1 James R. Wheaton (State Bar No. 115230) Lowell Chow (State Bar No. 273856) 2 Nathaniel Kane (State Bar No. 279394) **Environmental Law Foundation** 3 1222 Preservation Park Way, Suite 200 4 Oakland, CA 94612 (510) 208-4555 MAR 17 2021 5 elfservice@envirolaw.org 6 April M. Strauss (State Bar No. 163327) 7 Law Office of April Strauss 2500 Hospital Drive, Suite 3 8 Mountain View, CA 94040 (650) 281-7081 9 astrauss@sfaclp.com 10 Attorneys for Plaintiff 11 12 13 SUPERIOR COURT OF THE STATE OF CALIFORNIA 14 **COUNTY OF SAN FRANCISCO** 15 16 ERIKA MCCARTNEY, in the public interest, Case No. CGC-17-557320 17 18 Plaintiff, [PROPOSED] STIPULATED 19 CONSENT JUDGMENT VS. 20 AMAZON.COM, INC; GERBS PUMPKIN Complaint Filed: February 28, 2017 21 SEED CO., and DOES 2 through 500, Trial Set For: August 12, 2019 inclusive. 22 Defendants. 23 24 25 26 27 28

1. INTRODUCTION

- 1.1 This Action arises out of alleged violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et seq. (also known as and hereinafter referred to as "Proposition 65") regarding the following products (hereinafter the "Covered Products"): Gerbs Dried Goji Berries, Gerbs Cacao Powder, and Gerbs Cacao Nibs, allegedly imported, distributed, and/or sold by Defendants Amazon.com, Inc. and Gerbs Pumpkin Seed Co., in California. Plaintiff alleges the Covered Products expose consumers in California to cadmium and lead. (hereinafter the "Listed Chemicals.")
- 1.2 Plaintiff Erika McCartney ("MCCARTNEY") is a California resident acting as a private enforcer of Proposition 65. MCCARTNEY brings this Action in the public interest pursuant to California Health and Safety Code Section 25249.6. MCCARTNEY asserts that she is dedicated to, among other causes, helping safeguard the public from health hazards by reducing the use and misuse of hazardous and toxic chemicals and substances, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.
- 1.5 Defendant Gerbs Pumpkin Seed Co. is a Rhode Island corporation and is hereinafter referred to as GERBS.
- 1.6 GERBS manufactures or imports the Covered Products and Distributes them into California (as defined herein) and/or sells the Covered Product in California.
- 1.7 On or about June 20, 2016, pursuant to California Health and Safety Code Section 25249.7(d)(1), MCCARTNEY served a 60-Day Notice of alleged Violation of Proposition 65 ("Notice of Violation") on Amazon.com, Inc. ("AMAZON"), GERBS, the California Attorney General, all District Attorneys, and all City Attorneys with populations exceeding 750,000. A true and correct copy of the Notice of Violation is attached hereto as Exhibit A. On August 18, 2016, Plaintiff served a supplemental 60-Day Notice of Violation on the same parties and on the same public enforcement agencies.
- 1.8 MCCARTNEY and GERBS are hereinafter sometimes referred to individually as a "Party" or collectively as the "Parties." AMAZON and GERBS are hereinafter sometimes referred to collectively as DEFENDANTS.

- 1.9 After more than sixty (60) days passed since service of the original and supplemental Notices of Violation, and no designated governmental agency filed a complaint or to the best of the Parties knowledge is otherwise diligently prosecuting a claim against DEFENDANTS with regard to the alleged violations therein, MCCARTNEY filed a complaint (the "Complaint") in the San Francisco Superior Court, Case No. CGC-17-557320, for injunctive relief and civil penalties. The Complaint is based on the allegations in the Notices of Violation.
- 1.10 The Complaint and the Notice of Violation allege that DEFENDANTS manufactured, imported, distributed, and/or sold in California Covered Products containing the Listed Chemicals without a Proposition 65 warning in alleged violation of California Health and Safety Code Section 25249.6. Further, the Complaint and Notice of Violation allege that use of Covered Products exposes persons in California to the Listed Chemicals. DEFENDANTS generally deny all material and factual allegations in the Complaint and Notice of Violation, specifically deny that the Plaintiff or California consumers have been exposed to the Listed Chemicals by the Covered Products, and maintain that all of their products comply with all laws and are completely safe for their intended use. MCCARTNEY and DEFENDANTS each reserve all rights to allege additional facts, claims, and affirmative defenses if the Court does not approve this Consent Judgment.
- 1.11 The Parties enter into this Consent Judgment in order to settle, compromise and resolve denied and disputed claims and avoid prolonged and costly litigation. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties. Nothing in this Consent Judgment, nor compliance with its terms, 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, suppliers, franchisees, licensees, distributors, wholesalers, or retailers, of any fact, conclusion of law, issue of law, violation of law, fault, wrongdoing, or liability, including without limitation, any admission concerning any alleged violation of Proposition 65. 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. Provided, however, nothing in this Section shall affect the enforceability of this Consent Judgment.

