# ENDORSED FILED ALAMEDA COUNTY

NOV -8 2016 MATTHEW C. MACLEAR (SBN 209228) CLERK OF THE SUPERIOR COURT ANTHONY M. BARNES (SBN 199048) By M. Salodo AQUA TERRA AERIS LAW GROUP 7425 Fairmount Ave. 3 El Cerrite, CA 94530 Ph: 415-568-5200 Email: mcm@atalawgroup.com Attorneys for Plaintiff б ENVIRONMENTAL RESEARCH CENTER, INC. 7 PEG CAREW TOLEDO (SBN 181227) PEG CAREW TOLEDO, LAW CORPORATION 3001 Douglas Blvd., Suite 340 Roseville, CA 95661-3853 Ph: 916-462-8950 Fax: 916-791-0175 Email: peg@toledolawcorp.com 11 Attorney for Defendant 12 6S, INC. dba ALL STAR HEALTH 13 14 SUPERIOR COURT OF THE STATE OF CALIFORNIA 15 COUNTY OF ALAMEDA 16 ENVIRONMENTAL RESEARCH CASE NO. RG16802586 17 CENTER, INC., a non-profit California STIPULATED CONSENT corporation, 18 JUDGMENT Plaintiff, 19 Health & Safety Code § 25249.5 et seq. ٧. 20 Action Filed: February 3, 2016 Trial Date: None set 6S, INC. dba ALL STAR HEALTH, a 21 California corporation, VITACOST.COM, INC., a Delaware corporation, and DOES 1-22 25, 23 24 Defendants, 25 INTRODUCTION 26 1. 27 On February 3, 2016, Plaintiff Environmental Research Center, Inc. ("ERC"), a 1.1 28 non-profit corporation, as a private enforcer, and in the public interest, initiated this action by STIPULATED CONSENT JUDGMENT CASE NO. RG16802586

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"Complaint") pursuant to the provisions of California Health and Safety Code section 25249.5 et seq. ("Proposition 65"), against 6S, Inc. dba All Star Health ("All Star Health"). In this action, ERC alleges that a number of products manufactured, distributed or sold by All Star Health contain lead, a chemical listed under Proposition 65 as a carcinogen and reproductive toxin, and expose consumers to this chemical at a level requiring a Proposition 65 warning. These products (referred to hereinafter individually as a "Covered Product" or collectively as "Covered Products") are: Myogenix Inc. After Shock Critical Mass Chocolate Milk Shake, Myogenix Inc. After Shock Critical Mass Cookies N' Cream Milk Shake, Myogenix Inc. Pro Enzyme + Fiber, Myogenix Inc. Liver Support Extra Strength and Myogenix Inc. AdiPro Max Appetite Control +.

filing a Complaint for Permanent Injunction, Civil Penalties and Other Relief (the

- 1.2 ERC and All Star Health are hereinafter referred to individually as a "Party" or collectively as the "Parties."
- 1.3 ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.
- 1.4 For purposes of this Consent Judgment, the Parties agree that All Star Health is a business entity that has employed ten or more persons at all times relevant to this action, and qualifies as a "person in the course of business" within the meaning of Proposition 65. All Star Health distributes and sells the Covered Products.
- 1.5 The Complaint is based on allegations contained in ERC's Notice of Violation dated August 28, 2015, that was served on the California Attorney General, other public enforcers, and All Star Health ("Notice"). A true and correct copy of the Notice is attached as Exhibit A and is hereby incorporated by reference. More than 60 days have passed since the Notice was mailed and uploaded to the Attorney General's website, and no designated governmental entity has filed a complaint against All Star Health with regard to the Covered Products or the alleged violations.

