



22282257

Charles W. Poss (SBN 325366)
Environmental Research Center, Inc.
3111 Camino Del Rio North, Suite 400
San Diego, CA 92108
Ph: (619) 500-3090
Fax: (706) 858-0326

Attorney for Plaintiff Environmental Research Center, Inc.

Deepi Miller (SBN 272497)
Greenberg Traurig LLP
1201 K St, Ste 1100
Sacramento, CA 95814
Ph: (916) 868-0608
Email: millerde@gtlaw.com

Attorney for Defendant Hyper Network Solutions of Florida LLC,
individually and dba Healthy Delights and/or Healthy Natural Solutions

FILED
ALAMEDA COUNTY

SEP 17 2020

CLERK OF THE SUPERIOR COURT
By Deputy Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

**ENVIRONMENTAL RESEARCH
CENTER, INC., a California non-profit
corporation**

Plaintiff,

vs.

**HYPER NETWORK SOLUTIONS of
FLORIDA LLC, individually and dba
HEALTHY DELIGHTS and/or HEALTHY
NATURAL SOLUTIONS and DOES 1-100**

Defendants.

CASE NO. RG19035154

**STIPULATED CONSENT
JUDGMENT**

Health & Safety Code § 25249.5 *et seq.*

Action Filed: September 16, 2019

Trial Date: None set

1. INTRODUCTION

1.1 On September 16, 2019, 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 and Declaratory Relief and Civil Penalties (the

1 “Complaint”) pursuant to the provisions of California Health and Safety Code section 25249.5
2 *et seq.* (“Proposition 65”), against Hyper Network Solutions of Florida LLC, individually and
3 dba Healthy Delights and/or Healthy Natural Solutions (“HNS”) and Does 1-100. In this
4 action, ERC alleges that a number of products manufactured, distributed, or sold by HNS
5 contain lead, a chemical listed under Proposition 65 as a carcinogen and reproductive toxin,
6 and expose consumers to this chemical at a level requiring a Proposition 65 warning. These
7 products (referred to hereinafter individually as a “Covered Product” or collectively as
8 “Covered Products”) are: (1) Healthy Delights Naturals Vitamin C Orange Crème Bites, (2)
9 Healthy Delights Concentrated Greens Liquid Blueberry Burst, (3) Healthy Delights Naturals
10 Power Beets Soft Chews Circulation Superfood Super Concentrated Amazingly Delicious
11 Strawberry Burst, (4) Healthy Delights Naturals Clean Protein +Probiotics Delicious Chocolate
12 Milkshake, (5) Healthy Delights Naturals Plant Protein +Probiotics Delicious Belgian
13 Chocolate, (6) Healthy Delights Naturals Organic Greens +Prebiotics To Go Delicious Wild
14 Berry Flavor, and (7) Healthy Delights Naturals Power Beets To Go Circulation Superfood
15 Delicious Triple Berry Flavor.

16 1.2 ERC and HNS are hereinafter referred to individually as a “Party” or
17 collectively as the “Parties.”

18 1.3 ERC is a 501 (c)(3) California non-profit corporation dedicated to, among other
19 causes, helping safeguard the public from health hazards by reducing the use and misuse of
20 hazardous and toxic chemicals, facilitating a safe environment for consumers and employees,
21 and encouraging corporate responsibility.

22 1.4 For purposes of this Consent Judgment, the Parties agree that each defendant is a
23 business entity each of which has employed ten or more persons at all times relevant to this
24 action, and qualifies as a “person in the course of doing business” within the meaning of
25 Proposition 65. HNS manufactures, distributes, and/or sells the Covered Products.

26 1.5 The Complaint is based on allegations contained in ERC’s Notice of Violation
27 dated April 9, 2019 that was served on the California Attorney General, other public enforcers,
28 and HNS (“Notice”). A true and correct copy of the 60-Day Notice dated April 9, 2019 is

1 attached hereto as **Exhibit A** and incorporated herein by reference. More than 60 days have
2 passed since the Notice was served on the Attorney General, public enforcers, and HNS and no
3 designated governmental entity has filed a Complaint against HNS with regard to the Covered
4 Products or the alleged violations.

5 **1.6** ERC's Notice and Complaint allege that use of the Covered Products exposes
6 persons in California to lead without first providing clear and reasonable warnings in violation
7 of California Health and Safety Code section 25249.6. HNS denies all material allegations
8 contained in the Notice and Complaint.

9 **1.7** The Parties have entered into this Consent Judgment in order to settle,
10 compromise, and resolve disputed claims and thus avoid prolonged and costly litigation.
11 Nothing in this Consent Judgment nor compliance with this Consent Judgment shall constitute
12 or be construed as an admission by any of the Parties or by any of their respective officers,
13 directors, shareholders, employees, agents, parent companies, subsidiaries, divisions,
14 franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact,
15 issue of law, or violation of law.

16 **1.8** Except as expressly set forth herein, nothing in this Consent Judgment shall
17 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in
18 any current or future legal proceeding unrelated to these proceedings.

19 **1.9** The Effective Date of this Consent Judgment is the date on which it is entered
20 as a Judgment by this Court.

