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Attorneys for Defendants Natural Wellbeing Distribution Inc. and
Natural Wellbeing Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

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

Plaintiff,

vs.

**NATURAL WELLBEING
DISTRIBUTION INC.; NATURAL
WELLBEING INC.; and DOES 1-100**

Defendants.

CASE NO. RG21100438

**STIPULATED CONSENT
JUDGMENT**

Health & Safety Code § 25249.5 *et seq.*

Action Filed: May 27, 2021

Trial Date: None set

1. INTRODUCTION

1.1 On May 27, 2021, 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 "Complaint")

pursuant to the provisions of California Health and Safety Code section 25249.5 *et seq.* (“Proposition 65”), against Natural Wellbeing Distribution Inc. and Natural Wellbeing Inc. (collectively “Natural Wellbeing”) and Does 1-100. In this action, ERC alleges that a number of products manufactured, distributed, or sold by Natural Wellbeing contain lead, a chemical listed under Proposition 65 as a carcinogen and reproductive toxin, and expose consumers to this chemical at a level requiring a Proposition 65 warning. These products (referred to hereinafter individually as a “Covered Product” or collectively as “Covered Products”) are: (1) Natural Wellbeing Life Glow Hair Essentials, (2) Natural Wellbeing Life Boosters Adaptogenic Stress Relief, and (3) Natural Wellbeing Life Essentials Concentration Essentials.

1.2 ERC and Natural Wellbeing are hereinafter referred to individually as a “Party” or collectively as the “Parties.”

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

1.4 For purposes of this Consent Judgment, the Parties agree that each defendant qualifies as a “person in the course of doing business” within the meaning of Proposition 65. Natural Wellbeing manufactures, distributes, and/or sells the Covered Products.

1.5 The Complaint is based on allegations contained in ERC’s Notice of Violation dated January 28, 2021 that was served on the California Attorney General, other public enforcers, and Natural Wellbeing (“Notice”). A true and correct copy of the 60-Day Notice dated January 28, 2021 is attached hereto as **Exhibit A** and incorporated herein by reference. More than 60 days have passed since the Notice was served on the Attorney General, public enforcers, and Natural Wellbeing and no designated governmental entity has filed a Complaint against Natural Wellbeing with regard to the Covered Products or the alleged violations.

1.6 ERC’s Notice and Complaint allege that use of the Covered Products by California consumers exposes them to lead without first receiving clear and reasonable warnings from Natural Wellbeing, which is in violation of California Health and Safety Code

1 section 25249.6. Natural Wellbeing denies all material allegations contained in the Notice and
2 Complaint.

3 **1.7** The Parties have entered into this Consent Judgment in order to settle,
4 compromise, and resolve disputed claims and thus avoid prolonged and costly litigation.
5 Nothing in this Consent Judgment nor compliance with this Consent Judgment shall constitute
6 or be construed as an admission by any of the Parties or by any of their respective officers,
7 directors, shareholders, employees, agents, parent companies, subsidiaries, divisions,
8 franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any
9 allegation, claim, statement, fact, issue of law, or violation of law.

10 **1.8** Except as expressly set forth herein, nothing in this Consent Judgment shall
11 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in
12 any current or future legal proceeding unrelated to these proceedings.

13 **1.9** The Effective Date of this Consent Judgment is the date on which it is entered
14 as a Judgment by this Court.

15 **2. JURISDICTION AND VENUE**

16 For purposes of this Consent Judgment and any further court action that may become
17 necessary to enforce this Consent Judgment, the Parties stipulate that this Court has subject matter
18 jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction
19 over Natural Wellbeing as to the acts alleged in the Complaint, that solely for purposes of this
20 Consent Judgment, including any action to enforce the terms of the Consent Judgment, and not
21 waiving any objections in the future, venue is proper in Alameda County, and that this Court has
22 jurisdiction to enter this Consent Judgment as a full and final resolution of all claims up through
23 and including the Effective Date that were or could have been asserted in this action based on the
24 facts alleged in the Notice and Complaint.

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

26 **3.1** Beginning on the Effective Date, Natural Wellbeing shall be permanently
27 enjoined from manufacturing for sale in the State of California, "Distributing into the State of
28 California," or directly selling in the State of California, any Covered Product that exposes a

1 person to a “Daily Lead Exposure Level” of more than 0.5 micrograms of lead per day unless it
2 meets the warning requirements under Section 3.2.

