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FILED ALAMEDA COUNTY

JUN 0 5 2020

CLERK OF THE SUPERIOR COURT

By Deputy

## SUPERIOR COURT FOR THE STATE OF CALIFORNIA

# FOR THE COUNTY OF ALAMEDA

CENTER FOR ENVIRONMENTAL HEALTH,

Plaintiff,

v.

TOTAL SWEETENERS, INC., et al.,

Defendants.

Case No. RG 19-001951

[RROPOSED] CONSENT JUDGMENT AS TO BARKMAN HONEY, LLC

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#### 1. INTRODUCTION

- 1.1 The Parties to this Consent Judgment are the Center For Environmental Health, a California non-profit corporation ("CEH"), and Barkman Honey, LLC, a Delaware limited liability company ("Settling Defendant"). CEH and Settling Defendant (the "Parties") enter into this Consent Judgment to settle certain claims asserted by CEH against Settling Defendant as set forth in the operative complaint ("Complaint") in the above-captioned matter. This Consent Judgment covers the lead and acrylamide content of molasses that is sold by Settling Defendant as a finished product and then offered for sale to residents of the State of California ("Covered Products").
- 1.2 On September 6, 2017, CEH provided a 60-day Notice of Violation of Proposition 65 to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000 and to Settling Defendant, alleging that Settling Defendant violated Proposition 65 by exposing persons to acrylamide contained in molasses without first providing a clear and reasonable Proposition 65 warning.
- 1.3 On September 7, 2018, CEH provided a 60-day Notice of Violation of Proposition 65 to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000 and to Settling Defendant, alleging that Settling Defendant violated Proposition 65 by exposing persons to lead and lead compounds ("Lead") contained in molasses without first providing a clear and reasonable Proposition 65 warning.
- 1.4 Settling Defendant is a limited liability company that manufactures, distributes, sells or offers for sale Covered Products that are sold in the State of California or has done so in the past.
- 1.5 On January 9, 2019, CEH filed the Complaint in the above-captioned matter which named Settling Defendant as a defendant in the action alleging violations of Proposition 65 related to unwarned exposures to Lead from molasses. Upon entry of this Consent Judgment, the

Complaint shall be deemed amended *nunc pro tunc* to assert additional claims under Proposition 65 for alleged exposures to acrylamide as to Covered Products sold by Settling Defendant.

- 1.6 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Settling Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Alameda and that this Court has jurisdiction to enter and enforce this Consent Judgment as a full and final resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein with respect to Covered Products distributed or sold by Settling Defendant.
- 1.7 Nothing in this Consent Judgment is or shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law or violation of law. Nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument or defense the Parties may have in any other pending or future legal proceedings. This Consent Judgment is the product of negotiation and compromise and is accepted by the Parties solely for purposes of settling, compromising and resolving issues disputed in this Action.

#### 2. **DEFINITIONS**

- 2.1 The "Effective Date" is the date of entry of this Consent Judgment.
- 2.2 The "Lead Level" shall mean a concentration level of no more than 35 parts per billion ("ppb") Lead by weight.
- 2.3 The "Acrylamide Level" shall mean a concentration level of no more than 325 parts per billion ("ppb") acrylamide by weight.

#### 3. INJUNCTIVE RELIEF

- 3.1 **Clear and Reasonable Warnings for Covered Products**. As of ninety (90) days after the Effective Date, no Covered Product that:
  - contains acrylamide in a concentration exceeding the Acrylamide Level; or

under customary conditions of purchase and use. The warning language shall appear on the container's label, set off from other surrounding information or enclosed in a box. If the product's label contains other warnings or nutritional information in a language other than English, the warning language set forth in Section 3.2 must also be displayed on the label in that language in addition to English.