21 **2. JURISDICTION AND VENUE**

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

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

2 **3.1** Beginning on the Effective Date, HNS shall be permanently enjoined from
3 manufacturing for sale in the State of California, "Distributing into the State of California," or
4 directly selling in the State of California, any Covered Products that do not comply with the
5 requirements of this Section 3.

6 **3.1.1** As used in this Consent Judgment, the term "Distributing into the State
7 of California" shall mean to directly ship a Covered Product into California for sale in
8 California or to sell a Covered Product to a distributor that HNS knows or has reason to know
9 will sell the Covered Product in California.

10 **3.1.2** So long as HNS can provide documentation, if requested in writing by
11 ERC, Covered Products manufactured, shipped, sold or Distributed into the State of California
12 by HNS prior to the Effective Date are not bound by the Injunctive Terms set forth in this
13 Section 3, including but not limited to the Daily Lead Exposure Level and Warning and
14 Testing requirements, and are instead permitted to be sold as is to California consumers and are
15 expressly released by Section 8.

16 **3.1.3** For purposes of this Consent Judgment, the "Daily Lead Exposure
17 Level" shall be measured in micrograms, and shall be calculated using the following formula:
18 micrograms of lead per gram of product, multiplied by grams of product per serving of the
19 product (using the largest serving size appearing on the product label), multiplied by servings
20 of the product per day (using the largest number of recommended daily servings appearing on
21 the label), and excluding, pursuant to Section 3.1.4, any naturally occurring levels of lead as set
22 forth in **Table 1** below (the "Naturally Occurring Lead Allowance"), which equals micrograms
23 of lead exposure per day. If the label contains no recommended daily servings, then the
24 number of recommended daily servings shall be one.

25 **3.1.4** In calculating the Daily Lead Exposure Level for a Covered Product, HNS
26 shall be allowed to deduct the amount of lead which is deemed "naturally occurring" in any
27 ingredient listed in **Table 1** that is contained in that Covered Product under the following
28 conditions: For each year that HNS claims entitlement to a Naturally Occurring Lead Allowance,

HNS shall provide ERC with the following information: (a) HNS must produce to ERC a list of each ingredient in the Covered Product for which a Naturally Occurring Lead Allowance is claimed; (b) HNS must provide ERC with documentation of laboratory testing that complies with Sections 3.4.3 and 3.4.4 and that shows the amount of lead, if any, contained in any ingredient listed in **Table 1** that is contained in the Covered Product and for which HNS intends to deduct "naturally occurring" lead; (c) If the laboratory testing reveals the presence of lead in any ingredient listed in **Table 1** that is contained in the Covered Product, HNS shall be entitled to deduct up to the full amount of the allowance for that ingredient, as listed in **Table 1**, but not to exceed the total amount of lead actually contained in that ingredient in the Covered Product; and (d) If the Covered Product does not contain an ingredient listed in **Table 1**, HNS shall not be entitled to a deduction for "naturally occurring" lead in the Covered Product for that ingredient. The information required by Sections 3.1.4 (a) and (b) shall be provided to ERC within thirty (30) days of the Effective Date or anniversary thereof for any year that HNS shall claim entitlement to the Naturally Occurring Lead Allowance.

TABLE 1

INGREDIENT	NATURALLY OCCURRING AMOUNT OF LEAD
Calcium (elemental)	Up to 0.8 mcg lead per gram of elemental calcium
Ferrous Fumarate	Up to 0.4 mcg lead per gram of ferrous fumarate
Zinc Oxide	Up to 8.0 mcg lead per gram of zinc oxide
Magnesium Oxide	Up to 0.4 mcg lead per gram of magnesium oxide
Magnesium Carbonate	Up to 0.332 mcg lead per gram of magnesium carbonate
Zinc Gluconate	Up to 0.8 mcg lead per gram of zinc gluconate
Potassium Chloride	Up to 1.1 mcg lead per gram of potassium chloride
Cocoa Powder	Up to 1.0 mcg lead per gram of Cocoa Powder

3.2 Clear and Reasonable Warnings

If HNS is required to provide a warning pursuant to Section 3.1, the following warning must be utilized ("Warning"):

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.

1 HNS shall use the phrase “cancer and” in the Warning if HNS has reason to believe that
2 the “Daily Lead Exposure Level” is greater than 15 micrograms of lead as determined pursuant to
3 the quality control methodology set forth in Section 3.4 or if HNS has reason to believe that
4 another Proposition 65 chemical is present which may require a cancer warning.

5 The Warning shall be securely affixed to or printed upon the container or label of each
6 Covered Product or, in brick and mortar locations only, provided by a posted sign, shelf tag, or
7 shelf sign at each point of display of the Covered Product. If the Warning is provided on the
8 label, it must be set off from other surrounding information and enclosed in a box. In addition,
9 for any Covered Product sold direct to consumers by HNS over the internet, the Warning shall
10 appear on the primary display page or the checkout page when a California delivery address is
11 inserted or provided as the delivery address for any purchase of a Covered Product. If the
12 Warning is provided on the checkout page it must be clearly linked to the Covered Product by
13 use of an asterisk or other identifying method. If the Warning is provided on the Covered
14 Product’s primary display page, and the product at issue cannot be added to a cart without first
15 entering a zip code, the Warning may populate upon entry of a California zip code; otherwise,
16 the Warning must be inserted either directly into the Covered Product’s primary display page
17 or with a conspicuous hyperlink stating “WARNING” in all capital and bold letters so long as
18 the hyperlink goes directly to a page prominently displaying the Warning without content that
19 detracts from the Warning. Given HNS’s lack of control over third-party websites, the online
20 warning requirements expressed in this Section apply only to Covered Products sold through
21 HNS’s website.