3 **3.1.1** As used in this Consent Judgment, the term “Distributing into the State
4 of California” shall mean to directly ship a Covered Product into California for sale in
5 California or to sell a Covered Product to a distributor that Natural Wellbeing knows or has
6 reason to know will sell the Covered Product in California.

7 **3.1.2** For purposes of this Consent Judgment, the “Daily Lead Exposure
8 Level” shall be measured in micrograms, and shall be calculated using the following formula:
9 micrograms of lead per gram of product, multiplied by grams of product per serving of the
10 product (using the largest serving size appearing on the product label), multiplied by servings
11 of the product per day (using the largest number of recommended daily servings appearing on
12 the label), which equals micrograms of lead exposure per day. If the label contains no
13 recommended daily servings, then the number of recommended daily servings shall be one.

14 **3.2 Clear and Reasonable Warnings**

15 If Natural Wellbeing is required to provide a warning pursuant to Section 3.1, the
16 following warning must be utilized (“Warning”):

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

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

25 The Warning shall be provided to the consumer using the following three step process:
26 (a) the Warning shall first appear on the product page for any California IP address such that
27 the consumer is given the Warning prior to purchase. The Warning provided on the Covered
28 Product’s primary display page may be provided either directly or through a clearly marked
hyperlink using the word “**WARNING**” in all capital and bold letters so long as the hyperlink

1 goes directly to a page prominently displaying the Warning without content that detracts from
2 the Warning; (b) the Warning shall next appear on the checkout page when a California
3 delivery address or California IP address is indicated for any purchase of any Covered Product.
4 An asterisk or other identifying method must be utilized to identify which products on the
5 checkout page are subject to the Warning; and (c) the Warning shall again be provided in a
6 confirmation email to any California IP address or California delivery address. This Warning
7 shall be set off from other information and enclosed in a box.

8 The Warning shall be at least the same size as the largest of any other health or safety
9 warnings also appearing on the website or on the label and the word “**WARNING**” shall be in all
10 capital letters and in bold print. No statements intended to or likely to have the effect of
11 diminishing the impact of the Warning on the average lay person shall accompany the Warning.
12 Further, no statements may accompany the Warning that state or imply that the source of the listed
13 chemical has an impact on or results in a less harmful effect of the listed chemical.

14 Natural Wellbeing must display the above Warning with such conspicuousness, as
15 compared with other words, statements or designs on the label, or on its website, if applicable, to
16 render the Warning likely to be read and understood by an ordinary individual under customary
17 conditions of purchase or use of the product.

18 **3.3 Conforming Covered Products**

19 A Conforming Covered Product is a Covered Product for which the “Daily Lead Exposure
20 Level” is no greater than 0.5 micrograms of lead per day as determined by the the exposure
21 methodology set forth in Section 3.1.2 and the quality control methodology described in Section
22 3.4, and that is not known by Natural Wellbeing to contain other chemicals that violate
23 Proposition 65’s safe harbor thresholds.

24 **3.4 Testing and Quality Control Methodology**

25 **3.4.1** Beginning within one year of the Effective Date, Natural Wellbeing
26 shall arrange for lead testing of the Covered Products at least once a year for a minimum of
27 three consecutive years by arranging for testing of three (3) randomly selected samples of each
28 of the Covered Products, in the form intended for sale to the end-user, which Natural

1 Wellbeing intends to sell or is manufacturing for sale in California, directly selling to a
2 consumer in California or "Distributing into the State of California." If tests conducted
3 pursuant to this Section demonstrate that no Warning is required for a Covered Product during
4 each of three consecutive years, then the testing requirements of this Section will no longer be
5 required as to that Covered Product. However, if during or after the three-year testing period,
6 Natural Wellbeing changes ingredient suppliers for any of the Covered Products and/or
7 reformulates any of the Covered Products, Natural Wellbeing shall test that Covered Product
8 annually for at least two (2) consecutive years after such change is made.

9 **3.4.2** For purposes of measuring the "Daily Lead Exposure Level," the highest
10 lead detection result of the three (3) randomly selected samples of the Covered Products will
11 be controlling.

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

18 **3.4.4** All testing pursuant to this Consent Judgment shall be performed by an
19 independent third-party laboratory certified by the California Environmental Laboratory
20 Accreditation Program or a an independent third-party laboratory that is registered with the
21 United States Food & Drug Administration, or as otherwise agreed to in writing by the parties.

