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FILED
ALAMEDA COUNTY

JAN 22 2021

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CLERK OF THE SUPERIOR COURT

By _____ Deputy

14 Attorney for Defendant Heartwise Incorporated, individually and dba
15 "Heartwise Wonder Incorporated" and/or "NatureWise"

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
17 **COUNTY OF ALAMEDA**

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

CASE NO. RG20076730

STIPULATED CONSENT
JUDGMENT

Plaintiff,

vs.

Health & Safety Code § 25249.5 *et seq.*

21 **HEARTWISE INCORPORATED,**
22 **individually and dba NATUREWISE;**
23 **HEARTWISE INCORPORATED WHICH**
24 **WILL DO BUSINESS IN CALIFORNIA as**
25 **HEARTWISE WONDER**
26 **INCORPORATED, individually and dba**
27 **NATUREWISE; ROBINSON PHARMA,**
28 **INC.; ROBINSON PHARMA, LLC; and**
DOES 1-100

Action Filed: October 13, 2020
Trial Date: None set

Defendants.

1 **1. INTRODUCTION**

2 **1.1** On October 13, 2020, Plaintiff Environmental Research Center, Inc. (“ERC”), a
3 non-profit corporation, as a private enforcer and in the public interest, initiated this action by
4 filing a Complaint for Injunctive and Declaratory Relief and Civil Penalties (the “Complaint”)
5 pursuant to the provisions of California Health and Safety Code section 25249.5 *et seq.*
6 (“Proposition 65”), against Heartwise Incorporated¹, individually and dba NatureWise
7 (“Heartwise”), Heartwise Incorporated Which Will Do Business in California as Heartwise
8 Wonder Incorporated, individually and dba NatureWise, Robinson Pharma, Inc., Robinson
9 Pharma LLC and Does 1-100. In this action, ERC alleges that certain products manufactured,
10 distributed, or sold by Heartwise contain lead, a chemical listed under Proposition 65 as a
11 carcinogen and reproductive toxin, and expose consumers to this chemical at a level requiring
12 a Proposition 65 warning. These products (referred to hereinafter individually as a “Covered
13 Product” or collectively as “Covered Products”) are: (1) Naturewise Total Colon Care Fiber
14 Detox & Cleanse and (2) Naturewise Garcinia Cambogia.

15 **1.2** ERC and Heartwise are hereinafter referred to individually as a “Party” or
16 collectively as the “Parties.”

17 **1.3** ERC is a 501 (c)(3) California non-profit corporation dedicated to, among other
18 causes, helping safeguard the public from health hazards by reducing the use and misuse of
19 hazardous and toxic chemicals, facilitating a safe environment for consumers and employees,
20 and encouraging corporate responsibility.

21 **1.4** For purposes of this Consent Judgment, the Parties agree that each defendant is a
22 business entity each of which has employed ten or more persons at all times relevant to this
23 action, and qualifies as a “person in the course of doing business” within the meaning of
24 Proposition 65. Heartwise manufactures, distributes, and/or sells the Covered Products.

25 **1.5** The Complaint is based on allegations contained in ERC’s Notice of Violation
26

27 ¹ The Parties agree that defendant Heartwise Incorporated does business in California as Naturewise and/or
28 Heartwise Wonder Incorporated. Accordingly, the proper “dba” for Heartwise Incorporated should be “NatureWise
and Heartwise Wonder Incorporated” and that “Heartwise Incorporated Which Will Do Business in California as
Heartwise Wonder Incorporated” is not a correct legal entity. References in this Consent Judgment to “Heartwise”
shall refer to Heartwise Incorporated, individually and dba Naturewise and/or Heartwise Wonder Incorporated.

1 dated June 18, 2020 that was served on the California Attorney General, other public enforcers,
2 and Heartwise ("Notice"). A true and correct copy of the 60-Day Notice dated June 18, 2020 is
3 attached hereto as Exhibit A and incorporated herein by reference. More than 60 days have
4 passed since the Notice was served on the Attorney General, public enforcers, and Heartwise,
5 and no designated governmental entity has filed a Complaint against Heartwise with regard to
6 the Covered Products or the alleged violations.

7 **1.6** ERC's Notice and Complaint allege that use of the Covered Products by
8 California consumers exposes them to lead without first receiving clear and reasonable
9 warnings from Heartwise, which is in violation of California Health and Safety Code section
10 25249.6. Heartwise denies all material allegations contained in the Notice and Complaint.
11 Heartwise denies the material allegations contained in the Notice and the Complaint and
12 maintains that it has not violated Proposition 65.