22 The Warning shall be at least the same size as the largest of any other health or safety
23 warnings also appearing on the website or on the label or container of HNS’s product packaging
24 and the word “WARNING” shall be in all capital letters and in bold print. No statements intended
25 to or likely to have the effect of diminishing the impact of the Warning on the average lay person
26 shall accompany the Warning. Further, no statements may accompany the Warning that state or
27 imply that the source of the listed chemical has an impact on or results in a less harmful effect of
28 the listed chemical.

HNS must display the above Warning with such conspicuousness, as compared with other words, statements or designs on the label or container, or on its website, if 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.

3.3 Conforming Covered Products

A Conforming Covered Product is a Covered Product for which the "Daily Lead Exposure Level" is no greater than 0.5 micrograms of lead per day as determined in Sections 3.4 and 3.5.

3.4 Testing and Quality Control Methodology

3.4.1 Beginning within one year of the Effective Date, HNS shall arrange for lead testing of the Covered Products at least once a year for a minimum of three consecutive years by arranging for testing of three randomly selected samples of each of the Covered Products, in the form intended for sale to the end-user, which HNS intends to sell or is manufacturing for sale in California, directly selling to a consumer in California or "Distributing into the State of California." If tests conducted pursuant to this Section demonstrate that no Warning is required for a Covered Product during each of three consecutive years, then the testing requirements of this Section will no longer be required as to that Covered Product. However, if during or after the three-year testing period, HNS changes ingredient suppliers for any of the Covered Products and/or reformulates any of the Covered Products, HNS shall test that Covered Product annually for at least three (3) consecutive years after such change is made.

3.4.2 For purposes of measuring the "Daily Lead Exposure Level," the average lead detection result of the three (3) randomly selected samples of the Covered Products will be controlling.

3.4.3 All testing pursuant to this Consent Judgment shall be performed using a laboratory method that complies with the performance and quality control factors appropriate for the method used, including limit of detection, qualification, accuracy, and precision that meets the following criteria: Inductively Coupled Plasma-Mass Spectrometry ("ICP-MS") achieving a limit of quantification of less than or equal to 0.010 mg/kg.

1 **3.4.4** All testing pursuant to this Consent Judgment shall be performed by an
2 independent third party laboratory certified by the California Environmental Laboratory
3 Accreditation Program or an independent third-party laboratory that is registered with the
4 United States Food & Drug Administration.

5 **3.4.5** Nothing in this Consent Judgment shall limit HNS's ability to conduct,
6 or require that others conduct, additional testing of the Covered Products, including the raw
7 materials used in their manufacture.

8 **3.4.6** Within thirty (30) days of ERC making a written request, HNS shall
9 deliver lab reports obtained pursuant to Section 3.4 to ERC. HNS shall retain all test results
10 and documentation for a period of three years from the date of each test.

11 **3.5 Warnings on Lead Exposures in Accordance with Proposition 65**

12 Except as otherwise set forth herein, HNS shall provide warnings consistent with Section
13 3 of this Consent Judgment, as required by Proposition 65, taking into account (i) the 0.5
14 microgram Maximum Allowable Dose Level for lead, and (ii) the Naturally Occurring Lead
15 Allowance, for the Covered Products as determined in accordance with this Consent Judgment.

16 **4. SETTLEMENT PAYMENT**

17 **4.1** In full satisfaction of all potential civil penalties, additional settlement
18 payments, attorney's fees, and costs, HNS shall make a total payment of \$45,000.00 ("Total
19 Settlement Amount") to ERC within 5 days of the Effective Date ("Due Date"). HNS shall
20 make this payment by wire transfer to ERC's account, for which ERC will give HNS the
21 necessary account information. The Total Settlement Amount shall be apportioned as follows:

22 **4.2** \$22,148.00 shall be considered a civil penalty pursuant to California Health and
23 Safety Code section 25249.7(b)(1). ERC shall remit 75% (\$16,611.00) of the civil penalty to
24 the Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe
25 Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety
26 Code section 25249.12(c). ERC will retain the remaining 25% (\$5,537.00) of the civil penalty.

27 **4.3** \$2,064.53 shall be distributed to ERC as reimbursement to ERC for reasonable
28 costs incurred in bringing this action.

1 4.4 \$15,111.81 shall be distributed to ERC as an Additional Settlement Payment
2 ("ASP"), pursuant to California Code of Regulations, title 11, sections 3203, subdivision (d)
3 and 3204. ERC will utilize the ASP for activities that address the same public harm as
4 allegedly caused by Defendant in this matter. These activities are detailed
5 below and support ERC's overarching goal of reducing and/or eliminating hazardous and toxic
6 chemicals in dietary supplement products in California. ERC's activities have had, and will
7 continue to have, a direct and primary effect within the State of California because California
8 consumers will be benefitted by the reduction and/or elimination of exposure to lead in dietary
9 supplements and/or by providing clear and reasonable warnings to California consumers prior
10 to ingestion of the products.

