

FILED ALAMEDA COUNTY

MAY 2 3 2017-

CLERK-OF THE SUPERIOR COURT-

Deputy

WILLIAM F. WRAITH, SBN 185927

WRAITH LAW

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Attorney for Plaintiff

ENVIRONMENTAL RESEARCH CENTER, INC.

6

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11 Attorney for Defendants

12 SAGA SCIENCES USA INC., SAGA SCIENCES

LINTERNATIONAL, INC., and SAGA SCIENCES

13 CANADA INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ALAMEDA

CASE NO. RG17846734

STIPULATED CONSENT JUDGMENT

Health & Safety Code § 25249.5 et seq.

Action Filed: January 24, 2017

Trial Date: None set

16 ENVIRONMENTAL RESEARCH

CENTER, INC. a non-profit California

corporation,

Plaintiff,

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SAGA SCIENCES USA INC., SAGA

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SCIENCES INTERNATIONAL, INC., SAGA

22 SCIENCES CANADA INC. and DOES 1-25, Inclusive.

micrusive,

23 Defendants.

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1. INTRODUCTION

1.1 On January 24, 2017, Plaintiff Environmental Research Center, Inc. ("ERC"), a non-profit corporation, as a private enforcer and in the public interest, initiated this action by filing a Complaint for Injunctive Relief and Civil Penalties (the "Complaint") pursuant to the

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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 each defendant is a business entity each of which 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. SAGA SCIENCES manufactures, distributes, and/or sells the Covered Products.
- 1.5 The Complaint is based on allegations contained in ERC's Notice of Violation dated August 30, 2016 that was served on the California Attorney General, other public enforcers, and SAGA SCIENCES ("Notice"). A true and correct copy of the 60-Day Notice dated August 30, 2016 is attached hereto as **Exhibit A** and incorporated herein by reference. More than 60 days have passed since the Notice was served on the Attorney General, public enforcers, and SAGA SCIENCES and no designated governmental entity has filed a complaint against SAGA SCIENCES 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. SAGA SCIENCES 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 nor compliance with 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, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, issue of law, or violation of law.
- 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 current or future legal proceeding unrelated to these proceedings.

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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 SAGA SCIENCES 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.

3. INJUNCTIVE RELIEF AND WARNINGS

- 3.1 Beginning thirty (30) days after the Effective Date, SAGA SCIENCES 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 Products which exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day 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 SAGA SCIENCES knows or has reason to know 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

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If SAGA SCIENCES is required to provide a warning pursuant to Section 3.1, the warning ("Warning") must be provided as follows:

Prior to August 30, 2018 either of the following Warnings may be utilized:

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

WARNING: Consuming this product can expose you to chemicals including lead which is [are] 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.

After August 30, 2018 the following Warning must be utilized:

WARNING: Consuming this product can expose you to chemicals including lead which [are] 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.

SAGA SCIENCES shall use the phrase "cancer and" in the Warning only if the "Daily Lead Exposure Level" is greater than 15 micrograms of lead.

The Warning shall be provided on the invoice accompanying the Covered Products shipped to California. SAGA SCIENCES shall provide one invoice Warning for each Covered Product or one invoice Warning that lists all of the Covered Products. The Covered Products may be returned by the consumer for a refund within 30 days of the invoice date at no cost to the consumer if the consumer references the Warning as a reason for the return. The Warning must be present on the front of the invoice.

The Warning shall be at least the same size as the largest of any other health or safety warnings also appearing on its website or on the label or container of SAGA SCIENCES' product packaging and the word "WARNING" shall be in all capital letters and in bold print. No statements intended to or likely to have the effect of diminishing the impact of, or reducing the clarity of, the Warning on the average lay person shall accompany the Warning. Further, no statements may accompany the Warning that state or imply that the source of the listed chemical has an impact on or results in a less harmful effect of the listed chemical.

SAGA SCIENCES must display the above Warning with such conspicuousness, as compared with other words, statements, design of the label, container, or on its website, as applicable, 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, additional settlement payments, attorney's fees, and costs, SAGA SCIENCES shall make a total payment of \$55,000.00 ("Total Settlement Amount") according to the following payment schedule:
 - Payment 1 -- \$20,000.00 within 14 days of the Effective Date ("Due Date")
 - Payment 2 -- \$20,000.00 within 45 days of the Effective Date ("Due Date")
 - Payment 3 -- \$15,000.00 within 75 days of the Effective Date ("Due Date").

