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17 Attorneys for Defendants
18 SEQUEL NATURALS, INC. and related entities

19 SUPERIOR COURT OF THE STATE OF CALIFORNIA
20 COUNTY OF LOS ANGELES

21 ENVIRONMENTAL RESEARCH
22 CENTER, a California non-profit
23 corporation,

24 Plaintiff,

25 v.

26 SEQUEL NATURALS, INC. and DOES 1
27 THROUGH 10,

28 Defendants.

CASE NO. BC506027

~~[PROPOSED]~~ STIPULATED
CONSENT JUDGMENT; ~~[PROPOSED]~~
ORDER

Health & Safety Code § 25249.5 et seq.

Action Filed: April 16, 2013
Trial Date: July 14, 2014

1. INTRODUCTION

WHEREAS, Plaintiff Environmental Research Center ("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.

CONFORMED COPY
ORIGINAL FILED
Superior Court of California
County of Los Angeles

APR 23 2015

Sherri R. Carter, Executive Officer, Clerk

By T. Barkley, Deputy

1 WHEREAS, on April 16, 2013, ERC filed a complaint (the "Complaint"), in the
2 Superior Court for the County of Los Angeles against Sequel Naturals, Inc. and Sequel
3 Naturals, Ltd. (jointly, "Sequel Naturals" or "Defendant"), alleging that Defendant violated the
4 Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section
5 25249.6, also known as "Proposition 65," by failing to provide clear and reasonable warnings
6 that ingestion of certain products marketed and/or sold by Defendant would expose consumers
7 to lead.

8 WHEREAS, Defendant denies all material allegations contained in the Complaint and
9 specifically denies that any of its products, including the Covered Products (defined below), are
10 unsafe or harmful in any way or otherwise require any Proposition 65 warning. Defendant's
11 products are made of all plant-based ingredients largely sourced from North America. Sequel
12 Naturals contends any lead, arsenic, cadmium, mercury or inorganic mercury contained in the
13 Covered Products is "naturally occurring" from the environment and falls within the statutory
14 exception codified by in California Code of Regulations, Title 27, Section 25501. Moreover,
15 Sequel Naturals contends the "reasonably anticipated rate of intake or exposure for average
16 users" of the Covered Products is likewise insufficient to be harmful or otherwise to require
17 any Proposition 65 warning.
18

19 **NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

20 **1.1** The Complaint is hereby amended to include allegations as to products sold
21 under the "Sequel" or "Vega" brand, including without limitation, the products described in
22 **Appendix A** attached hereto for which Notices of Violation have been issued by Plaintiff
23 regarding the presence of lead, arsenic, cadmium, mercury and/or inorganic mercury. The
24 products listed in **Appendix A** are "Covered Products" for the purpose of this consent
25 judgment. The products listed in **Appendix B** are "ERC-Released Products" pursuant to
26 Sections 8.2 and 8.2.1 of this Consent Judgment.

27 **1.2** The Parties have entered into this Consent Judgment in order to fully and finally
28 settle, compromise and resolve disputed claims and thus avoid prolonged and costly litigation.

1 Nothing in this Consent Judgment shall constitute or be construed as an admission by any of
2 the Parties, or by any of their respective officers, directors, shareholders, employees, agents,
3 parent companies, subsidiaries, divisions, affiliates, franchises, licensees, customers, suppliers,
4 distributors, wholesalers, or retailers. Except for the representations made above, nothing in
5 this Consent Judgment shall be construed as an admission by Defendant or ERC of any fact,
6 issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed
7 as an admission by Defendant or ERC of any fact, issue of law, or violation of law, at any time,
8 for any purpose.

9 **1.3** Except as expressly set forth herein, nothing in this Consent Judgment shall
10 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any
11 other or future legal proceeding unrelated to these proceedings.

12 **1.4** The Effective Date of this Consent Judgment is the date on which it is entered as a
13 Judgment by this Court.

14 **2. JURISDICTION AND VENUE**

15 For purposes of this Consent Judgment only, the Parties stipulate that this Court has
16 jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction
17 over Defendant as to the acts alleged in the Complaint, that venue is proper in Los Angeles
18 County, and that this Court has jurisdiction to enter this Consent Judgment as a full and final
19 resolution of all claims which were or could have been asserted in his action based on the facts
20 alleged in the Notice of Violations and the Complaint.