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

1 catalogued, sent to a qualified laboratory for testing, and the results shared with the consumer
2 that submitted the product).

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

8 4.5 \$5,675.66 shall be distributed to ERC for its in-house legal fees. Except as
9 explicitly provided herein, each Party shall bear its own fees and costs.

10 4.6 In the event that HNS fails to remit the Total Settlement Amount owed under
11 Section 4 of this Consent Judgment on or before the Due Date, HNS shall be deemed to be in
12 material breach of its obligations under this Consent Judgment. ERC shall provide written
13 notice of the delinquency to HNS via electronic mail. If HNS fails to deliver the Total
14 Settlement Amount within five (5) days from the written notice, the Total Settlement Amount
15 shall accrue interest at the statutory judgment interest rate provided in the California Code of
16 Civil Procedure section 685.010. Additionally, HNS agrees to pay ERC's reasonable attorney's
17 fees and costs for any efforts to collect the payment due under this Consent Judgment.

18 5. MODIFICATION OF CONSENT JUDGMENT

19 5.1 This Consent Judgment may be modified only as to injunctive terms (i) by
20 written stipulation of the Parties and upon entry by the Court of a modified consent judgment
21 or (ii) by motion of either Party pursuant to Section 5.3 and upon entry by the Court of a
22 modified consent judgment.

23 5.2 If HNS seeks to modify this Consent Judgment under Section 5.1, then HNS
24 must provide written notice to ERC of its intent ("Notice of Intent"). If ERC seeks to meet and
25 confer regarding the proposed modification in the Notice of Intent, then ERC must provide
26 written notice to HNS within thirty (30) days of receiving the Notice of Intent. If ERC notifies
27 HNS in a timely manner of ERC's intent to meet and confer, then the Parties shall meet and
28 confer in good faith as required in this Section. The Parties shall meet in person or via

1 telephone within thirty (30) days of ERC's notification of its intent to meet and confer. Within
2 thirty (30) days of such meeting, if ERC disputes the proposed modification, ERC shall
3 provide to HNS a written basis for its position. The Parties shall continue to meet and confer
4 for an additional thirty (30) days in an effort to resolve any remaining disputes. Should it
5 become necessary, the Parties may agree in writing to different deadlines for the meet-and-
6 confer period.

7 **5.3** In the event that HNS initiates or otherwise requests a modification under
8 Section 5.1, and the meet and confer process leads to a joint motion or application for a
9 modification of the Consent Judgment, HNS shall reimburse ERC its costs and reasonable
10 attorney's fees for the time spent in the meet-and-confer process and filing and arguing the
11 motion or application. The reimbursement of costs and reasonable attorneys' fees contemplated
12 under this section 5.3 shall not apply in the event the modification requested by HNS arises
13 from amendments or revisions made by OEHHA to California Code of Regulations, Title 27,
14 Division 4, Article 6 regarding the safe harbor warning regulations that pertain to the Covered
15 Products.

16 **6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT**
17 **JUDGMENT**

18 **6.1** This Court shall retain jurisdiction of this matter to enforce, modify, or
19 terminate this Consent Judgment.

20 **6.2** If ERC alleges that any Covered Product fails to qualify as a Conforming
21 Covered Product (for which ERC alleges that no Warning has been provided), then ERC shall
22 inform HNS within sixty (60) days of receiving its test results, including information sufficient
23 to permit HNS to identify the Covered Products at issue. HNS shall, within thirty (30) days
24 following such notice, provide ERC with testing information, from an independent third-party
25 laboratory meeting the requirements of Section 3.4, demonstrating HNS's compliance with the
26 Consent Judgment. ERC agrees it will not further pursue its notice should HNS provide testing
27 that demonstrates, to ERC's satisfaction (which shall not be unreasonably withheld), HNS's
28 compliance with the Consent Judgment. The Parties shall first attempt to resolve the matter

1 prior to ERC taking any further legal action.

2 **7. APPLICATION OF CONSENT JUDGMENT**

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

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

10 **8.1** This Consent Judgment is a full, final, and binding resolution between ERC,
11 on behalf of itself and in the public interest, and HNS and its respective officers, directors,
12 shareholders, employees, agents, parent companies, subsidiaries, divisions, suppliers,
13 franchisees, licensees, customers (not including private label customers of HNS), distributors,
14 wholesalers, retailers, and all other upstream and downstream entities in the distribution chain
15 of any Covered Product, and the predecessors, successors, and assigns of any of them
16 (collectively, "Released Parties"). ERC, on behalf of itself and in the public interest, hereby
17 fully releases and discharges the Released Parties from any and all claims, actions, causes of
18 action, suits, demands, liabilities, damages, penalties, fees, costs, and expenses asserted, or that
19 could have been asserted from the handling, use, or consumption of the Covered Products, as
20 to any alleged violation of Proposition 65 or its implementing regulations arising from the
21 failure to provide Proposition 65 warnings on the Covered Products manufactured prior to the
22 Effective Date.