SAGA SCIENCES shall make this payment by wire transfer to ERC's escrow account, for which ERC will give SAGA SCIENCES the necessary account information. The Total Settlement Amount shall be apportioned as follows:

- 4.2 \$10,827.13 shall be considered a civil penalty pursuant to California Health and Safety Code section 25249.7(b)(1). ERC shall remit 75% (\$8,120.35) 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 section 25249.12(c). ERC will retain the remaining 25% (\$2,706.78) of the civil penalty.
- 4.3 \$3,754.38 shall be distributed to ERC as reimbursement to ERC for reasonable costs incurred in bringing this action.
- 4.4 \$8,120.34 shall be distributed to ERC as an Additional Settlement Payment ("ASP"), pursuant to California Code of Regulations, title 11, sections 3203, subdivision (d) and 3204. ERC will utilize the ASP for activities that address the same public harm as allegedly caused by SAGA SCIENCES in this matter. These activities are detailed below and support ERC's overarching goal of reducing and/or eliminating hazardous and toxic chemicals in dietary supplement products in California. ERC's activities have had, and will continue to have, a direct and primary effect within the State of California because California consumers will be benefitted by the reduction and/or elimination of exposure to lead in dietary supplements and/or by providing clear and reasonable warnings to California consumers prior to ingestion of the products.

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Based on a review of past years' actual budgets, ERC is providing the following list of activities ERC engages in to protect California consumers through Proposition 65 citizen enforcement, along with a breakdown of how ASP funds will be utilized to facilitate those activities: (1) ENFORCEMENT (65-80%): obtaining, shipping, analyzing, and testing dietary supplement products that may contain lead and are sold to California consumers. This work includes continued monitoring and enforcement of past consent judgments and settlements to ensure companies are in compliance with their obligations thereunder, with a specific focus on those judgments and settlements concerning lead. This work also includes investigation of new companies that ERC does not obtain any recovery through settlement or judgment; (2) VOLUNTARY COMPLIANCE PROGRAM (10-20%): maintaining ERC's Voluntary Compliance Program by acquiring products from companies, developing and maintaining a case file, testing products from these companies, providing the test results and supporting documentation to the companies, and offering guidance in warning or implementing a self-testing program for lead in dietary supplement products; and (3) "GOT LEAD" PROGRAM (up to 5%): maintaining ERC's "Got Lead?" Program which reduces the numbers of contaminated products that reach California consumers by providing access to free testing for lead in dietary supplement products (Products submitted to the program are screened for ingredients which are suspected to be contaminated, and then may be purchased by ERC, catalogued, sent to a qualified laboratory for testing, and the results shared with the consumer that submitted the product).

ERC shall be fully accountable in that it will maintain adequate records to document and will be able to demonstrate how the ASP funds will be spent and can assure that the funds are being spent only for the proper, designated purposes described in this Consent Judgment. ERC shall provide the Attorney General, within thirty days of any request, copies of documentation demonstrating how such funds have been spent.

- 4.5 \$9,765.00 shall be distributed to William F. Wraith as reimbursement of ERC's attorney's fees, while \$22,533.15 shall be distributed to ERC for its in-house legal fees. Except as explicitly provided herein, each Party shall bear its own fees and costs.
 - 4.6 In the event that SAGA SCIENCES fails to remit any of the payments set forth

in Section 4.1 on or before their respective Due Dates, SAGA SCIENCES shall be deemed to be in material breach of its obligations under this Consent Judgment. ERC shall provide written notice of the delinquency to SAGA SCIENCES via electronic mail. If SAGA SCIENCES fails to deliver the delinquent payment within five (5) days from the written notice, the Total Settlement Amount shall be immediately due and owing and shall accrue interest at the statutory judgment interest rate provided in the California Code of Civil Procedure section 685.010. Additionally, SAGA SCIENCES agrees to pay ERC's reasonable attorney's fees and costs for any efforts to collect the payment due under this Consent Judgment.