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

20 **1.8** The only products covered by this Consent Judgment are the Covered Products,
21 and the only chemical covered by this Consent Judgment is lead as it relates to the Covered
22 Products.

23 **1.9** Except as expressly set forth herein, nothing in this Consent Judgment shall
24 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in
25 any current or future legal proceeding unrelated to these proceedings.

26 **1.10** The Effective Date of this Consent Judgment is the date on which it is entered
27 as a Judgment by this Court.

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1 **2. JURISDICTION AND VENUE**

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

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

10 **3.1** Beginning on the Effective Date, Heartwise shall be permanently enjoined from
11 manufacturing for sale in the State of California, "Distributing into the State of California," or
12 directly selling in the State of California, any Covered Products that expose a person to a
13 "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day unless it meets the
14 warning requirements under Section 3.2. This requirement shall not apply to Covered Products
15 manufactured prior to the Effective Date unless such Covered Products are still in the
16 possession of or under the control of Heartwise after the Effective Date.

17 **3.1.1** As used in this Consent Judgment, the term "Distributing into the State
18 of California" shall mean to directly ship a Covered Product into California for sale in
19 California or to sell a Covered Product to a distributor that Heartwise knows will sell the
20 Covered Product in California.

21 **3.1.2** For purposes of this Consent Judgment, the Daily Lead Exposure Level
22 shall be measured in micrograms, and shall be calculated using the following formula:
23 micrograms of lead per gram of product, multiplied by grams of product per serving of the
24 product (using the largest serving size appearing on the product label), multiplied by servings
25 of the product per day (using the largest number of recommended daily servings appearing on
26 the label), which equals micrograms of lead exposure per day. If the label contains no
27 recommended daily servings, then the number of recommended daily servings shall be one.

28 ///

1 **3.2 Clear and Reasonable Warnings**

2 If Heartwise is required to provide a warning pursuant to Section 3.1, the following
3 warning must be utilized (“Warning”):

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

7 Heartwise shall use the phrase “cancer and” in the Warning if Heartwise has reason to
8 believe that the “Daily Lead Exposure Level” is greater than 15 micrograms of lead as determined
9 pursuant to the quality control methodology set forth in Section 3.4

10 If the Warning is affixed to the packaging of the Covered Products, it shall be securely
11 affixed to or printed upon the label of each Covered Product and it must be set off from other
12 surrounding information and enclosed in a box. If the Warning is provided on the Internet, on a
13 site controlled by Heartwise, in addition to being set off from other surrounding information
14 and enclosed in a box, it shall appear either on the primary page where the product is featured
15 or described or on the checkout page when a California delivery address is indicated for any
16 purchase of any Covered Product. An asterisk or other identifying method must be utilized to
17 identify which products on the checkout page are subject to the Warning. In no event shall any
18 Internet or website Warning be contained in or made through a link. For Covered Products
19 sold by an Internet retailer other than Heartwise, Heartwise shall send such Internet retailer a
20 writing by electronic mail and by either certified or overnight mail, within 14 days of
21 determining that it will place a Warning on a Covered Product. This writing will request
22 confirmation that a Warning is to be placed for the Covered Product on the retailer’s website
23 pursuant to the terms of this section and ask for written confirmation that the Warning will be
24 placed.

25 The Warning shall be at least the same size as the largest of any other health or safety
26 warnings also appearing on the website or on the label, and the word “**WARNING**” shall be in all
27 capital letters and in bold print. No statements intended to or likely to have the effect of
28 diminishing the impact of the Warning on the average lay person shall accompany the Warning.

1 Further, no statements may accompany the Warning that state or imply that the source of the listed
2 chemical has an impact on or results in a less harmful effect of the listed chemical.

3 In compliance with 27 Cal. Code of Regulations § 25601, Heartwise must display the above
4 Warning with such conspicuousness, as compared with other words, statements or designs on the
5 label, or on the website page featuring the Covered Product, if applicable, to render the Warning
6 likely to be read and understood by an ordinary individual under customary conditions of
7 purchase or use of the product.

8 For purposes of this Consent Judgment, the term "label" means a display of written,
9 printed or graphic material that is printed on or affixed to a Covered Product or its immediate
10 container or wrapper.

11 **3.3 Conforming Covered Products**

12 A Conforming Covered Product is a Covered Product for which the Daily Lead Exposure
13 Level is no greater than 0.5 micrograms of lead per day as determined by the exposure
14 methodology set forth in Section 3.1.2 and the quality control methodology described in Section
15 3.4, and that is not known by Heartwise to contain other chemicals that violate Proposition 65's
16 safe harbor thresholds.