23 **8.2** ERC on its own behalf only, and HNS on its own behalf only, further waive
24 and release any and all claims they may have against each other for all actions or statements
25 made or undertaken in the course of seeking or opposing enforcement of Proposition 65 in
26 connection with the Notice and Complaint up through and including the Effective Date,
27 provided, however, that nothing in Section 8 shall affect or limit any Party's right to seek to
28 enforce the terms of this Consent Judgment.

1 **8.3** It is possible that other claims not known to the Parties, arising out of the facts
2 alleged in the Notice and Complaint, and relating to the Covered Products, will develop or be
3 discovered. ERC on behalf of itself only, and HNS on behalf of itself only, acknowledge that
4 this Consent Judgment is expressly intended to cover and include all such claims up through
5 and including the Effective Date, including all related rights of action. ERC and HNS
6 acknowledge that the claims released in Sections 8.1 and 8.2 above may include unknown
7 claims, and nevertheless waive California Civil Code section 1542 as to any such unknown
8 claims. California Civil Code section 1542 reads as follows:

9 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
10 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
11 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE
12 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
13 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED
14 PARTY.

15 ERC on behalf of itself only, and HNS on behalf of itself only, acknowledge and understand
16 the significance and consequences of this specific waiver of California Civil Code section
17 1542.

18 **8.4** Compliance with the terms of this Consent Judgment shall be deemed to
19 constitute compliance with Proposition 65 by any releasee regarding alleged exposures to lead
20 in the Covered Products as set forth in the Notice and Complaint.

21 **8.5** Nothing in this Consent Judgment is intended to apply to any of HNS's
22 products other than the Covered Products.

23 **9. SEVERABILITY OF UNENFORCEABLE PROVISIONS**

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

27 **10. GOVERNING LAW**

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

///

1 **11. PROVISION OF NOTICE**

2 All notices required to be given to either Party to this Consent Judgment by the other shall
3 be in writing and sent to the following agents listed below via first-class mail or via electronic
4 mail where required. Courtesy copies via email may also be sent.

5 **FOR ENVIRONMENTAL RESEARCH CENTER, INC.:**

6 Chris Heptinstall, Executive Director, Environmental Research Center
7 3111 Camino Del Rio North, Suite 400
8 San Diego, CA 92108
9 Ph: (619) 500-3090
Email: chris.heptinstall@erc501c3.org

10 With a copy to:

11 Charles W. Poss
12 Environmental Research Center, Inc.
13 3111 Camino Del Rio North, Suite 400
14 San Diego, CA 92108
Ph: (619) 500-3090
Email: charles.poss@erc501c3.org

15 **FOR HYPER NETWORK SOLUTIONS of FLORIDA LLC,**
16 **individually and dba HEALTHY DELIGHTS and/or**
17 **HEALTHY NATURAL SOLUTIONS:**

18 Deepi Miller
19 Greenberg Traurig LLP
20 1201 K St, Ste 1100
21 Sacramento, CA 95814
Ph: (916) 868-0608
Email: millerde@gtlaw.com

22 **12. COURT APPROVAL**

23 **12.1** Upon execution of this Consent Judgment by the Parties, ERC shall notice a
24 Motion for Court Approval. The Parties shall use their best efforts to support entry of this
25 Consent Judgment.

26 **12.2** If the California Attorney General objects to any term in this Consent Judgment,
27 the Parties shall use their best efforts to resolve the concern in a timely manner, and if possible
28 prior to the hearing on the motion.

1 **12.3** If this Stipulated Consent Judgment is not approved by the Court, it shall be
2 void and have no force or effect.

3 **13. EXECUTION AND COUNTERPARTS**

4 This Consent Judgment may be executed in counterparts, which taken together shall be
5 deemed to constitute one document. A facsimile or .pdf signature shall be construed to be as valid
6 as the original signature.

7 **14. DRAFTING**

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

16 **15. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES**

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

21 **16. ENFORCEMENT**

22 ERC may, by motion or order to show cause before the Superior Court of Alameda
23 County, enforce the terms and conditions contained in this Consent Judgment. In any action
24 brought by ERC to enforce this Consent Judgment, ERC may seek whatever fines, costs,
25 penalties, or remedies as are provided by law for failure to comply with the Consent Judgment.
26 To the extent the failure to comply with the Consent Judgment constitutes a violation of
27 Proposition 65 or other laws, ERC shall not be limited to enforcement of this Consent
28 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.

IT IS SO STIPULATED:

Dated: 11/20/, 2019

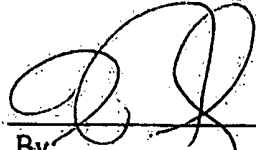
ENVIRONMENTAL RESEARCH
CENTER, INC

By: 

Chris Hepburn, Executive Director

1 Dated: November 26, 2019

2 HYPER NETWORK SOLUTIONS of
3 FLORIDA LLC, individually and dba
4 HEALTHY DELIGHTS and/or
5 HEALTHY NATURAL SOLUTIONS

6 

7 By: _____
8 Its: Doug Reader
9 President

10
11
12
13 **APPROVED AS TO FORM:**

14
15
16 Dated: November 20, 2019

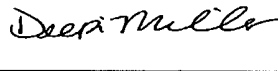
17 ENVIRONMENTAL RESEARCH
18 CENTER, INC.