5. MODIFICATION OF CONSENT JUDGMENT

- 5.1 This Consent Judgment may be modified only as to injunctive terms (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.
- then SAGA SCIENCES 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 SAGA SCIENCES within thirty (30) days of receiving the Notice of Intent. If ERC notifies SAGA SCIENCES 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 SAGA SCIENCES 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 SAGA SCIENCES 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, SAGA SCIENCES 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.

5.4 Where the meet-and-confer process does not lead to a joint motion or application in support of a modification of the Consent Judgment, then either Party may seek judicial relief on its own.

6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT JUDGMENT

This Court shall retain jurisdiction of this matter to enforce, modify, or terminate 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, franchisees, licensees, customers (excluding private labelers), distributors, wholesalers, retailers, predecessors, successors, and assigns. This Consent Judgment shall have no application to any Covered Product which is distributed or sold exclusively outside the State of California and which is not used by California consumers.

8. BINDING EFFECT, CLAIMS COVERED AND RELEASED

8.1 This Consent Judgment is a full, final, and binding resolution between ERC, on behalf of itself and in the public interest, and SAGA SCIENCES and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, suppliers, franchisees, licensees, customers (not including private label customers of SAGA SCIENCES), distributors, wholesalers, retailers, and all other upstream and downstream entities in the distribution chain of any Covered Product, and the predecessors, successors, and assigns of any of them (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.

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section 1542.

- 8.2 ERC on its own behalf only, and SAGA SCIENCES on its own behalf only, further waive and release any and all claims they may have against each other for all actions or statements made or undertaken in the course of seeking or opposing enforcement of Proposition 65 in connection with the Notice and Complaint 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 and Complaint, and relating to the Covered Products, will develop or be discovered. ERC on behalf of itself only, and SAGA SCIENCES on behalf of itself only, acknowledge that this Consent Judgment is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefore. ERC and SAGA SCIENCES 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, and SAGA SCIENCES on behalf of itself only, acknowledge and understand the significance and consequences of this specific waiver of California Civil Code
- 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 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 SAGA SCIENCES' products other than the Covered Products.

1	9. SEVERABILITY OF UNENFORCEABLE PROVISIONS	i		
2	In the event that any of the provisions of this Consent Judgment are held by a court to be			
3	unenforceable, the validity of the remaining enforceable provisions shall not be advers	ely affected.		
4	10. GOVERNING LAW	: !		
5	The terms and conditions of this Consent Judgment shall be governed by and c	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 via first-class mail. Courtes	sy copies via		
10	email may also be sent.	: : :		
11	FOR ENVIRONMENTAL RESEARCH CENTER, INC.:			
12	Chris Heptinstall, Executive Director, Environmental Research Center	· •		
13	Tel: (619) 500-3090			
14				
15	WILLIAM F. WRAITH			
16	WRAITH LAW			
17	24422 Avenida de la Carlota, Suite 400 Laguna Hills, CA 92653			
18	Tel: (949) 452-1234 Fax: (949) 452-1102			
19		C AND		
20	FOR SAGA SCIENCES USA INC., SAGA SCIENCES INTERNATIONAL, INC SAGA SCIENCES CANADA INC.	C., AND		
21	Donald Gauvreau 319 Pender Street West, Suite 310			
22	Vancouver BC V6B 1T3			
23	With a copy to:			
24	Daniel S. Silverman Venable LLP			
25	2049 Century Park East, Suite 2300 Los Angeles, CA 90067			
26	Tel: (310) 229-0373 Fax: (310) 229-9901			
27	Email: dssilverman@venable.com			
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STIPULATED CONSENT JUDGMENT

Case No. RG17846734

12. COURT APPROVAL

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

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:

- (1) Find that the terms and provisions of this Consent Judgment represent a fair and equitable settlement of all matters raised by the allegations of the Complaint that the matter has been diligently prosecuted, and that the public interest is served by such settlement; and
- (2) Make the findings pursuant to California Health and Safety Code section 25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.