21 **3. INJUNCTIVE RELIEF, REFORMULATION, TESTING AND WARNINGS**

22 **3.1** Beginning six months from the Effective Date, Defendant shall: (a) not
23 manufacture for sale in the State of California, distribute into the State of California, or directly
24 sell in the State of California, any Covered Product which exposes a consumer of the Covered
25 Product to a daily dose of lead exceeding 0.5 micrograms (as calculated in Section 3.3), unless
26 each such unit of the Covered Product (1) qualifies as a "Reformulated Covered Product" under
27 Section 3.3, or (2) meets the warning requirements under Section 3.2; and (b) implement and
28

1 ensure compliance with the Good Manufacturing Practices set forth in Section 3.5 below to
2 ensure the lowest feasible level of the specified heavy metals in its Covered Products.

3 **3.2 Clear and Reasonable Warnings**

4 If Defendant provides a warning for a Covered Product sold in California pursuant to
5 Section 3.1, Defendant shall either: (a) place a warning label on the package of each such Covered
6 Product that is sold in California, or (b) post a warning sign where such Covered Products are sold.
7 Such warning shall conform to the requirements set out in California Code of Regulations, title 27,
8 section 25601, or the "safe harbor" warning methods set out in California Code of Regulations,
9 title 27, section 25603.2(a), or state, as applicable, the following:

10 **WARNING: This product contains [identify chemical], a**
11 **chemical known to the State of California to cause [cancer and]**
12 **birth defects or reproductive toxicity.**

13 Defendant shall use the term "cancer" in the warning only if required for the relevant heavy metal
14 at issue. Nothing in this section shall preclude Defendant from adopting additional warning or
15 information disclosures regarding the Covered Products.

16 **3.3 Calculation of Heavy Metal Levels; Reformulated Covered Products**

17 A Reformulated Covered Product is one that contains no more than 0.5 micrograms of
18 lead per day as determined by the quality control methodology described in Section 3.4, and
19 excluding any naturally occurring level of the heavy metal, as defined below. As used in this
20 Consent Judgment, "no more than 0.5 micrograms of lead per day" means that the samples of
21 the testing performed by Defendant under Section 3.4 yield a daily exposure of no more than
22 that level of lead calculated pursuant to Section 3.4 of this Consent Judgment. For Covered
23 Products that are not a Reformulated Covered Product, Defendant shall provide the warning set
24 forth in Section 3.2.

25 For purposes of this Consent Judgment and determining Defendant's compliance with
26 Proposition 65, daily heavy metal exposure levels shall be calculated using the following
27 formula: micrograms of heavy metal per gram of product, multiplied by 4 grams for covered
28 powder products and 7 grams for covered bar and gel products, multiplied by one serving per

1 day (provided there are no directions on the product label to consume more than one serving
2 per day and as long as Defendant's product label provides no recommended number of servings
3 and states the number of grams of the product only under "nutritional facts" or "supplement
4 facts"), which equals micrograms of heavy metal exposure per day.

5 For the purposes of this Consent Judgment, Defendant shall be afforded a naturally
6 occurring allowance of up to one (1) part per million (1000 ppb) of lead for any cocoa powder
7 in the Covered Products, in reliance upon the letter dated September 28, 2001 from the
8 Attorney General to Roger Lane Carrick and Michele Corash. Any additional determination of
9 naturally occurring heavy metal in a given Covered Product may be established by a
10 preponderance of evidence pursuant to Cal. Code of Reg., Title 27, §22501, pursuant to a meet
11 and confer of the Parties and if necessary determination by a neutral arbitrator, or Section 5
12 below.

13 **3.4 Testing and Quality Control Methodology**

14 **3.4.1** All testing pursuant to this Consent Judgment shall be performed
15 according to proper and accepted scientific and statistical analysis for the Covered Products
16 using a laboratory method that complies with the performance and quality control factors
17 appropriate for the method used, including limit of detection, limit of qualification, accuracy,
18 and precision and meets at least the following criteria: Inductively Coupled Plasma-Mass
19 Spectrometry (ICP-MS) achieving a limit of quantification of less than or equal to 0.010 mg/kg
20 or any other testing method subsequently agreed upon in writing by the Parties. The
21 methodology is intended to ensure that any resulting test reports and analysis properly account
22 for and eliminate the possibility of false positives or sampling error.