17 **3.4 Testing and Quality Control Methodology**

18 **3.4.1** Beginning within one year of the Effective Date, Heartwise shall arrange
19 for lead testing of the Covered Products at least once a year for a minimum of five consecutive
20 years by arranging for testing of three (3) randomly selected samples of each of the Covered
21 Products, in the form intended for sale to the end-user, which Heartwise intends to sell or is
22 manufacturing for sale in California, directly selling to a consumer in California or
23 "Distributing into the State of California." If tests conducted pursuant to this Section
24 demonstrate that no Warning is required for a Covered Product during each of five consecutive
25 years, then the testing requirements of this Section will no longer be required as to that
26 Covered Product. However, if during or after the five-year testing period, Heartwise changes
27 ingredient suppliers for any of the Covered Products and/or reformulates any of the Covered
28 Products, Heartwise shall test that Covered Product annually for at least two (2) consecutive

1 years after such change is made.

2 **3.4.2** For purposes of measuring the Daily Lead Exposure Level, the highest
3 lead detection result of the three (3) randomly selected samples of the Covered Products will
4 be controlling. In measuring the Daily Lead Exposure Level, Heartwise, at its election, may
5 average the three samples and use the arithmetic mean of the lead levels reported for each of
6 the samples to determine the lead detection level, the result of which will be considered the
7 detection level for this Section.

8 **3.4.3** All testing pursuant to this Consent Judgment shall be performed using a
9 laboratory method that complies with the performance and quality control factors appropriate
10 for the method used, including limit of detection and limit of quantification, sensitivity,
11 accuracy and precision that meets the following criteria: Inductively Coupled Plasma-Mass
12 Spectrometry ("ICP-MS") achieving a limit of quantification of less than or equal to 0.010
13 mg/kg.

14 **3.4.4** All testing pursuant to this Consent Judgment shall be performed by an
15 independent third party laboratory certified by the California Environmental Laboratory
16 Accreditation Program or an independent third-party laboratory that is registered with the
17 United States Food & Drug Administration.

18 **3.4.5** Nothing in this Consent Judgment shall limit Heartwise's ability to
19 conduct, or require that others conduct, additional testing of the Covered Products, including
20 the raw materials used in their manufacture.

21 **3.4.6** Within thirty (30) days of ERC's written request, Heartwise shall deliver
22 lab reports obtained pursuant to Section 3.4 to ERC. Heartwise shall retain all test results and
23 documentation for a period of five years from the date of each test.

24 **4. SETTLEMENT PAYMENT**

25 **4.1** In full satisfaction of all potential civil penalties, additional settlement
26 payments, attorney's fees, and costs, Heartwise shall make a total payment of \$45,000.00
27 ("Total Settlement Amount") to ERC within 10 days of the Effective Date ("Due Date").
28 Heartwise shall make this payment by wire transfer to ERC's account, for which ERC will give

1 Heartwise the necessary account information. The Total Settlement Amount shall be
2 apportioned as follows:

3 4.2 \$13,200.00 shall be considered a civil penalty pursuant to California Health and
4 Safety Code section 25249.7(b)(1). ERC shall remit 75% (\$9,900.00) of the civil penalty to the
5 Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe
6 Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety
7 Code section 25249.12(c). ERC will retain the remaining 25% (\$3,300.00) of the civil penalty.

8 4.3 \$3,380.90 shall be distributed to ERC as reimbursement to ERC for reasonable
9 costs incurred in bringing this action.

10 4.4 \$9,870.52 shall be distributed to ERC as an Additional Settlement Payment
11 ("ASP"), pursuant to California Code of Regulations, title 11, sections 3203, subdivision (d)
12 and 3204. ERC will utilize the ASP for activities that address the same public harm as
13 allegedly caused by Defendants in this matter. These activities are detailed
14 below and support ERC's overarching goal of reducing and/or eliminating hazardous and toxic
15 chemicals in dietary supplement products in California. ERC's activities have had, and will
16 continue to have, a direct and primary effect within the State of California because California
17 consumers will be benefitted by the reduction and/or elimination of exposure to lead in dietary
18 supplements and/or by providing clear and reasonable warnings to California consumers prior
19 to ingestion of the products.