1.	IT IS SO STIPULATED:		
2			
3	Dated:3/14/, 2017	ENVIRONMENTAL RESEARCH CENTER, INC.	
4		By: Som By South Control of the Cont	
5		Chris Hoptingtall Executive Director	
6	Dated: 3/15 , 2017	SAGA SCIENCES USA INC.	
7			
8		By: Asavva	
9		Its: Alex Savva, Co-CEO	
10	Dated: 3/15 , 2017	SAGA SCIENCES INTERNATIONAL, INC.	
11		By: Asavva	
12		Its: Alex Savva, Co-CEO	
13	Dated:, 2017	SAGA SCIENCES CANADA INC.	
14		By: Asavva	
15		Its: Alex Savva, Co-CEO	
16	,		
17	APPROVED AS TO FORM:		
18	ATTROVED AS TO FORM.		
19			
20	Dated:, 2017	WRAITH LAW	
21		n e e e e e e e e e e e e e e e e e e e	
22		By: William F. Wraith	
23		Attorney for Plaintiff Environmental Research Center, Inc.	
24		Research Center, the.	
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1	IT IS SO STIPULATED:		
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3	Dated:, 2017	ENVIRONMENTAL RESEARCH CENTER, INC.	
4			
5		By: Chris Heptinstall, Executive Director	
6			
	Dated:, 2017	SAGA SCIENCES USA INC.	
7	·	· '	
8		By: <u>Asavva</u> Its: Alex Savva, Co-CEO	
9	2017	SAGA SCIENCES INTERNATIONAL, INC.	
10	Dated: 3/15, 2017	SAUA SCIENCES INTERMEDIA	
11		By: Asawa	
12		Its: Alex Savva, Co-CEO	
13	Dated: 3/15 , 2017	SAGA SCIENCES CANADA INC.	
14	Duted.		
15		By: Asavva Its: Alex Savva, Co-CEO	
16			
17			
18	APPROVED AS TO FORM:		
19	Dated: March 14, 2017	WRAITH LAW	
20	Baica. 20/A/CM-/	11.4 11.	
21		By: Melei Flikaise	
22		William F. Wraith Attorney for Plaintiff Environmental	
23		Research Center, Inc.	
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	STIPU	LATED CONSENT JUDGMENT Case No. RG17846734	

-	20/11
1	Dated: VENABLE LLP
2	Jown May
3	Daniel S. Silverman
4	Attorney for Defendants SAGA Sciences USA Inc., SAGA Sciences International
5	Inc., and SAGA Sciences Canada Inc.
6	
7	ORDER AND JUDGMENT
8	Based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is
9	approved and Judgment is hereby entered according to its terms.
10	IT IS SO ORDERED, ADJUDGED AND DECREED.
11	1-5
12	Dated: 5 73, 2017
13	Judge of the Superior Court
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WRAITH LAW

24422 AVENIDA DE LA CARLOTA SUITE 400 LAGUNA HILLS, CA 92653 Tel (949) 452-1234 Fax (949) 452-1102

August 30, 2016

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

ERC has identified violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), which is codified at California Health & Safety Code §25249.5 et seq., with respect to the products identified below. These violations have occurred and continue to occur because the alleged 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 attached 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 the "Violators") are:

SAGA Sciences USA Inc. SAGA Sciences International Inc. SAGA Sciences Canada Inc.

<u>Consumer Products and Listed Chemical</u>. The products that are the subject of this notice and the chemical in those products identified as exceeding allowable levels are:

1. SAGA Sciences USA Inc. Pharmafreak Vegan Freak Vf Natural Chocolate Flavor - Lead

- 2. SAGA Sciences USA Inc. Pharmafreak Vegan Freak Vf Natural Vanilla Flavor Lead
- 3. SAGA Sciences USA Inc. Pharmafreak Vita Freak Vf Packs Lead
- 4. SAGA Sciences USA Inc. Pharmafreak Greens Freak gf Sweet Apple Lead
- 5. SAGA Sciences USA Inc. Pharmafreak Amino Freak af Blue Raspberry Lead
- 6. PharmaFreak Sciences Inc. Super Freak sf Fruit Punch Lead
- 7. SAGA Sciences USA Inc. Pharmafreak Greens Freak gf Vanilla Chai (52 G)

 Lead
- 8. SAGA Sciences USA Inc. Pharmafreak Anabolic Freak af 28 Capsules Lead
- 9. SAGA Sciences USA Inc. SD Pharmaceuticals Citrulline Malate 2000 (330 G)