19 By: 

20 Charles W. Poss
21 In-House Counsel

22 Dated: November 26, 2019


23 GREENBERG TRAURIG, LLP

24 By: 

25 Deepi Miller
26 Attorney for Hyper Network Solutions of
27 Florida LLC, individually and dba
28 Healthy Delights and/or Healthy Natural
Solutions

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

IT IS SO ORDERED, ADJUDGED AND DECREED.



Judge of the Superior Court



Environmental Research Center

3111 Camino Del Rio North, Suite 400
San Diego, CA 92108
619-500-3090

April 9, 2019

NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE SECTION 25249.5 *ET SEQ.* (PROPOSITION 65)

Dear Alleged Violator and the Appropriate Public Enforcement Agencies:

I am the Executive Director of Environmental Research Center, Inc. ("ERC"). 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 Violator 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 Violator 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 Violator identified below.

Alleged Violator. The name of the company covered by this notice that violated Proposition 65 (hereinafter the "Violator") is:

Hyper Network Solutions of Florida LLC, individually and dba Healthy Delights and/or Healthy Natural Solutions

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

- 1. Healthy Delights Naturals Vitamin C Orange Crème Bites - Lead**

2. **Healthy Delights Concentrated Greens Liquid Blueberry Burst - Lead**
3. **Healthy Delights Naturals Power Beets Soft Chews Circulation Superfood Super Concentrated Amazingly Delicious Strawberry Burst - Lead**
4. **Healthy Delights Naturals Clean Protein +Probiotics Delicious Chocolate Milkshake - Lead**
5. **Healthy Delights Naturals Plant Protein +Probiotics Delicious Belgian Chocolate - Lead**
6. **Healthy Delights Naturals Organic Greens +Prebiotics To Go Delicious Wild Berry Flavor - Lead**
7. **Healthy Delights Naturals Power Beets To Go Circulation Superfood Delicious Triple Berry Flavor - 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 recommended use of these products. Consequently, the route of exposure to this chemical has been and continues to be through ingestion.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least April 9, 2016, 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 Violator violated Proposition 65 because it failed to provide persons ingesting these products with appropriate warnings that they are being exposed to this chemical.

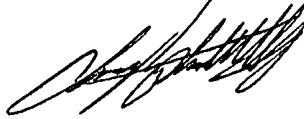
Consistent with the public interest goals of Proposition 65 and a desire to have these ongoing violations of California law quickly rectified, ERC is interested in seeking a constructive resolution of this matter that includes an enforceable written agreement by the Violator to: (1) reformulate the identified 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.

April 9, 2019

Page 3

Please direct all questions concerning this notice to ERC at the above listed address and telephone number.

Sincerely,



Chris Heptinstall
Executive Director
Environmental Research Center

Attachments

Certificate of Merit

Certificate of Service

OEHHA Summary (to Hyper Network Solutions of Florida LLC, individually and dba Healthy Delights and/or Healthy Natural Solutions and its Registered Agents for Service of Process only)

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 Hyper Network Solutions of Florida LLC, individually and dba Healthy Delights and/or Healthy Natural Solutions

I, Chris Heptinstall, declare:

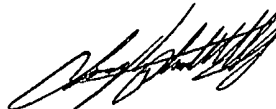
1. This Certificate of Merit accompanies the attached 60-day notice in which it is alleged the party identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.

2. I am the Executive Director 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 Violator 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: April 9, 2019

Chris Heptinstall

CERTIFICATE OF SERVICE PURSUANT TO 27 CCR § 25903

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 and over the age of 18 years of age. 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 April 9, 2019, between 8:00 a.m. and 5:00 p.m. Eastern Time, 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 each of the parties listed below and depositing it in a U.S. Postal Service Office with the postage fully prepaid for delivery by Certified Mail:

Current President or CEO
Hyper Network Solutions of Florida LLC,
individually and dba Healthy Delights and/or
Healthy Natural Solutions
11780 US Hwy 1, Ste 400
Palm Beach Gardens, FL 33408

Corporate Creations Network, Inc.
(Registered Agent for Hyper Network
Solutions of Florida LLC, individually and
dba Healthy Delights and/or
Healthy Natural Solutions)
4640 Admiralty Way, 5th Fl
Marina Del Rey, CA 90292

Current President or CEO
Hyper Network Solutions of Florida LLC,
individually and dba Healthy Delights and/or
Healthy Natural Solutions
3750 Investment Lane, Ste 5
West Palm Beach, FL 33404

Corporate Creations Network, Inc.
(Registered Agent for Hyper Network
Solutions of Florida LLC, individually and
dba Healthy Delights and/or
Healthy Natural Solutions)
11380 Prosperity Farms Rd, Ste 221 E
Palm Beach Gardens, FL 33410

On April 9, 2019, between 8:00 a.m. and 5:00 p.m. Eastern Time, 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
Post Office Box 70550
Oakland, CA 94612-0550