1.12 The "Effective Date" of this Consent Judgment shall be the date this Consent Judgment is entered as a Judgment by the court.

2. JURISDICTION AND VENUE

For purposes of this consent judgment only, the Parties stipulate that this Court has jurisdiction over the subject matter of this Action and personal jurisdiction over the Parties, that venue is proper in this Court, and that this Court has jurisdiction to enter this Consent Judgment pursuant to the terms set forth herein as a full settlement and resolution of the allegations contained in the Notices of Violation and Complaint.

3. INJUNCTIVE RELIEF

- 3.1 The "Compliance Date" of this Consent Judgment shall be thirty (30) days after the Effective Date. As of the Compliance Date, GERBS shall be permanently enjoined from selling in California or Distributing into California any Covered Product without one of the warnings set forth in Paragraph 3.2 below. "Distributing into California" or "Distribute into California" means to ship any of the Covered Product into California for sale or to sell any of the Covered Product to a distributor or retailer that any GERBS knows or has reason to believe will redistribute or sell the Covered Product in or into California.
- 3.2.1 Clear and Reasonable Proposition 65 Warnings. For Covered Product Gerbs Dried Goji Berries, that are subject to a Proposition 65 warning requirement based on Section 3.1 above, the following warning ("Warning") shall be provided as specified below.

[California Proposition 65] WARNING: Consuming this Product can expose you to chemicals including lead, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information, go to www.P65Warnings.ca.gov/food.

The language in brackets is optional.

3.2.2 For Covered Products Gerbs Cacao Powder and Cacao Nibs that are subject to a Proposition 65 warning requirement based on Section 3.1 above, the following Warning shall be provided as specified below.

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[California Proposition 65] **WARNING:** Consuming this Product can expose you to chemicals including cadmium, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information, go to www.P65Warnings.ca.gov/food.

The language in brackets is optional.

- 3.3 For sales through distributors and retailers (excluding internet sales), the Warning shall either be affixed to or printed on (at the point of manufacture, prior to the shipment to California, or prior to Distribution within California) the outside packaging, container, or label of each unit of the Covered Product or provided at the point of display of the Covered Product wherever it is offered for sale in California. Where the Warning is provided on the product label, it must be set off from other surrounding information and enclosed in a box. The Warning shall be displayed with such conspicuousness, as compared with other words, statements, designs or devices on the outside packaging or at the point of display in California, as to render it likely to be read and understood by an ordinary individual prior to purchase or use. If the Warning is displayed on the product packaging, container or labeling, the Warning shall be at least the same size as the largest of any other health or safety warnings on the product packaging, container or labeling, and the word "WARNING" shall be in capital letters and in bold print. If presented at the point of display, the Warning shall be presented on a sign or shelf label in a font no smaller than the largest type size used for other information on the sign or a shelf label for similar products. If the Covered Product label, packaging, container, or point of display includes consumer information in a language other than English, the warning must also be provided in that language in addition to English.
- 3.4 For internet sales to customers with a California address after the Compliance Date, GERBS shall provide an internet Warning using the language set forth in Section 3.2 prior to the customer's completion of the purchase. The Warning that is given on the Internet shall be in the same type size or larger than the Covered Product description text and shall appear either: (a) on the same webpage on which the Covered Product is displayed; (b) on the same web page as the order form for the Covered Product; (c) on the same page as the price for the Covered Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The warning

may also be provided by a clearly marked hyperlink labeled "WARNING[: California's Proposition 65]" on the product display page prior to purchase of the Covered Product (language in brackets optional). For internet sales, GERBS shall not be required to provide a warning pursuant to Paragraph 3.3.