23 **3.4.2** All testing pursuant to this Consent Judgment shall be performed by an
24 independent third-party laboratory certified by the California Environmental Laboratory
25 Accreditation Program for the analysis of heavy metals or an independent third-party laboratory
26 that is registered with the United States Food & Drug Administration ("FDA") for the analysis
27 of heavy metals and/or that uses methods that are in compliance with FDA regulations for the
28 analysis of heavy metals. Defendant may perform this testing itself or with a third party

1 laboratory if it provides, in an attachment to the test results Defendant provides to ERC, proof
2 that its laboratory meets the requirements in Section 3.4.2 and this Section 3.4.3. Nothing in
3 this Consent Judgment shall limit Defendant's ability to conduct, or require that others conduct,
4 additional testing of the Covered Products, including the raw materials used in their
5 manufacture.

6 **3.4.3** Defendant shall arrange, for at least three (3) consecutive years and at
7 least once per year, for the testing of at least three (3) randomly selected samples of each
8 Covered Product for compliance with the standards set forth in this Consent Judgment.
9 Covered Products shall be tested in the form intended for sale to the end-user to be distributed
10 or sold to California. The testing requirements discussed in Section 3.4 are not applicable to
11 any Covered Product for which Defendant has provided the warning as specified in Section 3.2.

12 **3.4.4** Defendant shall retain the laboratory test data and certifications (if
13 applicable) for a period of three (3) years from the date of testing. If there is an allegation that
14 a Covered Product is in violation of Section 3.1, ERC may make a written request to Defendant
15 delivered to the address of Defendant as set forth in Section 11, for data generated in
16 compliance with Section 3.4.4. In response, within thirty (30) days of ERC's written request,
17 Defendant will provide to ERC, the date the analysis was performed, the name of the laboratory
18 conducting the test, the test method used by the laboratory, the detection limit used by the
19 laboratory, and the analytical results. These reports shall be deemed and treated by ERC as
20 confidential information under the terms of the existing confidentiality agreement entered into
21 by the Parties.

22 **3.5 Use of Good Manufacturing Practices**

23 Defendant shall implement and continue to use good manufacturing practices and quality
24 control measures (the "Good Manufacturing Practices"), which may be adjusted from time to
25 time, intended to reduce lead in the Covered Products to the "lowest level currently feasible,"
26 under 21 C.F.R. Section 110.110(c) (2001). Defendant shall implement and continue to obligate
27 its contract manufacturers to use ingredients with the lowest feasible levels of lead by
28

1 periodically, and at least once a year, reviewing alternate ingredient supplies with the intention of
2 reducing, to the extent feasible, the contribution of lead from such ingredients. The term
3 “feasible” as used in this Consent Judgment means considering the reasonable availability and
4 reliability of ingredient and formulation supply; cost; and performance characteristics including
5 formulation, safety, taste, efficacy and stability.

6 4. SETTLEMENT PAYMENT

7 4.1 In full satisfaction of all potential civil penalties, payment in lieu of civil penalties,
8 attorney’s fees, and costs, Defendant shall make a total payment of \$150,000.00 by check
9 within ten business days of receiving service of the Notice of Entry of Judgment. Said payment
10 shall be for the following:

11 4.2 \$25,956.00 shall be payable as civil penalties pursuant to California Health and
12 Safety Code section 25249.7(b)(1). Of this amount, \$19,467.00 shall be payable to the Office
13 of Environmental Health Hazard Assessment (“OEHHA”) and \$6,489.00 shall be payable to
14 Environmental Research Center. California Health and Safety Code section 25249.12(c)(1) &
15 (d). Defendant shall send both civil penalty payments to ERC’s counsel who will be
16 responsible for forwarding the civil penalty.

17 4.3 \$48,537.00 shall be payable to Environmental Research Center as reimbursement
18 to ERC for (A) reasonable costs associated with the enforcement of Proposition 65 and other
19 costs incurred as a result of work in bringing this action; and (B) \$25,957.00 shall be payable to
20 Environmental Research Center in lieu of further civil penalties, for the day-to-day business
21 activities such as (1) continued enforcement of Proposition 65, which includes work, analyzing,
22 researching and testing consumer products that may contain Proposition 65 chemicals, focusing
23 on the same or similar type of ingestible products that are the subject matter of the current
24 action; (2) the continued monitoring of past consent judgments and settlements to ensure
25 companies are in compliance with Proposition 65; and (3) giving a donation of \$1,298.00 to the
26 As You Sow to address reducing toxic chemical exposures in California.