3.4 **Internet Sales**. With respect to internet sales of Covered Products, the warning language set forth in Section 3.2 must be prominently displayed in such a manner that it is likely to be read and understood as being applicable to the Covered Product being sold prior to the authorization of or actual payment by the purchaser. For purposes of this Section 3.4, the warning language is not prominently displayed if the customer must search for the warning language in the general content of Settling Defendant's website or if a reasonable consumer cannot determine the specific Covered Product to which the warning applies. If the product display page contains other warnings or nutritional information in a language other than English, the warning language set forth in Section 3.2 must also be displayed in that language in addition to English.

#### 4. ENFORCEMENT

4.1 **Enforcement Procedures.** This Court shall have exclusive jurisdiction over all matters regarding enforcement of the Consent Judgment. Prior to bringing any motion or order to show cause to enforce the terms of this Consent Judgment, a Party seeking to enforce shall provide the violating party thirty (30) days advanced written notice of the alleged violation. The Parties shall meet and confer during such thirty (30) day period in an effort to try to reach agreement on an appropriate cure for the alleged violation. After such thirty (30) day period, the Party seeking to enforce may, by new action, motion or order to show cause before the Superior Court of Alameda, seek to enforce Proposition 65 or the terms and conditions contained in this Consent Judgment.

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# 5. PAYMENTS 5.1 Payme

- 5.1 **Payments by Settling Defendant.** On or before ten (10) days after the Effective Date, Settling Defendant shall pay the total sum of \$95,000 as a settlement payment as further set forth in this Section.
- 5.2 **Allocation of Payments.** The total settlement amount for Settling Defendant shall be paid in four (4) separate checks in the amounts specified below and delivered as set forth below. Any failure by Settling Defendant to comply with the payment terms herein shall be subject to a stipulated late fee to be paid by Settling Defendant in the amount of \$100 for each day the full payment is not received after the applicable payment due date set forth in Section 5.1. The late fees required under this Section shall be recoverable, together with reasonable attorneys' fees, in an enforcement proceeding brought pursuant to Section 4 of this Consent Judgment. The funds paid by Settling Defendant shall be allocated as set forth below between the following categories and made payable as follows:
- 5.2.1 A civil penalty of \$16,036 pursuant to Health & Safety Code \$25249.7(b). The civil penalty payment shall be apportioned in accordance with Health & Safety Code \$25249.12 (25% to CEH and 75% to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of the civil penalty payment for \$12,027 shall be made payable to OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be delivered as follows:

For United States Postal Service Delivery:

Attn: Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment P.O. Box 4010, MS #19B Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Attn: Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street, MS #19B
Sacramento, CA 95814

The CEH portion of the civil penalty payment for 4,009 shall be made

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payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. This payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

- 5.2.2 An Additional Settlement Payment ("ASP") of \$12,014 to CEH pursuant to Health & Safety Code §25249.7(b), and California Code of Regulations, Title 11, §3204. CEH intends to place these funds in CEH's Toxics in Food Fund and used to support CEH programs and activities that seek to educate the public about toxic chemicals in food, to work with the food industry and agriculture interests to reduce exposure to toxic chemicals in food and to thereby reduce the public health impacts and risks of exposure to acrylamide, Lead and other toxic chemicals in food sold in California. CEH shall obtain and maintain adequate records to document that ASPs are spent on these activities and CEH agrees to provide such documentation to the Attorney General within thirty (30) days of any request from the Attorney General. The payment pursuant to this Section shall be made payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. This payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.
- 5.2.3 A payment of \$66,950 as a reimbursement of a portion of CEH's reasonable attorneys' fees and costs (including but not limited to expert and investigative costs). The attorneys' fees and cost reimbursement shall be made by check payable to the Lexington Law Group and associated with taxpayer identification number 94-3317175. This payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.
- 5.2.1 To summarize, Settling Defendant shall deliver four (4) checks made out to the payees in the amounts set forth below:

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Payee	Type	Amount	Deliver To
ОЕННА	Penalty	\$12,027	OEHHA per Section 5.2.1
Center For Environmental Health	Penalty	\$4,009	LLG
Center For Environmental Health	ASP	\$12.014	LLG
Lexington Law Group	Fee and Cost	\$66,950	LLG