3.5 The Parties agree that should the OEHHA warning regulations change, GERBS may either conform with the revised OEHHA regulations or conform with the terms provided in this Consent Judgment, and in doing so, will be in compliance with this Consent Judgment and Proposition 65.

4. REQUIRED MONETARY PAYMENTS

- 4.1 Beginning on the first of the month following the Effective Date, in complete resolution of all claims for monetary relief of any kind in this matter, GERBS shall make the following settlement payments and send them to counsel for MCCARTNEY, Environmental Law Foundation, 1222 Preservation Park Way, Suite 200. The checks shall be payable to the following persons and the payment shall be apportioned as follows:
- 4.2 GERBS shall pay \$10,000 in complete resolution of any claims for civil penalties or payments in lieu of penalties pursuant to California Health and Safety Code Section 25249.7(b)(1). Of this amount, \$7,500 shall be payable to the Office of Environmental Health Hazard Assessment ("OEHHA"); and \$2,500 shall be payable to MCCARTNEY. MCCARTNEY hereby waives any statutory entitlement to penalties in excess of \$2500. These amounts shall be paid by separate checks in twelve (12) monthly installments of \$625 each (to OEHHA) and twelve (12) monthly installments of \$208.33 each (to MCCARTNEY) beginning on the first of the month following the Effective Date. MCCARTNEY's counsel shall be solely responsible for promptly forwarding all checks received hereunder to the payees indicated.
- 4.3 GERBS shall pay \$20,000 to Environmental Law Foundation in complete resolution of any claim for, and as complete reimbursement of all of MCCARTNEY's attorneys' fees, expenses, investigation and litigation fees, and any other expenses of any kind incurred by MCCARTNEY in connection with the Notice of Violation and Complaint, and in obtaining court

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approval of this Consent Judgment, to be paid in twelve (12) monthly installments of \$1666.67 beginning on the first of the month following the Effective Date.

MODIFICATION OF CONSENT JUDGMENT

5.1 This Consent Judgment may be modified only by: (i) Written agreement and stipulation of the Parties and upon having such stipulation entered as a modified Consent Judgment by the Court; or (ii) Upon entry of a modified Judgment by the Court pursuant to a motion by one of the Parties after exhausting the meet and confer process set forth as follows. If either Party requests or decides to initiate a modification of this Consent Judgment, then it shall meet and confer with the other Party in good faith before filing a motion with the Court seeking to modify it. If, despite their meet and confer efforts, the Parties are unable to reach agreement on any proposed modification, the Party seeking the modification may file the appropriate motion. One basis, but not the exclusive basis, for GERBS to seek a modification of this Consent Judgment is if Proposition 65 is changed, narrowed, limited, or otherwise rendered inapplicable in whole or in part to the Covered Product or the Listed Chemical due to legislative change, a change in the implementing regulations, court decisions, or other legal basis.

RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT JUDGMENT

- 6.1 This Court shall retain jurisdiction of this matter to enforce, modify or terminate this Consent Judgment.
- 6.2 Subject to Section 6.3, either Party may, by motion or application for an order to show cause filed with this Court, enforce the terms and conditions contained in this Consent Judgment. The prevailing party in any such motion or application may request that the Court award its reasonable attorneys' fees and costs associated with such motion or application up to a maximum of \$5,000 per such motion or application. Only the Parties hereto may enforce the terms of this Consent Judgment. Alleged violations of this Consent Judgment may only be enforced hereunder.
- 6.3 Before filing a motion or application for an order to show cause for an alleged violation or violations of Section 3 of this Consent Judgment, MCCARTNEY shall provide GERBS with thirty (30) days written notice of any alleged violations of the terms and conditions

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contained in Section 3 of this Consent Judgment. As long as GERBS cures any such alleged violations within the 30-day period (or if any such violation cannot practicably be cured within 30 days, it expeditiously initiates a cure within 30 days and completes it as soon as practicable thereafter) then GERBS shall not be in violation of the Consent Judgment and shall have no monetary liability of any kind for such alleged violation. GERBS shall have the ability to avail itself of the benefits of this Section five (5) times following the Compliance Date.