27 4.4 \$45,000.00 shall be payable to Rose, Klein & Marias LLP as reimbursement of
28 ERC’s attorney’s fees. \$4,550.00 shall be payable to Lozeau | Drury LLP as reimbursement

1 of ERC's attorney's fees.

2 **4.5** Defendant shall mail or deliver the payments in this Section by check to the Law
3 Offices of Rose, Klein & Marias LLP at the address stated in Section 11. Defendant will be
4 provided with taxpayer identification information to enable Defendant to process the payments.

5 **5. MODIFICATION OF CONSENT JUDGMENT**

6 **5.1** This Consent Judgment may be modified (i) by written stipulation of the Parties or
7 pursuant to Section 5.4 and (ii) upon entry by the Court of a modified consent judgment.

8 **5.2** If Defendant seeks to modify this Consent Judgment under Section 5.1, then
9 Defendant must provide written notice to ERC of its intent ("Notice of Intent"). If ERC seeks
10 to meet and confer regarding the proposed modification in the Notice of Intent, then ERC must
11 provide written notice to Defendant within thirty days of receiving the Notice of Intent. If ERC
12 notifies Defendant in a timely manner of ERC's intent to meet and confer, then the Parties shall
13 meet and confer in good faith as required in this Section. The Parties shall meet and confer
14 within thirty (30) days of ERC's notification of its intent to meet and confer. Within thirty days
15 of such meeting, if ERC disputes the proposed modification, ERC shall provide to Defendant a
16 written basis for its position. The Parties shall continue to meet and confer for an additional
17 thirty (30) days in an effort to resolve any remaining disputes. The Parties may agree in writing
18 to different deadlines for the meet-and-confer period.

19 **5.3** In the event that Defendant initiates or otherwise requests a modification under
20 Section 5.1, Defendant shall reimburse ERC its costs and reasonable attorney's fees for the time
21 spent in the meet-and-confer process and filing and arguing a joint motion or application in
22 support of a modification of the Consent Judgment.

23 **5.4** Where the meet-and-confer process does not lead to a joint motion or application
24 in support of a modification of the Consent Judgment, then either Party may seek judicial relief
25 on its own. In such a situation, the prevailing party may seek to recover costs and reasonable
26 attorney's fees. As used in the preceding sentence, the term "prevailing party" means a party
27 who is successful in obtaining relief more favorable to it than the relief that the other party was
28

1 amenable to providing during the Parties' good faith attempt to resolve the dispute that is the
2 subject of the modification.

3 **5.5** This Consent Judgment shall be modified and revised to reflect any of the
4 following events establishing or allowing for heavy metal levels in the Covered Products,
5 Released Products or similar dietary or protein supplement products in excess of those set forth
6 in this Consent Judgment: (a) an amendment to Proposition 65 or a revised regulation by
7 OEHHA concerning safe harbor or naturally occurring levels, or (b) a judicially-approved
8 consent judgment between Plaintiff ERC and a third party. In the event of any of the
9 foregoing, the Parties stipulate that this Consent Judgment (and the heavy metal thresholds and
10 allowances set forth herein) shall be deemed modified to correspond to such revised terms,
11 upon entry by the Court.

12 **5.6** Nothing in this Consent Judgment shall preclude Sequel Naturals from petitioning
13 the Attorney General or a court to modify and revise this Consent Judgment to reflect any of
14 the following events establishing or allowing for heavy metal levels for any dietary or protein
15 supplement products in excess of those set forth in this Consent Judgment (including due to
16 naturally occurring amounts in the environment): (a) the Attorney General approves a consent
17 judgment or settlement with any seller or manufacturer of dietary or protein supplement
18 products with such higher heavy metal amounts, or (b) if a judgment is entered by a court
19 establishing such higher levels.

20 **6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT**
21 **JUDGMENT**

22 **6.1** This Court shall retain jurisdiction of this matter to enforce, modify or terminate
23 this Consent Judgment.

24 **6.2** Only after it complies with Section 15 below may any Party, by motion or
25 application for an order to show cause filed with this Court, enforce the terms and conditions
26 contained in this Consent Judgment.