20 Based on a review of past years' actual budgets, ERC is providing the following list of
21 activities ERC engages in to protect California consumers through Proposition 65 citizen
22 enforcement, along with a breakdown of how ASP funds will be utilized to facilitate those
23 activities: (1) ENFORCEMENT (65-80%): obtaining, shipping, analyzing, and testing dietary
24 supplement products that may contain lead and are sold to California consumers. This work
25 includes continued monitoring and enforcement of past consent judgments and settlements to
26 ensure companies are in compliance with their obligations thereunder, with a specific focus on
27 those judgments and settlements concerning lead. This work also includes investigation of new
28 companies that ERC does not obtain any recovery through settlement or judgment; (2)

1 VOLUNTARY COMPLIANCE PROGRAM (10-20%): maintaining ERC's Voluntary
2 Compliance Program by acquiring products from companies, developing and maintaining a
3 case file, testing products from these companies, providing the test results and supporting
4 documentation to the companies, and offering guidance in warning or implementing a self-
5 testing program for lead in dietary supplement products; and (3) "GOT LEAD" PROGRAM
6 (up to 5%): maintaining ERC's "Got Lead?" Program which reduces the numbers of
7 contaminated products that reach California consumers by providing access to free testing for
8 lead in dietary supplement products (Products submitted to the program are screened for
9 ingredients which are suspected to be contaminated, and then may be purchased by ERC,
10 catalogued, sent to a qualified laboratory for testing, and the results shared with the consumer
11 that submitted the product).

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

17 4.5 \$11,700.00 shall be distributed to Michael Freund as reimbursement of ERC's
18 attorney's fees, while \$6,848.58 shall be distributed to ERC for its in-house legal fees. Except
19 as explicitly provided herein, each Party shall bear its own fees and costs.

20 4.6 In the event that Heartwise fails to remit the Total Settlement Amount owed
21 under Section 4 of this Consent Judgment on or before the Due Date, Heartwise shall be
22 deemed to be in material breach of its obligations under this Consent Judgment. ERC shall
23 provide written notice of the delinquency to Heartwise via electronic mail. If Heartwise fails
24 to deliver the Total Settlement Amount within 5 days from the written notice, the Total
25 Settlement Amount shall accrue interest at the statutory judgment interest rate provided in the
26 California Code of Civil Procedure section 685.010. Additionally, Heartwise agrees to pay
27 ERC's reasonable attorney's fees and costs for any reasonable efforts to collect the payment
28 due under this Consent Judgment.

1 **5. MODIFICATION OF CONSENT JUDGMENT**

2 **5.1** This Consent Judgment may be modified only as to injunctive terms (a) by
3 written stipulation of the Parties and upon entry by the Court of a modified consent judgment
4 or (b) by motion of either Party pursuant to Section 5.3 and upon entry by the Court of a
5 modified consent judgment in accordance with law and for good cause.

6 **5.2** If a Party seeks to modify this Consent Judgment under Section 5.1 then it must
7 provide written notice to the other Party of its intent (“Notice of Intent”). Before seeking to
8 modify the Consent Judgment pursuant to Section 5.1(b), the Party seeking modification must
9 meet and confer with the other Party to see if agreement and stipulation for modification can be
10 achieved. The Parties shall meet in person or via telephone within thirty (30) days of the
11 Party’s Notice of Intent. Within thirty (30) days of such meeting, the Party seeking
12 modification shall provide the other Party with a written basis for its position. The Parties
13 shall continue to meet and confer during the thirty (30) days in an effort to resolve any
14 remaining disputes. Should it become necessary, the Parties may agree in writing to different
15 deadlines for the meet-and-confer period.

16 **5.3** In the event that Heartwise initiates or otherwise requests a modification under
17 Section 5.1, and the meet and confer process leads to a joint motion or application for a
18 modification of the Consent Judgment, absent written and signed stipulation otherwise,
19 Heartwise shall reimburse ERC its costs and reasonable attorney’s fees for the time spent in
20 the meet-and-confer process and for the filing and arguing of the motion or application.

21 **6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT**
22 **JUDGMENT**

23 **6.1** This Court shall retain jurisdiction of this matter to enforce, modify, or
24 terminate this Consent Judgment.

25 **6.2** If ERC alleges that any Covered Product fails to qualify as a Conforming
26 Covered Product (for which ERC alleges that no Warning has been provided), then ERC shall
27 inform Heartwise in a reasonably prompt manner of its test results, including information
28 sufficient to permit Heartwise to identify the Covered Products at issue. Heartwise shall, within

1 thirty (30) days following such notice, provide ERC with testing information, from an
2 independent third-party laboratory meeting the requirements of Sections 3.4.3 and 3.4.4,
3 demonstrating Heartwise's compliance with the Consent Judgment. The Parties shall first
4 attempt to resolve the matter prior to ERC taking any further legal action.