7. APPLICATION OF CONSENT JUDGMENT

This Consent Judgment shall apply to and be binding upon the Parties and their respective officers, directors, successors and assigns, and it shall benefit the Parties and their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensors, licensees, customers, distributors, wholesalers, retailers, predecessors, successors, and assigns of any of them.

8. BINDING EFFECT, CLAIMS COVERED AND RELEASED

8.1 This Consent Judgment is a full, final, and binding resolution between MCCARTNEY, on behalf of herself and in the public interest pursuant to Health and Safety Code section 25249.7(d), and GERBS, of any and all direct or derivative violations (or claimed violations) of Proposition 65 or its implementing regulations for alleged failure to provide Proposition 65 warnings for exposure to the Listed Chemicals (lead and cadmium) from the handling, use, or consumption of Covered Products and fully resolves all claims that have been or could have been asserted in this Action up to and including the Compliance Date for alleged failure to provide Proposition 65 warnings for the Covered Products regarding the Listed Chemicals as alleged in the Notice of Violation and Complaint. MCCARTNEY, on behalf of herself and in the public interest, hereby forever releases and discharges GERBS, AMAZON, and each of their past and present officers, directors, owners, shareholders, employees, agents, attorneys, parent companies, subsidiaries, divisions, affiliates, suppliers, franchisees, licensors, licensees, customers, distributors, wholesalers, private labelers, co-packers, retailers, and all other upstream and downstream entities and persons in the distribution chain of any Covered Product, and the predecessors, successors and assigns of any of them (collectively, "Released Parties"), from any

and all claims and causes of action and obligations to pay damages, restitution, fines, civil penalties, payment in lieu of civil penalties and expenses of any other kind (including but not limited to expert analysis fees, expert fees, attorney's fees and expenses) (collectively, "Claims") arising under, based on, or derivative of Proposition 65 or its implementing regulations up through the Compliance Date based on alleged exposure to the Listed Chemicals and/or failure to warn about the Listed Chemicals in Covered Products, as set forth in the Notice of Violation and Complaint.

- 8.2 GERBS' compliance with the terms of this Consent Judgment shall be deemed to constitute compliance by any Released Party with Proposition 65 regarding alleged exposures to the Listed Chemicals from Covered Products as set forth in the Notice of Violation and Complaint.
- 8.3 It is possible that other Claims not known to MCCARTNEY arising out of the facts alleged in the Notice of Violation or the Complaint and relating to Covered Products that were manufactured, imported, sold or Distributed into California by GERBS before the Compliance Date will develop or be discovered. MCCARTNEY, on behalf of herself, and each of her successors, assigns, legatees, heirs, attorneys and personal representatives only, acknowledges that any such Claims released herein as to the Released Parties include all known and unknown Claims related to Covered Products, and waives California Civil Code Section 1542 as to any such unknown Claims. California Civil Code Section 1542 reads as follows:

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

MCCARTNEY, on behalf of herself only, acknowledges and understands the significance and consequences of this specific waiver of California Civil Code section 1542, and expressly waives and relinquishes any and all rights and benefits that she may have under, or which may be conferred on her by the provisions of Section 1542 of the California Civil Code as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that she may lawfully waive such rights or benefits pertaining to the released matters. In furtherance of such

intention, the release hereby given shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different claims or facts arising out of the released matters.

8.4 MCCARTNEY, on behalf of herself only, on the one hand, and GERBS, on the other hand, each release and waive all Claims they may have against each other for any statements or actions made or undertaken by them in connection with the Notice of Violation or the Complaint. However, this shall not affect or limit any Party's right to seek to enforce the terms of this Consent Judgment.

9. CONSTRUCTION AND SEVERABILITY

- 9.1 The terms and conditions of this Consent Judgment have been reviewed by the respective counsel for the Parties prior to its signing, and each Party has had an opportunity to fully discuss the terms and conditions with its counsel. In any subsequent interpretation or construction of this Consent Judgment, the terms and conditions shall not be construed against any Party.
- 9.2 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.
- 9.3 The terms and conditions of this Consent Judgment shall be governed by and construed in accordance with the laws of the State of California.