27 **6.3** If ERC alleges that any Covered Product and/or ERC-Released Product fails to
28 qualify as a Reformulated Covered Product (for which ERC alleges that no warning has been

1 provided), then ERC shall inform Defendant in a reasonably prompt manner of its test results,
2 including information sufficient to permit Defendant to identify the Covered Products and/or
3 ERC-Released Products at issue. Defendant shall, within thirty days following such notice,
4 provide ERC with testing information, from an independent third-party laboratory meeting the
5 requirements of Sections 3.4.2 and 3.4.3, demonstrating Defendant's compliance with the
6 Consent Judgment, if warranted. The Parties shall first attempt to resolve the matter prior to
7 ERC taking any further legal action.

8 **7. APPLICATION OF CONSENT JUDGMENT**

9 This Consent Judgment may apply to, be binding upon, and benefit the Parties and their
10 respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries,
11 divisions, affiliates, franchisees, licensees, customers, (excluding private labelers) distributors,
12 wholesalers, retailers, predecessors, successors, and assigns. This Consent Judgment shall have no
13 application to Covered Products which are distributed or sold exclusively outside the State of
14 California and which are not used by California consumers. This Consent Judgment shall
15 terminate without further action by any Party when Defendant no longer manufactures, distributes
16 or sells all of the Covered Products and all of such Covered Products previously "distributed for
17 sale in California" have reached their expiration dates and are no longer sold. With respect to
18 Covered Products that are distributed and/or sold both inside and outside of California, the
19 requirements in this Consent Judgment apply to the Covered Products only to the extent that the
20 distribution and/or sales occur in California

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

22 **8.1** This Consent Judgment is a full, final, and binding resolution between ERC, on
23 behalf of itself and in the public interest, and Defendant, of any alleged violation of Proposition
24 65 or its implementing regulations for failure to provide Proposition 65 warnings of exposure to
25 lead from the handling, use, or consumption of the Covered Products and fully resolves all
26 claims that have been or could have been asserted in this action up to and including the
27 Effective Date for failure to provide Proposition 65 warnings for the Covered Products. ERC,
28 on behalf of itself and in the public interest, hereby discharges Defendant and its respective

1 officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions,
2 affiliates, suppliers, franchisees, licensees, customers, (not including private label customers of
3 Defendant) distributors, wholesalers, retailers, and all other upstream and downstream entities
4 in the distribution chain of any Covered Product, and the predecessors, successors and assigns
5 of any of them (collectively, "Released Parties"), from any and all claims, actions, causes of
6 action, suits, demands, liabilities, damages, penalties, fees, costs and expenses asserted, or that
7 could have been asserted, as to any alleged violation of Proposition 65 arising from the failure
8 to provide Proposition 65 warnings on the Covered Products regarding lead.

9 8.2 Subject to section 8.2.1, below, ERC, on behalf of itself only, hereby releases and
10 discharges the Released Parties from all known and unknown claims for alleged violations of
11 Proposition 65 arising from or relating to alleged exposures to lead, arsenic, cadmium, or
12 mercury in the Covered Products and the Released Products as set forth in the Notices of
13 Violation. It is possible that other claims not known to the Parties arising out of the facts
14 alleged in the Notices of Violation or the Complaint and relating to the Covered Products or
15 ERC-Released Products will develop or be discovered. ERC, on behalf of itself only,
16 acknowledges that this Consent Judgment is expressly intended to cover and include all such
17 claims, including all rights of action therefore. ERC has full knowledge of the contents of
18 California Civil Code section 1542. ERC, on behalf of itself only, acknowledges that the
19 claims released in Sections 8.1 and 8.2 may include unknown claims, and nevertheless waives
20 California Civil Code section 1542 as to any such unknown claims. California Civil Code
21 section 1542 reads as follows:

22 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
23 **WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO**
24 **EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING**
25 **THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST**
26 **HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT**
27 **WITH THE DEBTOR.**