22 **3.4.5** Nothing in this Consent Judgment shall limit Natural Wellbeing's ability
23 to conduct, or require that others conduct, additional testing of the Covered Products, including
24 the raw materials used in their manufacture.

25 **3.4.6** Within thirty (30) days of ERC's written request, Natural Wellbeing shall
26 deliver lab reports obtained pursuant to Section 3.4 to ERC. Natural Wellbeing shall retain all
27 test results and documentation for a period of two years from the date of each test.

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1 **4. SETTLEMENT PAYMENT**

2 **4.1** In full satisfaction of all potential civil penalties, additional settlement
3 payments, attorney's fees, and costs, Natural Wellbeing shall make a total payment of
4 \$22,500.00 ("Total Settlement Amount") to ERC within 10 days of the Effective Date ("Due
5 Date"). Natural Wellbeing shall make this payment by wire transfer to ERC's account, for
6 which ERC will give Natural Wellbeing the necessary account information. The Total
7 Settlement Amount shall be apportioned as follows:

8 **4.2** \$9,000.00 shall be considered a civil penalty pursuant to California Health and
9 Safety Code section 25249.7(b)(1). ERC shall remit 75% (\$6,750.00) of the civil penalty to the
10 Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe
11 Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety
12 Code section 25249.12(c). ERC will retain the remaining 25% (\$2,250.00) of the civil penalty.

13 **4.3** \$2,104.84 shall be distributed to ERC as reimbursement to ERC for reasonable
14 costs incurred in bringing this action.

15 **4.4** \$6,396.32 shall be distributed to ERC as an Additional Settlement Payment
16 ("ASP"), pursuant to California Code of Regulations, title 11, sections 3203, subdivision (d)
17 and 3204. ERC will utilize the ASP for activities that address the same public harm as
18 allegedly caused by Defendants in this matter. These activities are detailed
19 below and support ERC's overarching goal of reducing and/or eliminating hazardous and toxic
20 chemicals in dietary supplement products in California. ERC's activities have had, and will
21 continue to have, a direct and primary effect within the State of California because California
22 consumers will be benefitted by the reduction and/or elimination of exposure to lead in dietary
23 supplements and/or by providing clear and reasonable warnings to California consumers prior
24 to ingestion of the products.

25 Based on a review of past years' actual budgets, ERC is providing the following list of
26 activities ERC engages in to protect California consumers through Proposition 65 citizen
27 enforcement, along with a breakdown of how ASP funds will be utilized to facilitate those
28 activities: (1) ENFORCEMENT (65-80%): obtaining, shipping, analyzing, and testing dietary

1 supplement products that may contain lead and are sold to California consumers. This work
2 includes continued monitoring and enforcement of past consent judgments and settlements to
3 ensure companies are in compliance with their obligations thereunder, with a specific focus on
4 those judgments and settlements concerning lead. This work also includes investigation of new
5 companies that ERC does not obtain any recovery through settlement or judgment; (2)
6 VOLUNTARY COMPLIANCE PROGRAM (10-20%): maintaining ERC's Voluntary
7 Compliance Program by acquiring products from companies, developing and maintaining a
8 case file, testing products from these companies, providing the test results and supporting
9 documentation to the companies, and offering guidance in warning or implementing a self-
10 testing program for lead in dietary supplement products; and (3) "GOT LEAD" PROGRAM
11 (up to 5%): maintaining ERC's "Got Lead?" Program which reduces the numbers of
12 contaminated products that reach California consumers by providing access to free testing for
13 lead in dietary supplement products (Products submitted to the program are screened for
14 ingredients which are suspected to be contaminated, and then may be purchased by ERC,
15 catalogued, sent to a qualified laboratory for testing, and the results shared with the consumer
16 that submitted the product).

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

22 **4.5** \$4,998.84 shall be distributed to ERC for its in-house legal fees. Except as
23 explicitly provided herein, each Party shall bear its own fees and costs.

24 **4.6** In the event that Natural Wellbeing fails to remit the Total Settlement Amount
25 owed under Section 4 of this Consent Judgment on or before the Due Date, Natural Wellbeing
26 shall be deemed to be in material breach of its obligations under this Consent Judgment. ERC
27 shall provide written notice of the delinquency to Natural Wellbeing via electronic mail. If
28 Natural Wellbeing fails to deliver the Total Settlement Amount within five (5) days from the

1 written notice, the Total Settlement Amount shall accrue interest at the statutory judgment
2 interest rate provided in the California Code of Civil Procedure section 685.010. Additionally,
3 Natural Wellbeing agrees to pay ERC's reasonable attorney's fees and costs for any efforts to
4 collect the payment due under this Consent Judgment.