10. PROVISION OF NOTICE

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

For Erika McCartney:

Environmental Law Foundation 1222 Preservation Park Way, Suite 200 Oakland, CA 94612

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For GERBS:

Galen Conte GERBS PUMPKIN SEED CO. 92 Allendale Avenue Johnston, RI 02919

With Copy to:

Joseph V Cavanagh, III Blish & Cavanagh LLP 30 Exchange Terrace Providence, RI 02903

11. COURT APPROVAL

- 11.1 Upon execution of this Consent Judgment by the Parties, MCCARTNEY shall prepare and file a notice of Motion for Court Approval and supporting papers. The Parties shall use their best efforts to support entry of this Consent Judgment.
- 11.2 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.
- 11.3 If, despite the Parties' best efforts, the Court does not approve this Stipulated Consent Judgment it shall be null and void and have no force or effect and cannot be used in any proceeding for any purpose.

12. EXECUTION AND COUNTERPARTS

This Stipulated Consent Judgment may be executed in counterparts, which taken together shall be deemed one document. A facsimile or .pdf signature on this Consent Judgment shall be construed as valid and the same as an original signature.

13. ENTIRE AGREEMENT, AUTHORIZATION

13.1 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 with respect to the subject matter herein. No other agreements, oral or otherwise, unless specifically

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1	referred to herein, shall be deemed to exist or to bind any Party with respect to the subject matter
2	herein.
3	13.2 Each signatory to this Consent Judgment certifies that he or she is fully authorized
4	by the Party he or she represents to stipulate to this Consent Judgment. Except as explicitly
5	provided herein, each Party shall bear its own attorney's fees and costs.
6	14. REQUEST FOR FINDINGS AND FOR APPROVAL
7	14.1 This Consent Judgment has come before the Court upon the request of the Parties.
8	The Parties request that the Court fully review this Consent Judgment and, being fully informed
9	regarding the matters which are the subject of this Action:
10	(a) Find that the terms and provisions of this Consent Judgment represent a
11	good faith settlement of all matters raised by the allegations of the Notice of Violation and
12	Complaint, that the matter has been diligently prosecuted, and that the public interest is served by
13	such settlement; and
14	(b) Make the required findings pursuant to California Health and Safety Code
15	Section 25249.7(f)(4), and approve the Settlement, and this Consent Judgment.
16	14.2 Upon entry of the Consent Judgment, MCCARTNEY and GERBS waive their
17	respective rights to a hearing or trial on the allegations of the Complaint, or to appeal from this
18	judgment.
19	IT IS SO STIPULATED.
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21	Dated: Erika McCartney
22	Elika Wiocarticy
23	Dated: 02-07-2020 Gerbs Pumpkin Seed Con Inc.
24	Name: Galen T. Conte
25	Co-Owner/CEO
26	Title:
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	[PROPOSED] STIPULATED CONSENT JUDGMENT McCartney v. Amazon.com, Inc., Civil Action No. CGC-17-557320

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2	herein.
3	13.2 Each signatory to this Consent Judgment certifies that he or she is fully authorized
4	by the Party he or she represents to stipulate to this Consent Judgment. Except as explicitly
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10	(a) Find that the terms and provisions of this Consent Judgment represent a
11	good faith settlement of all matters raised by the allegations of the Notice of Violation and
12	Complaint, that the matter has been diligently prosecuted, and that the public interest is served by
13	such settlement; and
14	(b) Make the required findings pursuant to California Health and Safety Code
15	Section 25249.7(f)(4), and approve the Settlement, and this Consent Judgment.
16	14.2 Upon entry of the Consent Judgment, MCCARTNEY and GERBS waive their
17	respective rights to a hearing or trial on the allegations of the Complaint, or to appeal from this
18	judgment.
19	IT IS SO STIPULATED.
20	2/6/2020
21	Dated:
22	Erika McCartney
23	Dated: Gerbs Pumpkin Seed Co., Inc.
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25	Name:
26	Title:
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	[PROPOSE D] STIPULATED CONSENT JUDGMENT <u>McCartney v. Amazon.com, Inc., Civil Action No. CGC-17-557320</u>

ORDER AND JUDGMENT

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

IT IS SO ORDERED, ADJUDGED AND DECREED.

Dated: $\sqrt{(W \cdot 17)}$, 2024.

Judge of the Superior Court ETHAN P. SCHULMAN