On April 9, 2019, between 8:00 a.m. and 5:00 p.m. Eastern Time, 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 each of the parties listed below:

Nancy O'Malley, District Attorney
Alameda County
7677 Oakport Street, Suite 650
Oakland, CA 94621
CEPDProp65@acgov.org

Barbara Yook, District Attorney
Calaveras County
891 Mountain Ranch Road
San Andreas, CA 95249
Prop65Env@co.calaveras.ca.us

Notice of Violations of California Health & Safety Code §25249.5 *et seq.*

April 9, 2019

Page 6

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

Thomas L. Hardy, District Attorney
Inyo County
168 North Edwards Street
Independence, CA 93526
inyoda@inyocounty.us

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

Allison Haley, District Attorney
Napa County
1127 First Street, Suite C
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

Mark Ankcorn, Deputy City Attorney
San Diego City Attorney
1200 Third Avenue
San Diego, CA 92101
CityAttyProp65@sandiego.gov

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

Valerie Lopez, Deputy City Attorney
San Francisco City Attorney
1390 Market Street, 7th Floor
San Francisco, CA 94102
Valerie.Lopez@sfcityatty.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

Christopher Dalbey, Deputy District Attorney
Santa Barbara County
1112 Santa Barbara Street
Santa Barbara, CA 93101
DAProp65@co.santa-barbara.ca.us

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

Jeffrey S. Rosell, District Attorney
Santa Cruz County
701 Ocean Street
Santa Cruz, CA 95060
Prop65DA@santacruzcounty.us

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

Notice of Violations of California Health & Safety Code §25249.5 *et seq.*

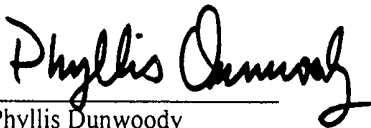
April 9, 2019

Page 7

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

On April 9, 2019, between 8:00 a.m. and 5:00 p.m. Eastern Time, 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 with the U.S. Postal Service with the postage fully prepaid for delivery by First Class Mail.

Executed on April 9, 2019, in Fort Oglethorpe, Georgia.



Phyllis Dunwoody

Service List

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, 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
778 Pacific St.
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, 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
Hall of Justice
211 West Temple St., Ste 1200
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
303 West Third Street
San Bernardino, CA 92415

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, Shasta
County
1355 West Street
Redding, CA 96001

District Attorney, Sierra
County
100 Courthouse Square, 2nd
Floor
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
463 2nd 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 Jose City Attorney's
Office
200 East Santa Clara Street,
16th Floor
San Jose, CA 95113

APPENDIX A

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY

The following summary has been prepared by the California Office of Environmental Health Hazard Assessment (OEHHA), the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65"). A copy of this summary must be included as an attachment to any notice of violation served upon an alleged violator of the Act. The summary provides basic information about the provisions of the law, and is intended to serve only as a convenient source of general information. It is not intended to provide authoritative guidance on the meaning or application of the law. The reader is directed to the statute and OEHHA implementing regulations (see citations below) for further information.

FOR INFORMATION CONCERNING THE BASIS FOR THE ALLEGATIONS IN THE NOTICE RELATED TO YOUR BUSINESS, CONTACT THE PERSON IDENTIFIED ON THE NOTICE.

The text of Proposition 65 (Health and Safety Code Sections 25249.5 through 25249.13) is available online at: <http://oehha.ca.gov/prop65/law/P65law72003.html>. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 27 of the California Code of Regulations, sections 25102 through 27001.¹ These implementing regulations are available online at: <http://oehha.ca.gov/prop65/law/P65Regs.html>.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Proposition 65 List." Under Proposition 65, the lead agency (OEHHA) publishes a list of chemicals that are known to the State of California to cause cancer and/or reproductive toxicity. Chemicals are placed on the Proposition 65 list if they are known to cause cancer and/or birth defects or other reproductive harm, such as damage to

¹ All further regulatory references are to sections of Title 27 of the California Code of Regulations unless otherwise indicated. The statute, regulations and relevant case law are available on the OEHHA website at: <http://www.oehha.ca.gov/prop65/law/index.html>.

female or male reproductive systems or to the developing fetus. This list must be updated at least once a year. The current Proposition 65 list of chemicals is available on the OEHHA website at: http://www.oehha.ca.gov/prop65/prop65_list/Newlist.html.

Only those chemicals that are on the list are regulated under Proposition 65. Businesses that produce, use, release or otherwise engage in activities involving listed chemicals must comply with the following:

Clear and reasonable warnings. A business is required to warn a person before “knowingly and intentionally” exposing that person to a listed chemical unless an exemption applies. The warning given must be “clear and reasonable.” This means that the warning must: (1) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm; and (2) be given in such a way that it will effectively reach the person before he or she is exposed to that chemical. Some exposures are exempt from the warning requirement under certain circumstances discussed below.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water. Some discharges are exempt from this requirement under certain circumstances discussed below.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. You should consult the current version of the statute and regulations (<http://www.oehha.ca.gov/prop65/law/index.html>) to determine all applicable exemptions, the most common of which are the following:

Grace Period. Proposition 65 warning requirements do not apply until 12 months after the chemical has been listed. The Proposition 65 discharge prohibition does not apply to a discharge or release of a chemical that takes place less than 20 months after the listing of the chemical.