- 1.6 ERC's Notice and Complaint allege that use of the Covered Products exposes persons in California to lead without first providing clear and reasonable warnings in violation of California Health and Safety Code section 25249.6. All Star Health denies all material allegations contained in the Notice and Complaint.
- 1.7 The Parties have entered into this Consent Judgment in order to settle, compromise and resolve disputed claims and thus avoid prolonged and costly litigation. Nothing in this Consent Judgment shall constitute or be construed as an admission by any of the Parties, or by any of their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers. Except for the representations made above, nothing in this Consent Judgment shall be construed as an admission by the Parties of any fact, issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an admission by the Parties of any fact, issue of law, or violation of law, at any time, for any purpose.
- 1.8 Except as expressly set forth herein, nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any other or future legal proceeding unrelated to these proceedings.
- 1.9 The Effective Date of this Consent Judgment is the date on which it is entered as a Judgment by this Court.

#### 2. JURISDICTION AND VENUE

For purposes of this Consent Judgment and any further court action that may become necessary to enforce this Consent Judgment, the Parties stipulate that this Court has subject matter jurisdiction over the allegations of violations contained in the Complaint, personal jurisdiction over All Star Health as to the acts alleged in the Complaint, that venue is proper in Alameda County, and that this Court has jurisdiction to enter this Consent Judgment as a full and final resolution of all claims up through and including the Effective Date which were or could have been asserted in this action based on the facts alleged in the Notice and Complaint.

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### 3. INJUNCTIVE RELIEF AND WARNINGS

- 3.1 Beginning on the Effective Date, All Star Health shall be permanently enjoined from manufacturing for sale in the State of California, "Distributing into the State of California", or directly selling in the State of California, any Covered Product which exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms per day of lead when the maximum suggested dose is taken as directed on the Covered Product's label, unless it meets the warning requirements under Section 3.2.
- 3.1.1 As used in this Consent Judgment, the term "Distributing into the State of California" shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that All Star Health knows will sell the Covered Product in California.
- 3.1.2 For purposes of this Consent Judgment, the "Daily Lead Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of servings in a recommended dosage appearing on the product label), which equals micrograms of lead exposure per day.

# 3.2 Clear and Reasonable Warnings

If All Star Health is required to provide a warning pursuant to Section 3.1, the following warning must be utilized:

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

All Star Health shall use the phrase "cancer and" in the warning only if the maximum daily dose recommended on the label contains more than 15 micrograms of lead.

The warning shall appear prior to completing checkout on All Star Health's website when a California delivery address is indicated for any purchase of any Covered Product.

The warning shall be at least the same size as the largest of any other health or safety warnings also appearing on its website and the word "WARNING" shall be in all capital letters

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 and in bold print. No other statements about Proposition 65 or lead may accompany the warning.

All Star Health must display the above warnings with such conspicuousness, as compared with other words, statements, or design of thewebsite, to render the warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product.

#### 4. SETTLEMENT PAYMENT

- 4.1 In full satisfaction of all potential civil penalties, payment in lieu of civil penalties, attorney's fees, and costs regarding ERC's claim against All Star Health and the Released Parties herein only, All Star Health shall make a total payment of \$13.500.00 ("Total Settlement Amount") to ERC within ten (10) days of the Effective Date. All Star Health shall make this payment by wire transfer to ERC's escrow account, for which ERC will give All Star Health the necessary account information. The Total Settlement Amount shall be apportioned as follows:
- 4.2 \$500.00 shall be considered a civil penalty pursuant to California Health and Safety Code §25249.7(b)(1). ERC shall remit 75% (\$375.00) of the civil penalty to the Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety Code §25249.12(c). ERC will retain the remaining 25% (\$125.00) of the civil penalty.
- 4.3 \$1,779.38 shall be distributed to ERC as reimbursement to ERC for reasonable costs incurred in bringing this action.
- 4.4 \$6,277.50 shall be distributed to Aqua Terra Aeris Law Group as reimbursement of ERC's attorney's fees, while \$4,943.12 shall be distributed to ERC for its in-house legal fees.
- 4.6 In the event that All Star Health fails to remit the Total Settlement Payment owed under Section 4 of this Consent Judgment on or before the Due Date, All Star Health shall be deemed to be in material breach of its obligations under this Consent Judgment. ERC shall provide written notice of the delinquency to All Star Health via electronic mail. If All Star Health fails to deliver the Total Settlement Payment within five (5) days from the written

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27 28 notice, the Total Settlement Payment shall become immediately due and payable and shall accrue interest at the statutory judgment interest rate provided in the Code of Civil Procedure section 685.010. Additionally, All Star Health agrees to pay ERC's reasonable attorney's fees and costs for any efforts to collect the payment due under this Consent Judgment.