5 **5. MODIFICATION OF CONSENT JUDGMENT**

6 **5.1** This Consent Judgment may be modified only as to injunctive terms (i) by
7 written stipulation of the Parties and upon entry by the Court of a modified consent judgment
8 or (ii) by motion of either Party pursuant to Section 5.3 and upon entry by the Court of a
9 modified consent judgment.

10 **5.2** If Natural Wellbeing seeks to modify this Consent Judgment under Section 5.1,
11 then Natural Wellbeing must provide written notice to ERC of its intent ("Notice of Intent"). If
12 ERC seeks to meet and confer regarding the proposed modification in the Notice of Intent, then
13 ERC must provide written notice to Natural Wellbeing within thirty (30) days of receiving the
14 Notice of Intent. If ERC notifies Natural Wellbeing in a timely manner of ERC's intent to meet
15 and confer, then the Parties shall meet and confer in good faith as required in this Section. The
16 Parties shall meet in person or via telephone within thirty (30) days of ERC's notification of its
17 intent to meet and confer. Within thirty (30) days of such meeting, if ERC disputes the
18 proposed modification, ERC shall provide to Natural Wellbeing a written basis for its position.
19 The Parties shall continue to meet and confer for an additional thirty (30) days in an effort to
20 resolve any remaining disputes. Should it become necessary, the Parties may agree in writing
21 to different deadlines for the meet-and-confer period.

22 **5.3** In the event that Natural Wellbeing initiates or otherwise requests a
23 modification under Section 5.1, and the meet and confer process leads to a joint motion or
24 application for a modification of the Consent Judgment, Natural Wellbeing shall reimburse
25 ERC its costs and reasonable attorney's fees for the time spent in the meet-and-confer process
26 and filing and arguing the motion or application.

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1 **6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT**
2 **JUDGMENT**

3 **6.1** This Court shall retain jurisdiction of this matter to enforce, modify, or
4 terminate this Consent Judgment.

5 **6.2** If ERC alleges that any Covered Product fails to qualify as a Conforming
6 Covered Product (for which ERC alleges that no Warning has been provided), then ERC shall
7 inform Natural Wellbeing in a reasonably prompt manner of its test results, including
8 information sufficient to permit Natural Wellbeing to identify the Covered Products at issue.
9 Natural Wellbeing shall, within thirty (30) days following such notice, provide ERC with
10 testing information, from an independent third-party laboratory meeting the requirements of
11 Sections 3.4.3 and 3.4.4, demonstrating Natural Wellbeing's compliance with the Consent
12 Judgment. The Parties shall first attempt to resolve the matter prior to ERC taking any further
13 legal action.

14 **7. APPLICATION OF CONSENT JUDGMENT**

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

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

22 **8.1** This Consent Judgment is a full, final, and binding resolution between ERC,
23 on behalf of itself and in the public interest, and Natural Wellbeing and its respective officers,
24 directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, suppliers,
25 franchisees, licensees, customers (not including private label customers of Natural Wellbeing),
26 distributors, wholesalers, retailers, and all other upstream and downstream entities in the
27 distribution chain of any Covered Product, and the predecessors, successors, and assigns of any
28 of them (collectively, "Released Parties"). ERC, on behalf of itself and in the public interest,

1 hereby fully releases and discharges the Released Parties from any and all claims, actions,
2 causes of action, suits, demands, liabilities, damages, penalties, fees, costs, and expenses
3 asserted, or that could have been asserted from the handling, use, or consumption of the
4 Covered Products, as to any alleged violation of Proposition 65 or its implementing regulations
5 arising from the failure to provide Proposition 65 warnings on the Covered Products regarding
6 lead up to and including the Effective Date.

7 **8.2** ERC on its own behalf only, and Natural Wellbeing on its own behalf only,
8 further waive and release any and all claims they may have against each other for all actions or
9 statements made or undertaken in the course of seeking or opposing enforcement of
10 Proposition 65 in connection with the Notice and Complaint up through and including the
11 Effective Date, provided, however, that nothing in Section 8 shall affect or limit any Party's
12 right to seek to enforce the terms of this Consent Judgment.

