Street Redding, CA 96001	
District Attorney, Fresno County 2220 Tulare Street, Suite 1000 Fresno, CA 93721	District Attorney, Napa County 931 Parkway Mall Napa, CA 94559	District Attorney, Sierra County PO Box 457 Downieville, CA 95936	
District Attorney, Glenn County Post Office Box 430 Willows, CA 95988	District Attorney, Nevada County 201 Commercial Street Nevada City, CA 95959	District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097	
District Attorney, Humboldt County 825 5 th Street 4 th Floor Eureka, CA 95501	District Attorney, Orange County 401 West Civic Center Drive Santa Ana, CA 92701	District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533	
District Attorney, Imperial County 940 West Main Street, Ste 102 El Centro, CA 92243	District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678	District Attorney, Sonoma County 600 Administration Drive, Room 212J Santa Rosa, CA 95403	
District Attorney, Inyo County 230 W. Line Street Bishop, CA 93514	District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971	District Attorney, Stanislaus County 832 12 th Street, Ste 300 Modesto, CA 95354	
District Attorney, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301	District Attorney, Riverside County 3960 Orange Street Riverside, CA 92501	District Attorney, Sutter County 446 Second Street Yuba City, CA 95991	
District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230	District Attorney, Sacramento County 901 "G" Street Sacramento, CA 95814	District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080	
District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453	District Attorney, San Benito County 419 Fourth Street, 2 nd Floor Hollister, CA 95023	District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093	
District Attorney, Lassen County 220 South Lassen Street, Ste. 8 Susanville, CA 96130	District Attorney, San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004	District Attorney, Tulare County 221 S. Mooney Blvd., Room 224 Visalia, CA 93291	

APPENDIX A

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

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

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

FOR INFORMATION CONCERNING THE BASIS FOR THE ALLEGATIONS IN THE NOTICE RELATED TO YOUR BUSINESS, CONTACT THE PERSON IDENTIFIED ON THE NOTICE.

Proposition 65 appears in California law as Health and Safety Code Sections 25249.5 through 25249.13. The statute is available online at: <http://oehha.ca.gov/prop65/law/P65law72003.html>. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 27 of the California Code of Regulations, sections 25102 through 27001.¹ These implementing regulations are available online at: <http://oehha.ca.gov/prop65/law/P65Regs.html>.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Governor's List." Proposition 65 requires the Governor to publish a list of chemicals that are known to the State of California to cause cancer and/or reproductive toxicity. This means that chemicals are placed on the Proposition 65 list if they are known to cause cancer and/or birth defects or other reproductive harm, such as

¹ All further regulatory references are to sections of Title 27 of the California Code of Regulations unless otherwise indicated. The statute, regulations and relevant case law are available on the OEHHA website at: <http://www.oehha.ca.gov/prop65/law/index.html>.

damage to female or male reproductive systems or to the developing fetus. This list must be updated at least once a year. The current Proposition 65 list of chemicals is available on the OEHHA website at:

http://www.oehha.ca.gov/prop65/prop65_list/Newlist.html.

Only those chemicals that are on the list are regulated under this law. Businesses that produce, use, release or otherwise engage in activities involving listed chemicals must comply with the following:

Clear and reasonable warnings. A business is required to warn a person before "knowingly and intentionally" exposing that person to a listed chemical unless an exemption applies; for example, when exposures are sufficiently low (see below). The warning given must be "clear and reasonable." This means that the warning must: (1) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm and (2) be given in such a way that it will effectively reach the person before he or she is exposed. Some exposures are exempt from the warning requirement under certain circumstances discussed below.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water. Some discharges are exempt from this requirement under certain circumstances discussed below.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. You should consult the current version of the statute and regulations (<http://www.oehha.ca.gov/prop65/law/index.html>) to determine all applicable exemptions, the most common of which are the following:

Grace Period. Proposition 65 warning requirements do not apply until 12 months after the chemical has been listed. The Proposition 65 discharge prohibition does not apply to a discharge or release of a chemical that takes place less than 20 months after the listing of the chemical.

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

Businesses with nine or fewer employees. Neither the warning requirement nor the discharge prohibition applies to a business that employs a total of nine or fewer employees. This includes all employees, not just those present in California.

Exposures that pose no significant risk of cancer. For chemicals that are listed as known to the State to cause cancer ("carcinogens"), a warning is not required if the business can demonstrate that the exposure occurs at a level that poses "no significant risk." This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific "No Significant Risk Levels" (NSRLs) for many listed carcinogens. Exposures below these levels are exempt from the warning requirement. See OEHHA's website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of NSRLs, and Section 25701 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause reproductive toxicity, a warning is not required if the business can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the "no observable effect level" divided by a 1,000. This number is known as the Maximum Allowable Dose Level (MADL). See OEHHA's website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of MADLs, and Section 25801 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures to Naturally Occurring Chemicals in a Food. Certain exposures to chemicals that occur in foods naturally (i.e., that do not result from any known human activity, including activity by someone other than the person causing the exposure) are exempt from the warning requirements of the law. If the chemical is a contaminant² it must be reduced to the lowest level feasible. Regulations explaining this exemption can be found in Section 25501.

Discharges that do not result in a "significant amount" of the listed chemical entering into any source of drinking water. The prohibition from discharges into drinking water does not apply if the discharger is able to demonstrate that a "significant amount" of the listed chemical has not, does not, or will not pass into or probably pass into a source of drinking water, and that the discharge complies with all other applicable laws, regulations, permits, requirements, or orders. A "significant amount" means any detectable amount, except an amount that would meet the "no significant risk" level for chemicals that cause cancer or that is 1,000 times below the "no observable effect" level for chemicals that cause reproductive toxicity, if an individual were exposed to that amount in drinking water.

² See Section 25501(a)(4)

HOW IS PROPOSITION 65 ENFORCED?

Enforcement is carried out through civil lawsuits. These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys. Lawsuits may also be brought by private parties acting in the public interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. The notice must comply with the information and procedural requirements specified in Section 25903 of the regulations and in Title 11, sections 3100-3103. A private party may not pursue an independent enforcement action under Proposition 65 if one of the governmental officials noted above initiates an action within sixty days of the notice.

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

FOR FURTHER INFORMATION ABOUT THE LAW OR REGULATIONS...

Contact the Office of Environmental Health Hazard Assessment's Proposition 65 Implementation Office at (916) 445-6900 or via e-mail at P65Public.Comments@oehha.ca.gov.

Revised: July, 2012

NOTE: Authority cited: Section 25249.12, Health and Safety Code. Reference: Sections 25249.5, 25249.6, 25249.9, 25249.10 and 25249.11, Health and Safety Code.