### MODIFICATION OF CONSENT JUDGMENT

- 5.1 This Consent Judgment may be modified only (i) by written stipulation of the Parties or pursuant to Section 5.4 and (ii) upon entry by the Court of a modified consent judgment.
- 5.2 If All Star Health seeks to modify this Consent Judgment under Section 5.1, then All Star Health must provide written notice to ERC of its intent ("Notice of Intent"). If ERC seeks to meet and confer regarding the proposed modification in the Notice of Intent, then ERC must provide written notice to All Star Health within thirty (30) days of receiving the Notice of Intent. If ERC notifies All Star Health in a timely manner of ERC's intent to meet and confer, then the Parties shall meet and confer in good faith as required in this Section. The Parties shall meet in person or via telephone within thirty (30) days of ERC's notification of its intent to meet and confer. Within thirty (30) days of such meeting, if ERC disputes the proposed modification, ERC shall provide to All Star Health a written basis for its position. The Parties shall continue to meet and confer for an additional thirty (30) days in an effort to resolve any remaining disputes. Should it become necessary, the Parties may agree in writing to different deadlines for the meet-and-confer period.
- 5.3 In the event that All Star Health initiates or otherwise requests a modification under Section 5.1, and the meet and confer process leads to a joint motion or application of the Consent Judgment, All Star Health shall reimburse ERC its costs and reasonable attorney's fees for the time spent in the meet-and-confer process and filing and arguing the motion or application.
- Where the meet-and-confer process does not lead to a joint motion or 5.4 application in support of a modification of the Consent Judgment, then either Party may seek judicial relief on its own.

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#### STIPULATED CONSENT JUDGMENT

# RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT

#### JUDGMENT

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

#### 7. APPLICATION OF CONSENT JUDGMENT

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

# BINDING EFFECT, CLAIMS COVERED AND RELEASED

- 8.1 This Consent Judgment is a full, final, and binding resolution between ERC. on behalf of itself and in the public interest, and All Star Health and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, and divisions (collectively, "Released Parties"). ERC hereby fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs and expenses asserted, or that could have been asserted from the handling, use, or consumption of the Covered Products, as to any alleged violation of Proposition 65 or its implementing regulations arising from the failure to provide Proposition 65 warnings on the Covered Products regarding lead up to and including the Effective Date.
- 8.2 ERC on its own behalf only, on one hand, and All Star Health on its own behalf only, on the other, further waive and release any and all claims they may have against each other up through and including the Effective Date, provided, however, that nothing in Section 8 shall affect or limit any Party's right to seek to enforce the terms of this Consent Judgment.
- 8.3 It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice or the Complaint will develop or be discovered. ERC on behalf of itself

 only, on one hand, and All Star Health, on the other hand, acknowledge that this Consent Judgment is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action therefore. ERC and All Star Health acknowledge that the claims released in Sections 8.1 and 8.2 above may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

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

ERC on behalf of itself only, on the one hand, and All Star Health, on the other hand, acknowledge and understand the significance and consequences of this specific waiver of California Civil Code section 1542. Excluding the present action, ERC represents, warrants, and covenants that it will not prosecute any Proposition 65 Notice of Violation that it has issued to All Star Health prior to the Effective Date.

- 8.4 Compliance with the terms of this Consent Judgment shall be deemed to constitute compliance with Proposition 65 by any releasee regarding alleged exposures to lead in the Covered Products as set forth in the Notice and the Complaint.
- 8.5 Nothing in this Consent Judgment is intended to apply to any occupational or environmental exposures arising under Proposition 65, nor shall it apply to any of All Star Health's products other than the Covered Products.