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

1 **8.2.1** In consideration for ERC's release and discharge of the Released Parties
2 from all known and unknown claims for alleged violations of Proposition 65 arising from or
3 relating to alleged exposures to lead, arsenic, cadmium, or mercury in the ERC-Released
4 Products, and in addition to any other covenants and duties set forth in this Consent Judgment,
5 Defendant agrees (i) to treat the ERC-Released Products as if they were Covered Products
6 subject to all of the terms and conditions set forth in Section 3 of this Consent Judgment; (ii) to
7 define a Reformulated Covered Product as one that contains no more than 0.5 micrograms of
8 lead per day, 10 micrograms of arsenic per day, 4.1 micrograms of cadmium per day, 0.3
9 micrograms of organic mercury per day, and 3.0 micrograms of inorganic mercury per day as
10 determined by the quality control methodology described in Section 3.4, and excluding any
11 naturally occurring level of the heavy metal, as defined in Section 3.3; and (iii) to apply the
12 Good Manufacturing Practices set forth in Section 3.5 to lead, arsenic, cadmium, and mercury.

13 **8.3** Compliance with the terms of this Consent Judgment shall be deemed to constitute
14 compliance by any Released Party with Proposition 65 regarding alleged exposures to lead in
15 the Covered Products as set forth in the Notices of Violation and the Complaint.

16 **8.4** Defendant reserves all rights, claims and defenses as between Defendant and any
17 third party in connection with any alleged violations of Proposition 65. Nothing herein shall be
18 deemed to waive any rights, claims or defenses Defendant may have with regard to any third
19 party.
20

21 **8.5** Nothing in this Consent Judgment is intended to apply to any occupational or
22 environmental exposures arising under Proposition 65, nor shall it apply to any of Defendant's
23 products other than the Covered Products.

24 **8.6** ERC and Defendant each release and waive all claims they may have against each
25 other for any statements or actions made or undertaken by them in connection with the Notice
26 of Violation or the Complaint; provided, however, that nothing in Section 8 shall affect or limit
27 any Party's right to seek to enforce the terms of this Consent Judgment.
28

1 **9. SEVERABILITY OF UNENFORCEABLE PROVISIONS**

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

4 **10. GOVERNING LAW**

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

7 **11. PROVISION OF NOTICE**

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

12 **FOR ENVIRONMENTAL RESEARCH CENTER:**

13 Chris Heptinstall, Executive Director
14 Environmental Research Center
15 3111 Camino Del Rio North, Suite 400
 San Diego, CA 92108

16 *With a copy to:*

17 ROSE, KLEIN & MARIAS LLP
18 David A. Rosen (SBN 101287)
19 Kevin P. Smith (SBN 252580)
20 801 South Grand Avenue, 11th floor
 Los Angeles, CA 90017
 213.626.0571
21 FAX 213.623.7755
22 d.rosen@rkmlaw.net

23 **FOR SEQUEL NATURALS:**

24 BRAUNHAGEY AND BORDEN LLP
25 J. Noah Hagey, Esq. (SBN 262331)
26 220 Sansome Street, 2nd Floor
 San Francisco, CA 94104
 (415) 599-0210
27 (415) 276-1808
28 hagey@braunhagey.com

1 *With a copy to:*

2 Sequel Naturals, Inc.
3 C/o Derek Chan
4 Chief Financial Officer
5 A 101 - 3001 Wayburne Dr.
6 Burnaby, BC V5G 4W3
7 derek@myvega.com

8 **12. COURT APPROVAL**

9 **12.1** 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(f) 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
15 deemed to constitute one document. A facsimile or .pdf signature shall be construed as valid as
16 the original signature.

17 **14. DRAFTING**

18 The terms of this Consent Judgment have been reviewed by the respective counsel for the
19 each Party to this Settlement prior to its signing, and each Party has had an opportunity to fully
20 discuss the terms with counsel. The Parties agree that, in any subsequent interpretation and
21 construction of this Consent Judgment entered thereon, the terms and provisions shall not be
22 construed against 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. No action or motion may be filed in the absence of
27 such a good faith attempt to resolve the dispute beforehand. In the event an action or motion is
28 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

1 during the Parties' good faith attempt to resolve the dispute that is the subject of such enforcement
2 action.

3 **16. ENTIRE AGREEMENT, AUTHORIZATION**

4 **16.1** This Consent Judgment contains the sole and entire agreement and understanding
5 of the Parties with respect to the entire subject matter herein, and any and all prior discussions,
6 negotiations, commitments and understandings related hereto. No representations, oral or
7 otherwise, express or implied, other than those contained herein have been made by any Party.
8 No other agreements, oral or otherwise, unless specifically referred to herein, shall be deemed
9 to exist or to bind any Party.