5.3 Failure to Comply With Payment Obligations. Notwithstanding the provisions of the Enforcement of Judgments Law and Code of Civil Procedure §708.160, in the event that Settling Defendant does not comply fully with its payment obligations under Section 5, in addition to any other enforcement mechanism available to CEH, CEH may obtain an order requiring Settling Defendant to submit to a Debtors Exam. In the event that Settling Defendant fails to submit to any such Debtors Exam ordered by the Court, CEH may seek an order holding Settling Defendant in contempt of Court.

#### MODIFICATION AND DISPUTE RESOLUTION 6.

- 6.1 **Modification.** This Consent Judgment may be modified from time to time by express written agreement of the Parties, with the approval of the Court, or by an order of this Court upon motion and in accordance with law.
- 6.2 Notice; Meet and Confer. Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with all affected Parties prior to filing a motion to modify the Consent Judgment.

#### 7. CLAIMS COVERED AND RELEASE

7.1 Provided that Settling Defendant complies in full with its obligations under Section 5, this Consent Judgment is a full, final and binding resolution between CEH on behalf of itself and the public interest and Settling Defendant and its parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, agents, shareholders, successors, assigns, and attorneys ("Defendant Releasees"), and all entities to which Settling Defendant distributes or sells Covered Products, such as distributors, wholesalers, customers, retailers, franchisees, licensors and licensees ("Downstream Defendant Releasees"), of any

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Kevin T. Haroff Marten Law LLP 555 Montgomery St., #820 San Francisco, CA 94111 kharoff@martenlaw.com

Any Party may modify the person and/or address to whom the notice is to be sent by sending the other Party notice by first class and electronic mail.

### 9. COURT APPROVAL

- 9.1 This Consent Judgment shall become effective upon the date signed by CEH and Settling Defendant, whichever is later, provided however, that CEH shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendant shall support approval of such Motion.
- 9.2 If this Consent Judgment is not entered by the Court, it shall be of no further force or effect and shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

#### 10. GOVERNING LAW AND CONSTRUCTION

10.1 The terms of this Consent Judgment shall be governed by the laws of the State of California.

#### 11. ATTORNEYS' FEES

- 11.1 A Party who unsuccessfully brings or contests an action arising out of this Consent Judgment shall be required to pay the prevailing Party's reasonable attorneys' fees and costs unless the unsuccessful Party has acted with substantial justification. For purposes of this Consent Judgment, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure §§2016.010, *et seq*.
- 11.2 Notwithstanding Section 11.1, a Party who prevails in a contested enforcement action brought pursuant to Section 4 may seek an award of attorneys' fees pursuant to Code of Civil Procedure §1021.5 against a Party that acted with substantial justification.
- 11.3 Nothing in this Section 11 shall preclude a party from seeking an award of sanctions pursuant to law.

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# 12. ENTIRE AGREEMENT

12.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto only to the extent that they are expressly incorporated herein. No supplementation, modification, waiver or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

#### 13. SUCCESSORS AND ASSIGNS

13.1 This Consent Judgment shall apply to and be binding upon CEH and Settling Defendant, and their respective divisions, subdivisions and subsidiaries, and the successors or assigns of any of them.

### 14. RETENTION OF JURISDICTION

14.1 This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment.

#### 15. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT

15.1 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 and to enter into and execute the Consent Judgment on behalf of the Party represented and legally to bind that Party.

## 16. NO EFFECT ON OTHER SETTLEMENTS

16.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim against an entity that is not Settling Defendant on terms that are different than those contained in this Consent Judgment.

# 17. EXECUTION IN COUNTERPARTS

17.1 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document.

IT IS SO ORDERED, ADJUDGED, AND DECREED

Dated:  $\left(\frac{1}{2}\right)^{2}$ 

Judge of the Saperior Court

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8		Michael Green
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