# 9. SEVERABILITY OF UNENFORCEABLE PROVISIONS

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

#### 10. GOVERNING LAW

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

#### 11. PROVISION OF NOTICE

All notices required to be given to either Party to this Consent Judgment by the other shall

1	be in writing and sent to the following agents listed below via first-class mail. Courtesy copies v		
2	email may also be sent.		
3	FOR ENVIRONMENTAL RESEARCH CENTER, INC.:		
4	Chris Heptinstall, Executive Director, Environmental Research Center		
5	Tel: (610) 500, 3000		
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8	With a copy to: MATTHEW C. MACLEAR		
9	ANTHONY M. BARNES		
10	AQUA TERRA AERIS LAW GROUP 7425 Fairmount Ave.		
11	El Cerrito, CA 94530 Ph: 415-568-5200		
12	Email: mcm@atalawgroup.com		
13	6S, INC. dba ALL STAR HEALTH		
14	Fernando Scalini		
15	6S, Inc. dba All Star Health 5951 Skylab Road		
16	Huntington Beach, CA 92647 Email: fscalini@allstarhealth.com		
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18	With a copy to: PEG CAREW TOLEDO		
19	PEG CAREW TOLEDO PEG CAREW TOLEDO, LAW CORPORATION 3001 Douglas Blvd., Suite 340 Roseville, CA 95661-3853 Ph: 916-462-8950 Fax: 916-791-0175		
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23	Email: peg@toledolawcorp.com  12. COURT APPROVAL		
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25	12.1 Upon execution of this Consent Judgment by the Parties, ERC shall notice a		
26	Motion for Court Approval. The Parties shall use their best efforts to support entry of this		
27	Consent Judgment.		
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- 12.2 If the California Attorney General objects to any term in this Consent Judgment, the Parties shall use their best efforts to resolve the concern in a timely manner, and if possible 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.

#### 14. DRAFTING

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

# 15. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet and confer in person, by telephone, and/or in writing and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand.

#### 16. ENFORCEMENT

ERC may, by motion or order to show cause before the Superior Court of Alameda County, enforce the terms and conditions contained in this Consent Judgment. In any action brought by ERC to enforce this Consent Judgment, ERC may seek whatever fines, costs, penalties, or remedies as are provided by law for failure to comply with the Consent Judgment.

To the extent the failure to comply with the Consent Judgment constitutes a violation of Proposition 65 or other laws, ERC shall not be limited to enforcement of this Consent Judgment, but may seek in another action whatever fines, costs, penalties, or remedies as are provided by law for failure to comply with Proposition 65 or other laws.

# 17. ENTIRE AGREEMENT, AUTHORIZATION

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

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

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

This Consent Judgment has come before the Court upon the request of the Parties. The Parties request the Court to fully review this Consent Judgment and, being fully informed regarding the matters which are the subject of this action, to make the findings pursuant to California Health and Safety Code section 25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.

IT IS SO STIPULATED:

Dated: 8/30/, 2016

ENVIRONMENTAL RESEARCH CENTER, INC.

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1	Dated: 9/7/, 2016	6S, INC. dba ALL STAR HEALTH		
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3		By: Fernando Scalini Its: Coo		
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5	APPROVED AS TO FORM:	•		
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8	Dated: 98, 2016	AQUA TERRA AERIS LAW GROUP		
9	•	By: M. Luclus		
		Matthew C. Maclear		
0		Anthony M. Barnes Attorneys for Plaintiff Environmental		
1		Research Center, Inc.		
2	0 -1			
3	Dated:	PEG CAREW TOLEDO, LAW CORPORATION		
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5		By: Per Com Slick		
6		Peg Carby Toledo Attorney for Defendant 6S, Inc. dba All		
7		Star Health		
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0	ORDER AND JUDGMENT			
1	Based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is			
2	approved and Judgment is hereby entered according to its terms.			
3	IT IS SO ORDERED, ADJUDGED AND DECREED.			
4	NOV - 8 2016	BRAD SELIGMAN		
5	Dated:, 2016	Judge of the Superior Court		
6	and a substant Contra			
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	STIPULATED CONSENT JUDGMENT	CASE NO. RG16802586		
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