13 **8.3** It is possible that other claims not known to the Parties, arising out of the facts
14 alleged in the Notice and Complaint, and relating to the Covered Products, will develop or be
15 discovered. ERC on behalf of itself only, and Natural Wellbeing on behalf of itself only,
16 acknowledge that this Consent Judgment is expressly intended to cover and include all such
17 claims up through and including the Effective Date, including all rights of action therefore.
18 ERC and Natural Wellbeing acknowledge that the claims released in Sections 8.1 and 8.2
19 above may include unknown claims, and nevertheless waive California Civil Code section
20 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

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

25 ERC on behalf of itself only, and Natural Wellbeing on behalf of itself only, acknowledge and
26 understand the significance and consequences of this specific waiver of California Civil Code
27 section 1542.

28 **8.4** Compliance with the terms of this Consent Judgment shall be deemed to

1 constitute compliance with Proposition 65 by any of the Released Parties regarding alleged
2 exposures to lead in the Covered Products as set forth in the Notice and Complaint.

3 **8.5** Nothing in this Consent Judgment is intended to apply to any occupational or
4 environmental exposures arising under Proposition 65, nor shall it apply to any of Natural
5 Wellbeing's products other than the Covered Products.

6 **9. SEVERABILITY OF UNENFORCEABLE PROVISIONS**

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

10 **10. GOVERNING LAW**

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

13 **11. PROVISION OF NOTICE**

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

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

18 Chris Heptinstall, Executive Director, Environmental Research Center
19 3111 Camino Del Rio North, Suite 400
20 San Diego, CA 92108
21 Ph: (619) 500-3090
22 Email: chris.heptinstall@erc501c3.org

23 With a copy to:
24 Charles W. Poss
25 Environmental Research Center, Inc.
26 3111 Camino Del Rio North, Suite 400
27 San Diego, CA 92108
28 Ph: (619) 500-3090
29 Email: charles.poss@erc501c3.org

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1 **FOR NATURAL WELLBEING DISTRIBUTION INC.; NATURAL WELLBEING INC.:**

2 Natural Wellbeing Inc.
3 920-355 Burrard Street
4 Vancouver, BC V6C 2G8 Canada

5 Natural Wellbeing Distribution Inc.
6 95 Liberty Industrial Pkwy,
McDonough, GA, 30253-7512

7 With a copy to:
8 Alan Feldstein
9 Shannon Montgomery
10 Collins Gann McCloskey & Barry PLLC
11 138 Mineola Blvd
12 Mineola, NY 11501
13 516-294-0300
14 Email: afeldstein@supplementcounsel.com
15 smontgomery@supplementcounsel.com

16 **12. COURT APPROVAL**

17 **12.1** Upon execution of this Consent Judgment by the Parties, ERC shall notice a
18 Motion for Court Approval. The Parties shall use their best efforts to support entry of this
19 Consent Judgment.

20 **12.2** If the California Attorney General objects to any term in this Consent Judgment,
21 the Parties shall use their best efforts to resolve the concern in a timely manner, and if possible
22 prior to the hearing on the motion.

23 **12.3** If this Stipulated Consent Judgment is not approved by the Court, it shall be
24 void and have no force or effect.

25 **13. EXECUTION AND COUNTERPARTS**

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

14. DRAFTING

The terms of this Consent Judgment have been reviewed by the respective counsel for

1 each Party prior to its signing, and each Party has had an opportunity to fully discuss the terms
2 and conditions with legal counsel. The Parties agree that, in any subsequent interpretation and
3 construction of this Consent Judgment, no inference, assumption, or presumption shall be drawn,
4 and no provision of this Consent Judgment shall be construed against any Party, based on the fact
5 that one of the Parties and/or one of the Parties' legal counsel prepared and/or drafted all or any
6 portion of the Consent Judgment. It is conclusively presumed that all of the Parties participated
7 equally in the preparation and drafting of this Consent Judgment.

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

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

13 **16. ENFORCEMENT**

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

22 **17. ENTIRE AGREEMENT, AUTHORIZATION**

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

1 17.2 Each signatory to this Consent Judgment certifies that he or she is fully
2 authorized by the Party he or she represents to stipulate to this Consent Judgment.

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

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

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

11 (2) Make the findings pursuant to California Health and Safety Code section
12 25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.

13 **IT IS SO STIPULATED:**

14 Dated: 6/21, 2021

ENVIRONMENTAL RESEARCH
CENTER, INC.