5 **7. APPLICATION OF CONSENT JUDGMENT**

6 This Consent Judgment may apply to, be binding upon, and benefit the Parties and their
7 respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries,
8 divisions, franchisees, licensees, customers (excluding private labelers), distributors, wholesalers,
9 retailers, predecessors, successors, assigns, suppliers and manufacturers, including, but not limited
10 to, Robinson Pharma, Inc. and/or Robinson Pharma LLP . This Consent Judgment shall have no
11 application to any Covered Product that is distributed or sold exclusively outside the State of
12 California and that is not used by California consumers.

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

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

28 **8.2** ERC on its own behalf only, and Heartwise on its own behalf only, further

1 waive and release any and all claims they may have against each other for all actions or
2 statements made or undertaken in the course of seeking or opposing enforcement of
3 Proposition 65 in connection with the Notice and Complaint up through and including the
4 Effective Date, provided, however, that nothing in Section 8 shall affect or limit any Party's
5 right to seek to enforce the terms of, or modification of, this Consent Judgment.

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

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

20 ERC on behalf of itself only, and Heartwise on behalf of itself only, acknowledge and
21 understand the significance and consequences of this specific waiver of California Civil Code
22 section 1542.

23 **8.4** Compliance with the terms of this Consent Judgment shall be deemed to
24 constitute compliance with Proposition 65 by any of the Released Parties regarding alleged
25 exposures to lead in the Covered Products as set forth in the Notice and Complaint.

26 **8.5** Nothing in this Consent Judgment is intended to apply to any occupational or
27 environmental exposures arising under Proposition 65, nor shall it apply to any of Heartwise's
28 products other than the Covered Products.

9. SEVERABILITY OF UNENFORCEABLE PROVISIONS

In the event that any of the provisions of this Consent Judgment are held by a court to be

1 unenforceable, the validity of the remaining enforceable provisions shall not be adversely
2 affected.

3 **10. GOVERNING LAW**

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

6 **11. PROVISION OF NOTICE**

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

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

11 Chris Heptinstall, Executive Director, Environmental Research Center
12 3111 Camino Del Rio North, Suite 400
13 San Diego, CA 92108
14 Ph: (619) 500-3090
15 Email: chris.heptinstall@erc501c3.org

16 With a copy to:
17 Michael Freund
18 Michael Freund & Associates
19 1919 Addison Street, Suite 105
20 Berkeley, CA 94704
21 Ph: (510) 540-1992
22 Email: freund1@aol.com

23 **FOR HEARTWISE INCORPORATED**

24 Sasha Libolt
25 Chief Operating Officer
26 Heartwise, Incorporated
27 2973 Harbor Boulevard, Suite 472
28 Costa Mesa, CA 92626
Ph. (502) 310-2227
Email: SLibolt@drmresources.com

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1 With a copy to:
2 Dennis E. Raglin
3 Steptoe & Johnson LLP
4 633 W 5th St, Ste 1900
5 Los Angeles, CA 90071
6 Telephone: (213) 439-9400
7 Email: draglin@steptoe.com

8 **12. COURT APPROVAL**

9 **12.1** Upon execution of this Consent Judgment by the Parties, ERC shall notice a
10 Motion for Court Approval. The Parties shall use their best efforts to support entry of this
11 Consent Judgment.

12 **12.2** If the California Attorney General objects to any term in this Consent Judgment,
13 the Parties shall use their best efforts to resolve the concern in a timely manner, and if possible
14 prior to the hearing on the motion.

15 **12.3** If this Stipulated Consent Judgment is not approved by the Court, it shall be
16 void and have no force or effect.

17 **13. EXECUTION AND COUNTERPARTS**

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

21 **14. DRAFTING**

22 The terms of this Consent Judgment have been reviewed by the respective counsel for
23 each Party prior to its signing, and each Party has had an opportunity to fully discuss the terms
24 and conditions with legal counsel. The Parties agree that, in any subsequent interpretation and
25 construction of this Consent Judgment, no inference, assumption, or presumption shall be drawn,
26 and no provision of this Consent Judgment shall be construed against any Party, based on the fact
27 that one of the Parties and/or one of the Parties' legal counsel prepared and/or drafted all or any
28 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.