Governmental agencies and public water utilities. All agencies of the federal, state or local government, as well as entities operating public water systems, are exempt.

Businesses with nine or fewer employees. Neither the warning requirement nor the discharge prohibition applies to a business that employs a total of nine or fewer employees. This includes all employees, not just those present in California.

Exposures that pose no significant risk of cancer. For chemicals that are listed under Proposition 65 as known to the State to cause cancer, a warning is not required if the business causing the exposure can demonstrate that the exposure occurs at a level that poses “no significant risk.” This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific “No Significant Risk Levels” (NSRLs) for many listed carcinogens. Exposures below these levels are exempt from the warning requirement. See OEHHA's website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of NSRLs, and Section 25701 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause reproductive toxicity, a warning is not required if the business causing the exposure can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the “no observable effect level” divided by 1,000. This number is known as the Maximum Allowable Dose Level (MADL). See OEHHA's website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of MADLs, and Section 25801 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures to Naturally Occurring Chemicals in Food. Certain exposures to chemicals that naturally occur in foods (i.e., that do not result from any known human activity, including activity by someone other than the person causing the exposure) are exempt from the warning requirements of the law. If the chemical is a contaminant² it must be reduced to the lowest level feasible. Regulations explaining this exemption can be found in Section 25501.

Discharges that do not result in a “significant amount” of the listed chemical entering any source of drinking water. The prohibition from discharges into drinking water does not apply if the discharger is able to demonstrate that a “significant amount” of the listed chemical has not, does not, or will not pass into or probably pass into a source of drinking water, and that the discharge complies with all other applicable laws, regulations, permits, requirements, or orders. A “significant amount” means any detectable amount, except an amount that would meet the “no significant risk” level for chemicals that cause cancer or that is 1,000 times below the “no observable effect” level for chemicals that cause reproductive toxicity, if an individual were exposed to that amount in drinking water.

² See Section 25501(a)(4).

HOW IS PROPOSITION 65 ENFORCED?

Enforcement is carried out through civil lawsuits. These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys. Lawsuits may also be brought by private parties acting in the public interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. The notice must comply with the information and procedural requirements specified in Section 25903 of Title 27 and sections 3100-3103 of Title 11. A private party may not pursue an independent enforcement action under Proposition 65 if one of the governmental officials noted above initiates an enforcement action within sixty days of the notice.

A business found to be in violation of Proposition 65 is subject to civil penalties of up to \$2,500 per day for each violation. In addition, the business may be ordered by a court to stop committing the violation.

A private party may not file an enforcement action based on certain exposures if the alleged violator meets specific conditions. For the following types of exposures, the Act provides an opportunity for the business to correct the alleged violation:

- An exposure to alcoholic beverages that are consumed on the alleged violator's premises to the extent onsite consumption is permitted by law;
- An exposure to a Proposition 65 listed chemical in a food or beverage prepared and sold on the alleged violator's premises that is primarily intended for immediate consumption on- or off-premises. This only applies if the chemical was not intentionally added to the food, and was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination;
- An exposure to environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises;
- An exposure to listed chemicals in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking non-commercial vehicles.

If a private party alleges that a violation occurred based on one of the exposures described above, the private party must first provide the alleged violator a notice of special compliance procedure and proof of compliance form.

A copy of the notice of special compliance procedure and proof of compliance form is included in Appendix B and can be downloaded from OEHHA's website at:
<http://oehha.ca.gov/prop65/law/p65law72003.html>.

FOR FURTHER INFORMATION ABOUT THE LAW OR REGULATIONS...

Contact the Office of Environmental Health Hazard Assessment's Proposition 65 Implementation Office at (916) 445-6900 or via e-mail at P65Public.Comments@oehha.ca.gov.

Revised: May 2017

NOTE: Authority cited: Section 25249.12, Health and Safety Code. Reference: Sections 25249.5, 25249.6, 25249.7, 25249.9, 25249.10 and 25249.11, Health and Safety Code.

Case Number: RG19035154

Case Name: Environmental Research Center, Inc. vs. Hyper Network Solutions of Florida LLC

**CLERK'S CERTIFICATE OF MAILING
(CCP 1013a)**

I certify that the following is true and correct:


I am a Deputy Clerk employed by the Alameda County Superior Court. I am over the age of 18 years. My business address is 24405 Amador Street, Hayward, California 94544. I served **STIPULATED CONSENT JUDGMENT** by placing copies in envelope(s) addressed as shown below and then by sealing and placing them for collection, stamping or metering with prepaid postage, and mailing on the date stated below, in the United States mail at **Hayward**, California, following standard court practices.

Charles W. Poss (SBN 325366)
Environmental Research Center, Inc.
3111 Camino Del Rio North, Suite 400
San Diego, CA 92108

Deepi Miller (SBN 272497)
Greenberg Traurig LLP
1201 K St, Ste 1100
Sacramento, CA 95814

Executed on **SEP 28 2020**

Chad Finke Executive Officer / Clerk of the Superior Court

By  digital

Sharon Becerra, Deputy Clerk