10 **16.2** Each signatory to this Consent Judgment certifies that he or she is fully authorized
11 by the Party he or she represents to stipulate to this Consent Judgment. Except as explicitly
12 provided herein, each Party shall bear its own fees and costs.

13 **17. REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT AND ENTRY OF**
14 **CONSENT JUDGMENT**

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

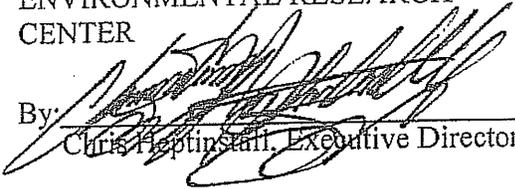
18 (1) Find that the terms and provisions of this Consent Judgment represent a fair and
19 equitable settlement of all matters raised by the allegations of the Complaint, that the matter has
20 been diligently prosecuted, and that the public interest is served by such settlement; and

21 (2) Make the findings pursuant to California Health and Safety Code section
22 25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.

23 **IT IS SO STIPULATED:**

24 Dated: 4/21, 2015

25 ENVIRONMENTAL RESEARCH
26 CENTER

27 By: 
28 Chris Heptinstall, Executive Director

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Dated: March 31, 2015

SEQUEL NATURALS, INC.

By: 
Derek Chan
Chief Financial Officer

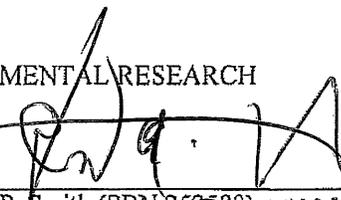
SEQUEL NATURALS, LTD.

By: 
Derek Chan
Chief Financial Officer

APPROVED AS TO FORM:

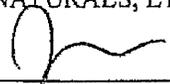
Dated: 4/21, 2015

ENVIRONMENTAL RESEARCH
CENTER

By: 
Kevin D. Smith (SBN 252580) 101287
Rose, Klein & Marias LLP

Dated: 4.1, 2015

SEQUEL NATURALS, INC. and
SEQUEL NATURALS, LTD.

By: 
J. Noah Hagey, Esq. (SBN 262331)
BraunHagey & Borden LLP

JUDGMENT

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

Dated: APR 23 2015, 2015

MICHAEL L. STERN
Judge of the Superior Court

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6

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF LOS ANGELES

10 ENVIRONMENTAL RESEARCH
CENTER, a California non-profit
11 corporation,

12 Plaintiff,

13 v.

14 SEQUEL NATURALS, INC. and DOES 1
15 THROUGH 10,

16 Defendants.
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CASE NO. BC506027

**APPENDIX A: COVERED
PRODUCTS**

Filed Concurrently with [PROPOSED]
STIPULATED CONSENT JUDGMENT

Judge:

Date:

Time:

Dept.:

Action Filed:

Trial Date:

APPENDIX A: COVERED PRODUCTS

- 1
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- 3 • Sequel Naturals LTD. Vega One All-In-One Nutrition Bar Double Chocolate - Lead
- 4 • Sequel Naturals LTD. Vega One All-In-One Nutrition Bar Chocolate Almond - Lead
- 5 • Sequel Naturals LTD. Vega One All-In-One Nutrition Bar Chocolate Cherry - Lead
- 6 • Sequel Naturals LTD. Vega Sport Protein Bar Chocolate Saviseed - Lead
- 7 • Sequel Naturals LTD Vega One Nutritional Shake Vanilla Chai – Lead
- 8 • Sequel Naturals LTD. Vega Sport Performance Protein Chocolate Powder - Lead
- 9 • Sequel Naturals LTD. Vega Protein Smoothie Viva Vanilla - Lead
- 10 • Sequel Naturals LTD. Vega Protein Smoothie Choc-A-Lot - Lead
- 11 • Sequel Naturals LTD. Vega Vibrancy Bar Chocolate Decadence - Lead
- 12 • Sequel Naturals LTD. Vega Sport Protein Bar Chocolate Coconut – Lead
- 13 • Sequel Naturals LTD. Vega Sport Endurance Bar Mocha - Lead
- 14 • Sequel Naturals LTD. Vega Sport Endurance Bar Acai Berry - Lead
- 15 • Sequel Naturals LTD. Vega Sport Performance Protein Berry - Lead
- 16 • Sequel Naturals LTD. Vega Sport Performance Protein Vanilla - Lead
- 17 • Sequel Naturals LTD. Vega Sport Endurance Gel Orange Zest Flavor - Lead
- 18 • Sequel Naturals LTD. Vega Sport Endurance Gel Raspberry Flavor – Lead
- 19 • Sequel Naturals LTD. Plant-Based Vega Energizing Smoothie Choc-A-Lot Dietary
- 20 Supplement 28.1g – Lead
- 21 • Vega Maca Organic Chocolate Bar –Lead
- 22 • Sequel Naturals LTD Vega Sport Pre-Workout Energizer Acai Berry – Lead
- 23 • Sequel Naturals LTD Vega Sport Recovery Accelerator Tropical - Lead
- 24 • Sequel Naturals LTD Vega One Nutritional Shake Natural - Lead
- 25 • Sequel Naturals LTD. Plant-Based Vega One All-In-One Nutritional Shake Berry Dietary
- 26 Supplement - Lead
- 27 • Sequel Naturals LTD. Plant-Based Vega Energizing Smoothie Oh Natural Dietary
- 28 Supplement - Lead