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

2 If a dispute arises with respect to either Party's compliance with the terms of this Consent
3 Judgment entered by the Court or future interpretation and enforcement activities, the Parties shall
4 have thirty (30) days (or additional time if agreed upon) within which to meet and confer in
5 person, by telephone, and/or in writing and endeavor to resolve the dispute in an amicable
6 manner. Absent a good faith attempt to resolve the dispute within 30 days (or additional time if
7 agreed upon) of the Party claiming a dispute exists regarding compliance notifying the other Party
8 of same, no motion or other action related to compliance of the Consent Judgment may be filed
9 with the Court.

10 **16. ENFORCEMENT**

11 ERC may, by motion or order to show cause before the Superior Court of Alameda
12 County, enforce the terms and conditions contained in this Consent Judgment. In any action
13 brought by ERC to enforce this Consent Judgment, ERC may seek whatever fines, costs,
14 penalties, or remedies as are provided by law for failure to comply with the Consent Judgment.
15 To the extent the failure to comply with the Consent Judgment constitutes a violation of
16 Proposition 65 or other laws independent of this Consent Judgment, ERC shall not be limited
17 to enforcement of this Consent Judgment, but may seek in another action whatever fines, costs,
18 penalties, or remedies as are provided by law for failure to comply with Proposition 65 or other
19 laws. Heartwise will not be limited to the defenses it may assert in response to such an
20 enforcement action.

21 **17. ENTIRE AGREEMENT, AUTHORIZATION**

22 **17.1** This Consent Judgment contains the sole and entire agreement and
23 understanding of the Parties with respect to the entire subject matter herein, including any and
24 all prior discussions, negotiations, commitments, and understandings related thereto. No
25 representations, oral or otherwise, express or implied, other than those contained herein have
26 been made by any Party. No other agreements, oral or otherwise, unless specifically referred to
27 herein, shall be deemed to exist or to bind any Party.

28 **17.2** Each signatory to this Consent Judgment certifies that he or she is fully

1 authorized by the Party he or she represents to stipulate to this Consent Judgment.

2 **18. REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT AND ENTRY OF**
3 **CONSENT JUDGMENT**

4 This Consent Judgment has come before the Court upon the request of the Parties. The
5 Parties request the Court to fully review this Consent Judgment and, being fully informed
6 regarding the matters which are the subject of this action, to:

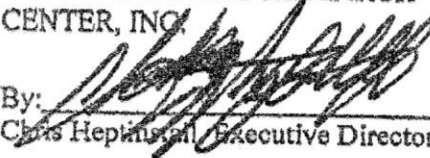
7 (1) Find that the terms and provisions of this Consent Judgment represent a fair and
8 equitable settlement of all matters raised by the allegations of the Complaint that the matter has
9 been diligently prosecuted, and that the public interest is served by such settlement; and

10 (2) Make the findings pursuant to California Health and Safety Code section
11 25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.

12 **IT IS SO STIPULATED:**

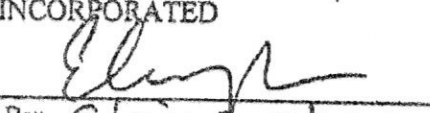
13
14 Dated: 11/12/, 2020

ENVIRONMENTAL RESEARCH
CENTER, INC.

15
16 By: 
17 Chris Hepburn, Executive Director

18 Dated: 11/12/, 2020

19 HEARTWISE INCORPORATED,
20 individually and dba NATUREWISE and/or
21 HEARTWISE WONDER
22 INCORPORATED

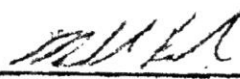
23 By: 
24 Its: EP Chief Financial Officer

25 ///
26 ///
27 ///
28 ///

1 APPROVED AS TO FORM:

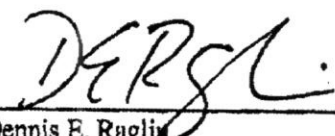
2
3 Dated: 11/13/, 2020

MICHAEL FREUND & ASSOCIATES

4
5 By: 
6 Michael Freund
7 Attorney for Plaintiff Environmental
8 Research Center, Inc.