 Lead
- 10. LBRX Sciences Inc. SD Pharmaceuticals BCAA Pineapple Flavor (170 G)
 Lead
- 11. LBRX Sciences Inc. SD Pharmaceuticals Garcinia Cambogia 500 Lead
- 12. SAGA Sciences USA Inc. SD Pharmaceuticals Shilajit 250 Lead
- 13. SAGA Sciences USA Inc. SD Pharmaceuticals Cissus 800 Lead
- 14. PharmaFreak Sciences Inc. Flex Freak Ff Packs Lead
- 15. SAGA Sciences USA Inc. PharmaFreak Protein Freak pf Chocolate Flavor Lead
- 16. SAGA Sciences USA Inc. Amino Freak af 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 this chemical 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 August 30, 2013, 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 this known toxic chemical is 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 chemical. 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 this chemical.

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 chemical, or provide appropriate warnings on the labels of these products; (2) pay an appropriate civil penalty; and (3) provide clear and reasonable warnings compliant with Proposition 65 to all persons located in California who purchased the above products in the last three years. Such a resolution will prevent further unwarned consumer exposures to the identified chemical, 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 Violations to my attention at the law office address and telephone number indicated on the letterhead.

Sincerely,

William F. Wraith

Attachments

Certificate of Merit
Certificate of Service
OEHHA Summary (to SAGA Sciences USA Inc., SAGA Sciences International Inc., and SAGA Sciences Canada Inc.)
Additional Supporting Information for Certificate of Merit (to AG only)

CERTIFICATE OF MERIT

Re: Environmental Research Center, Inc.'s Notice of Proposition 65 Violations by SAGA Sciences USA Inc., SAGA Sciences International Inc., and SAGA Sciences Canada Inc.

I, William F. Wraith, 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 an attorney for the noticing party.
- 3. I have consulted with one or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the notice.
- 4. Based on the information obtained through those consultants, and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and that the information did not prove that the alleged Violators 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: August 30, 2016

William F Wraith

William Flelaith

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 August 30, 2016, 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 at a U.S. Postal Service Office with the postage fully prepaid for delivery by Certified Mail:

Current President or CEO SAGA Sciences USA Inc. 310-319 West Pender Street Vancouver BC V6B 1T3 Canada

Current President or CEO SAGA Sciences International Inc. 310-319 West Pender Street Vancouver BC V6B 1T3 Canada

Current President or CEO SAGA Sciences Canada Inc. 310-319 West Pender Street Vancouver BC V6B 1T3 Canada

Current President or CEO SAGA Sciences USA Inc. 2900-500 Burrard Street Vancouver BC V6C 0A3 Canada

Current President or CEO SAGA Sciences International Inc. 2900-500 Burrard Street Vancouver BC V6C 0A3 Canada

Current President or CEO SAGA Sciences Canada Inc. 2900-500 Burrard Street Vancouver BC V6C 0A3 Canada

Current President or CEO SAGA Sciences USA Inc. Suite 750 Office #3 700 West Pender Street Vancouver BC V6C 1G8 Canada Current President or CEO SAGA Sciences International Inc. Suite 750 Office #3 700 West Pender Street Vancouver BC V6C 1G8 Canada

Current President or CEO SAGA Sciences Canada Inc. Suite 750 Office #3 700 West Pender Street Vancouver BC V6C 1G8 Canada

Current President or CEO SAGA Sciences USA Inc. 1500-701 West Georgia Street Vancouver BC V7Y 1C6 Canada

Current President or CEO SAGA Sciences International Inc. 1500-701 West Georgia Street Vancouver BC V7Y 1C6 Canada

Current President or CEO SAGA Sciences Canada Inc. 1500-701 West Georgia Street Vancouver BC V7Y 1C6 Canada

Current President or CEO SAGA Sciences USA Inc. 1 Yonge Street Unit 1801 Toronto ON M5E 1W7 Canada

Current President or CEO SAGA Sciences International Inc. 1 Yonge Street Unit 1801 Toronto ON M5E 1W7 Canada

Current President or CEO SAGA Sciences Canada Inc. 1 Yonge Street Unit 1801 Toronto ON M5E 1W7

Canada

Current President or CEO SAGA Sciences USA Inc.

510 West Hastings Street Suite 922 D

9th Floor

Vancouver BC V6B 1L8

Canada

Current President or CEO SAGA Sciences International Inc. 510 West Hastings Street Suite 922 D 9th Floor

Vancouver BC V6B 1L8

Canada

Current President or CEO SAGA Sciences Canada Inc.