- 1 • Sequel Naturals LTD. Plant-Based Vega Energizing Smoothie Tropical Tango Dietary
2 Supplement - Lead
- 3 • Sequel Naturals LTD. Plant-Based Vega Energizing Smoothie Bodacious Berry Dietary
4 Supplement - Lead
- 5 • Sequel Naturals LTD. Vega Sport Natural Plant-Based Pre-Workout Energizer Prepare
6 Lemon Lime Dietary Supplement - Lead
- 7 • Sequel Naturals LTD. Vega Sport Natural Plant-Based Recovery Accelerator Recover
8 Apple Berry Dietary Supplement - Lead
- 9 • Sequel Naturals LTD. Vega Whole Food Vibrancy Bar Barre Vibrancy Green Synergy
10 Vert Synergie - Lead
- 11 • Sequel Naturals LTD. Vega Complete Whole Food Health Optimizer
12 All-in-one, natural plant-based formula Natural Flavor Dietary Supplement - Lead
- 13 • Sequel Naturals LTD. Vega Complete Whole Food Health Optimizer
14 All-in-one, natural plant-based formula Vanilla Chai Flavor Dietary Supplement – Lead
- 15 • Sequel Naturals LTD. Vega Complete Whole Food Health Optimizer
16 All-in-one, natural plant-based formula Berry Flavor Dietary Supplement - Lead
- 17 • Sequel Naturals LTD. Vega Whole Food Smoothie Infusion - Lead

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ENVIRONMENTAL RESEARCH CENTER

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

ENVIRONMENTAL RESEARCH
CENTER, a California non-profit
corporation,

Plaintiff,

v.

SEQUEL NATURALS, INC. and DOES 1
THROUGH 10,

Defendants.

CASE NO. BC506027

**APPENDIX B: RELEASED
PRODUCTS**

Filed Concurrently with [PROPOSED]
STIPULATED CONSENT JUDGMENT

Judge:
Date:
Time:
Dept.:

Action Filed:
Trial Date:

APPENDIX B: RELEASED PRODUCTS

- Sequel Naturals LTD. Plant-Based Vega Energizing Smoothie Choc-A-Lot Dietary Supplement 28.1g – Cadmium
- Vega Maca Organic Chocolate Bar – Cadmium
- Sequel Naturals Ltd. Vega One (3rd Gen) Vanilla Chai Powder 874g – Cadmium, Mercury
- Sequel Vega Oil Blend 250ml. - Cadmium
- Sequel Naturals LTD. Vega One All-In-One Nutrition Bar Chocolate Almond 63 g – Cadmium, Mercury
- Vega Snack Bar Chocolate Peanut Butter Cup - Cadmium
- Sequel Naturals LTD. Vega Sport Protein Bar Chocolate Coconut 60 g- Cadmium, Mercury
- Vega Vibrancy Bar Berry Bliss- Cadmium, Mercury
- Sequel Naturals LTD Vega Complete Whole Food Health Optimizer Chocolate Flavor (501g)- Lead, Arsenic, Cadmium, Mercury