9
10 Dated: 11/13, 2020

STEPTOE & JOHNSON LLP

11 By: 
12 Dennis E. Raglin
13 Attorney for Heartwise Incorporated,
14 individually and dba NatureWise and/or
15 Heartwise Wonder Incorporated

16 **ORDER AND JUDGMENT**

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

19 IT IS SO ORDERED, ADJUDGED AND DECREED.

20 Dated: _____, 2020

21 Judge of the Superior Court

1 *Orally*
APPROVED AS TO FORM: *got the hearing on 01/22/2021*
2 *by both counsel. Paul D. Herbert*

3 Dated: _____, 2020

MICHAEL FREUND & ASSOCIATES

5 By: _____
6 Michael Freund
7 Attorney for Plaintiff Environmental
Research Center, Inc.

8 Dated: _____, 2020

STEPTOE & JOHNSON LLP

10 By: _____
11 Dennis E. Raglin
12 Attorney for Heartwise Incorporated,
13 individually and dba NatureWise and/or
Heartwise Wonder Incorporated

15 **ORDER AND JUDGMENT**

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

18 IT IS SO ORDERED, ADJUDGED AND DECREED.

19
20 Dated: 01/22/, 2020

Paul D. Herbert
Judge of the Superior Court

22
23 PAUL D. HERBERT

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EXHIBIT A

Michael Freund & Associates

1919 Addison Street, Suite 105
Berkeley, CA 94704
Voice: 510.540.1992 • Fax: 510.371.0885

Michael Freund, Esq.

June 18, 2020

**NOTICE OF VIOLATION 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 Health and Safety Code Section 25249.7(d), 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 enclosed with 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:

Heartwise Incorporated, individually and dba NatureWise
Heartwise Incorporated Which Will Do Business in California as Heartwise Wonder
Incorporated, individually and dba NatureWise
Robinson Pharma, Inc., individually and dba NatureWise
Robinson Pharma, LLC, individually and dba NatureWise

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. Naturewise Total Colon Care Fiber Detox & Cleanse - Lead**
- 2. Naturewise Garcinia Cambogia - 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.

June 18, 2020

Page 2

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 June 18, 2017, 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 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 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 Violation to my attention at the law office address and telephone number indicated on the letterhead or at freund1@aol.com.**

Sincerely,



Michael Freund

Attachments

Certificate of Merit

Certificate of Service

OEHHA Summary (to Heartwise Incorporated, individually and dba NatureWise; Heartwise Incorporated Which Will Do Business in California as Heartwise Wonder Incorporated, individually and dba NatureWise; Robinson Pharma, Inc., individually and dba NatureWise; Robinson Pharma, LLC, individually and dba NatureWise; and their Registered Agent 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 Heartwise Incorporated, individually and dba NatureWise; Heartwise Incorporated Which Will Do Business in California as Heartwise Wonder Incorporated, individually and dba NatureWise; Robinson Pharma, Inc., individually and dba NatureWise; and Robinson Pharma, LLC, individually and dba NatureWise

I, Michael Freund, declare:

1. This Certificate of Merit accompanies the attached 60-day notice in which it is alleged that 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.



Michael Freund

Dated: June 18, 2020

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 June 18, 2020, between 8:00 a.m. and 5:00 p.m. Eastern Time, I served the following documents: **NOTICE OF VIOLATION 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 at a U.S. Postal Service Office with the postage fully prepaid for delivery by Certified Mail:

Current President or CEO
Heartwise Incorporated, individually and
dba NatureWise
2973 Harbor Blvd, #472
Costa Mesa, CA 92626

Current President or CEO
Heartwise Incorporated, individually and
dba NatureWise
184 Clear Creek Dr, Ste 1
Ashland, OR 97520

Current President or CEO
Heartwise Incorporated Which Will Do Business in
California as Heartwise Wonder Incorporated,
individually and dba NatureWise
2973 Harbor Blvd, #472
Costa Mesa, CA 92626

Current President or CEO
Heartwise Incorporated Which Will Do Business
in California as Heartwise Wonder Incorporated,
individually and dba NatureWise
184 Clear Creek Dr, Ste 1
Ashland, OR 97520

Current President or CEO
Heartwise Incorporated Which Will Do Business in
California as Heartwise Wonder Incorporated,
individually and dba NatureWise
1683 Sunflower Ave
Costa Mesa, CA 92626

Tuong V Nguyen
(Registered Agent for Heartwise Incorporated
Which Will Do Business in California as
Heartwise Wonder Incorporated,
individually and dba NatureWise
2973 Harbor Blvd, #472
Costa Mesa, CA 92626

Current President or CEO
Heartwise Incorporated, individually and
dba NatureWise
1683 Sunflower Ave
Costa Mesa, CA 92626

Tam Nguyen
(Registered Agent for Robinson Pharma, Inc.,
individually and dba NatureWise)
3330 S Harbor Blvd
Santa Ana, CA 92704