510 West Hastings Street Suite 922 D

9th Floor

Vancouver BC V6B 1L8

Canada

On August 30, 2016, I verified the following documents NOTICE OF VIOLATIONS, 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) were served on the following party when a true and correct copy thereof was uploaded 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 August 30, 2016, 1 verified the following documents **NOTICE OF VIOLATIONS**, **CALIFORNIA HEALTH & SAFETY CODE §25249.5** *ET SEQ.*; **CERTIFICATE OF MERIT** were served on the following parties when a true and correct copy thereof was sent via electronic mail to the party listed below:

Stacey Grassini, Deputy District Attorney Contra Costa County 900 Ward Street Martinez, CA 94553 sgrassini@contracostada.org

Michelle Latimer, Program Coordinator Lassen County 220 S. Lassen Street Susanville, CA 96130 mlatimer@co.lassen.ca.us

Dije Ndreu, Deputy District Attorney Monterey County 1200 Aguajito Road Monterey, CA 93940 Prop65DA@co.monterey.ca.us

Gary Lieberstein, District Attorney Napa County 931 Parkway Mall Napa, CA 94559 CEPD@countyofnapa.org Paul E. Zellerbach, District Attorney Riverside County 3072 Orange Street Riverside, CA 92501 Prop65@rivcoda.org

Anne Marie Schubert, District Attorney Sacramento County 901 G Street Sacramento, CA 95814 Prop65@sacda.org

Gregory Alker, Assistant District Attorney San Francisco County 732 Brannan Street San Francisco, CA 94103 gregory.alker@sfgov.org

Tori Verber Salazar, District Attorney San Joaquin County 222 E. Weber Avenue, Room 202 Stockton, CA 95202 DAConsumer.Environmental@sjcda.org

Eric J. Dobroth, Deputy District Attorney San Luis Obispo County County Government Center Annex, 4th Floor San Luis Obispo, CA 93408 edobroth@co.slo.ca.us

Yen Dang, Supervising Deputy District Attorney Santa Clara County 70 W Hedding St San Jose, CA 95110 EPU@da.sccgov.org

Stephan R. Passalacqua, District Attorney Sonoma County 600 Administration Dr Sonoma, CA 95403 jbarnes@sonoma-county.org Phillip J. Cline, District Attorney Tulare County 221 S Mooney Blvd Visalia, CA 95370 Prop65@co.tulare.ca.us

Gregory D. Totten, District Attorney Ventura County 800 S Victoria Ave Ventura, CA 93009 daspecialops@ventura.org

Jeff W. Reisig, District Attorney Yolo County 301 Second Street Woodland, CA 95695 cfepd@yolocounty.org

On August 30, 2016, I served the following documents: NOTICE OF VIOLATIONS, 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 Priority Mail.

Executed on August 30, 2016, in Fort Oglethorpe, Georgia.

Phyllis Dunwoody

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

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

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

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

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

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

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

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

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

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

District Attorney, Humboldt County 825 5th Street 4th Floor Eureka, CA 95501

District Attorney, Imperial County 940 West Main Street, Ste 102 El Centro, CA 92243

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

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

District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230 District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453

District Attorney, Los Angeles County 210 West Temple Street, Suite 18000 Los Angeles, CA 90012

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

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

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

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

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

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

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

District Attorney, Nevada County 201 Commercial Street Nevada City, CA 95959

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

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

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

District Attorney, San Benito County 419 Fourth Street, 2nd Floor Hollister, CA 95023

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

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

District Attorney, Santa Barbara County 1112 Santa Barbara Street Santa Barbara, CA 93101

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

District Attorney, Shasta County 1355 West Street Redding, CA 96001

District Attorney, Sierra County PO Box 457 Downieville, CA 95936

District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097

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

District Attorney, Stanislaus County 832 12th Street, Ste 300 Modesto, CA 95354

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

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

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

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

District Attorney, Yuba County 215 Fifth Street, Suite 152 Marysville, CA 95901

Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Suite 800 Los Angeles, CA 90012 San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101

San Francisco, City Attorney City Hall, Room 234 1 Dr Carlton B Goodlett PL San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street, 16th Floor San Jose, CA 95113