15
16 By: 
17 Chris Heptinstall, Executive Director

18 Dated: 6/10, 2021

NATURAL WELLBEING
DISTRIBUTION INC.

19
20 Dary Fosh
21 By: W. Dary Fosh
22 Its: President

23 Dated: 6/10, 2021

NATURAL WELLBEING INC.

24
25 Dary Fosh
26 By: W. Dary Fosh
27 Its: Director
28

1 **APPROVED AS TO FORM:**

2
3
4 Dated: June 2, 2021

ENVIRONMENTAL RESEARCH
CENTER, INC.

5
6 By: 

Charles W. Poss
In-House Counsel

7
8 Dated: June 11, 2021

9 COLLINS GANN MCCLOSKEY &
BARRY PLLC

10
11 By: 

12 Alan Feldstein
13 Shannon Montgomery
14 Attorneys for Natural Wellbeing
15 Distribution Inc. and Natural Wellbeing
16 Inc.

17 **ORDER AND JUDGMENT**

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

20 IT IS SO ORDERED, ADJUDGED AND DECREED.

21 Dated: _____, 2021

22 _____
Judge of the Superior Court

EXHIBIT A



Environmental Research Center

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

January 28, 2021

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

Dear Alleged Violators and the Appropriate Public Enforcement Agencies:

I 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 Violators identified below failed to provide required clear and reasonable warnings with these products. This letter serves as a notice of these violations to the alleged Violators and the appropriate public enforcement agencies. Pursuant to Section 25249.7(d) of the statute, ERC intends to file a private enforcement action in the public interest 60 days after effective service of this notice unless the public enforcement agencies have commenced and are diligently prosecuting an action to rectify these violations.

General Information about Proposition 65. A copy of a summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, is attached with the copy of this letter served to the alleged Violators identified below.

Alleged Violators. The names of the companies covered by this notice that violated Proposition 65 (hereinafter the “Violators”) are:

**Natural Wellbeing Distribution Inc.
Natural Wellbeing Inc.**

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. Natural Wellbeing Life Glow Hair Essentials - Lead**
- 2. Natural Wellbeing Life Boosters Adaptogenic Stress Relief - Lead**
- 3. Natural Wellbeing Life Essentials Concentration Essentials – 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 January 28, 2018, 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.

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 Natural Wellbeing Distribution Inc., Natural Wellbeing Inc. and their 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 Natural Wellbeing Distribution Inc. and Natural Wellbeing Inc.

I, Chris Heptinstall, declare:

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

2. I am 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 Violators will be able to establish any of the affirmative defenses set forth in the statute.

5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California Health & Safety Code §25249.7(h)(2), i.e., (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.



Dated: January 28, 2021

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 January 28, 2021, 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
Natural Wellbeing Distribution Inc.
920-355 Burrard St
Vancouver, BC V6C 2G8
Canada

Current President or CEO
Natural Wellbeing Inc.
920-355 Burrard St
Vancouver, BC V6C 2G8
Canada

Registered Agent Solutions Inc.
(Registered Agent for Natural Wellbeing Inc.)
900 Old Roswell Lakes Parkway, Ste 310
Roswell, GA 30076

Current President or CEO
Natural Wellbeing Distribution Inc.
95 Liberty Industrial Pkwy
McDonough, GA 30253

Current President or CEO
Natural Wellbeing Inc.
95 Liberty Industrial Pkwy
McDonough, GA 30253

Law Office of Gene R Moses PS
(Registered Agent for Natural Wellbeing Inc.)
2200 Rimland Dr, Ste 115
Bellingham, WA 98226

On January 28, 2021, 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 January 28, 2021, 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.*

January 28, 2021

Page 5

Stacey Grassini, Deputy District Attorney
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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

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

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

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

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

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

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

Alethea Sargent, Assistant District Attorney
White Collar Division
San Francisco District Attorney's Office
350 Rhode Island Street
North Building, Suite 400N
San Francisco, CA 94103
alethea.sargent@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

Bud Porter, 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

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

January 28, 2021

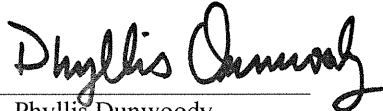
Page 6

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

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

On January 28, 2021, 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 January 28, 2021, in Fort Oglethorpe, Georgia.

A handwritten signature in black ink, appearing to read "Phyllis Dunwoody", written over a horizontal line.

Phyllis Dunwoody

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

January 28, 2021

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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 Bernadino, CA 92415

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.