Daniel Do-Khanh
Registered Agent for Robinson Pharma, LLC,
individually and dba NatureWise)
3420 Bristol St, 6th Fl
Costa Mesa, CA 92626

Robinson Pharma, Inc., individually and
dba NatureWise
3330 S Harbor Blvd
Santa Ana, CA 92704

Robinson Pharma, Inc., individually and
dba NatureWise
1683 Sunflower Ave
Costa Mesa, CA 92626

Robinson Pharma, LLC, individually and
dba NatureWise
2811 S Harbor Blvd
Santa Ana, CA 92704

Robinson Pharma, LLC, individually and
dba NatureWise
1683 Sunflower Ave
Costa Mesa, CA 92626

June 18, 2020

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On June 18, 2020, 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
Oakland, CA 94612-0550

On June 18, 2020, 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** 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

Gary Lieberstein, District Attorney
Napa County
931 Parkway Mall
Napa, CA 94559
CEPD@countyofnapa.org

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

Paul E. Zellerbach, District Attorney
Riverside County
3072 Orange Street
Riverside, CA 92501
Prop65@rivcoda.org

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

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

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

Summer Stephan, District Attorney
San Diego County
330 West Broadway
San Diego, CA 92101
SanDiegoDAProp65@sdcca.org

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

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

Jeannine M. Pacioni, District Attorney
Monterey County
1200 Aguajito Road
Monterey, CA 93940
Prop65DA@co.monterey.ca.us

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

June 18, 2020

Page 6

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

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

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

Stephan R. Passalacqua, District Attorney
Sonoma County
600 Administration Dr
Sonoma, CA 95403
jbarnes@sonoma-county.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

Phillip J. Cline, District Attorney
Tulare County
221 S Mooney Blvd
Visalia, CA 95370
Prop65@co.tulare.ca.us

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

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

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

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

On June 18, 2020, between 8:00 a.m. and 5:00 p.m. Eastern Time, I served the following documents: **NOTICE OF VIOLATION, 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 First Class Mail.

Executed on June 18, 2020, in Fort Oglethorpe, Georgia.

Phyllis Dunwoody

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

June 18, 2020

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Service List

District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120	District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637	District Attorney, San Mateo County 400 County Ctr., 3rd Floor Redwood City, CA 94063
District Attorney, Amador County 708 Court Street, Suite 202 Jackson, CA 95642	District Attorney, Marin County 3501 Civic Center Drive, Room 130 San Rafael, CA 94903	District Attorney, Shasta County 1355 West Street Redding, CA 96001
District Attorney, Butte County 25 County Center Drive, Suite 245 Oroville, CA 95965	District Attorney, Mariposa County Post Office Box 730 Mariposa, CA 95338	District Attorney, Sierra County 100 Courthouse Square, 2 nd Floor Downieville, CA 95936
District Attorney, Colusa County 346 Fifth Street Suite 101 Colusa, CA 95932	District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482	District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097
District Attorney, Del Norte County 450 H Street, Room 171 Crescent City, CA 95531	District Attorney, Merced County 550 W. Main Street Merced, CA 95340	District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533
District Attorney, El Dorado County 778 Pacific St Placerville, CA 95667	District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020	District Attorney, Stanislaus County 832 12th Street, Ste 300 Modesto, CA 95354
District Attorney, Fresno County 2220 Tulare Street, Suite 1000 Fresno, CA 93721	District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517	District Attorney, Sutter County 463 2 nd Street Yuba City, CA 95991
District Attorney, Glenn County Post Office Box 430 Willows, CA 95988	District Attorney, Nevada County 201 Commercial Street Nevada City, CA 95959	District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080
District Attorney, Humboldt County 825 5th Street 4 th Floor Eureka, CA 95501	District Attorney, Orange County 401 West Civic Center Drive Santa Ana, CA 92701	District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093
District Attorney, Imperial County 940 West Main Street, Ste 102 El Centro, CA 92243	District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678	District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370
District Attorney, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301	District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971	District Attorney, Yuba County 215 Fifth Street, Suite 152 Marysville, CA 95901
District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230	District Attorney, San Benito County 419 Fourth Street, 2nd Floor Hollister, CA 95023	Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Suite 800 Los Angeles, CA 90012
District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453	District Attorney, San Bernardino County 303 West Third Street San Bernardino, CA 92415	San Jose City Attorney's Office 200 East Santa Clara Street, 16 th Floor San Jose, CA 95113
District Attorney, Los Angeles County Hall of Justice 211 West Temple St., Ste 1200 Los Angeles, CA 90012		

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.

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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.