Do	cuSign En	 velope ID: CD3CF7B9-E0E2-452C-A1E1-ECF6EFEAB804    	FILED Superior Court of California County of Alameda 04/22/2024			
	1	Matthews C. Maalaar (SDN 200228)	Chad Finke, Executive Officer / Clerk of the Court			
	1	Matthew C. Maclear (SBN 209228) Anthony M. Barnes (SBN 199048)	By: Daniel Stategens Deputy			
	2	Aqua Terra Aeris Law Group	D. Labrecque			
	3	4030 Martin Luther King Jr. Way				
	4	Oakland, CA 94609				
	4	Telephone: (415) 568-5200 Email: mcm@atalawgroup.com				
	5	amb@atalawgroup.com				
	6 7 AM	Attorneys for Plaintiff Environmental Research C	Center, Inc.			
	÷	We 6       Attorneys for Plaintiff Environmental Research Center, Inc.         7       Dawn Sestito (SBN 214011)         8       Collins Kilgore (SBN 295084)         0'Melveny & Myers LLP         400 South Hope Street         Los Angeles, California 90071-2899         Telephone: (213) 430-6000         Email: dsestito@omm.com         ckilgore@omm.com         ckilgore@omm.com         Attorneys for Defendant GT's Living Foods, LLC         13         SUPERIOR COURT OF THE STATE OF CALIFORNIA         COUNTY OF ALAMEDA         15         16         ENVIRONMENTAL RESEARCH				
	8 8					
	ğ 9					
	8 10					
	Ö					
	Ц е́	ckilgore@omm.com				
	<del>ව</del> ් 12	Attorneys for Defendant GT's Living Foods, LLC	C			
	<u><u></u> 13</u>					
		SUPERIOR COURT OF THE STATE OF CALIFORNIA				
⋝	iu 15	COUNTY OF ALAMEDA				
11:57 AM	ப்பு பி பி பி	ENVIRONMENTAL RESEARCH	CASE NO. 23CV037863			
1:5	17	CENTER, INC., a California non-profit				
		corporation	SECOND AMENDED STIPULATED			
3/20	18	Plaintiff,	CONSENT JUDGMENT			
30/8	19	vs.	Health & Safety Code § 25249.5 et seq.			
ed 0	20	GT's LIVING FOODS, LLC and DOES 1-	Action Filed: July 10, 2023			
sceiv	21	100	Trial Date: None set			
ly R€	22	Defendants.				
lical	23					
Electronically Received 03/08/2024	24					
Еle	25	1. INTRODUCTION				
	26					
	27	inon-prometoporation, as a private emoteer and in the public interest, initiated this action by				

filing a Complaint for Injunctive and Declaratory Relief and Civil Penalties (the "Complaint")

28

13

14

15

16

17

18

19

20

21

22

23

pursuant to the provisions of California Health and Safety Code section 25249.5 et seq. 1 2 ("Proposition 65"), against GT's Living Foods, LLC ("GT's Living Foods") and Does 1-100. 3 In this action, ERC alleges that a number of products manufactured, distributed, or sold by 4 GT's Living Foods contain lead and/or mercury, chemicals listed under Proposition 65 as 5 carcinogens and/or reproductive toxins, and expose consumers to these chemicals at a level 6 requiring a Proposition 65 warning. These products (referred to hereinafter individually as a 7 "Covered Product" or collectively as "Covered Products") are: (1) GT's Synergy Raw 8 Kombucha Multi-Green (lead, mercury), (2) GT's Synergy Raw Kombucha Gingerade 9 (mercury), (3) GT's Synergy Raw Kombucha Guava Goddess (mercury), (4) GT's Synergy 10 Raw Kombucha Pomegranate Power (lead, mercury), (5) GT's Synergy Raw Kombucha 11 Sacred Life (lead, mercury), (6) GT's Synergy Raw Kombucha Tangerine Dream (lead, 12 mercury), and (7) GT's Synergy Raw Kombucha Mystic Mango (mercury).

**1.2** ERC and GT's Living Foods 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 Second Amended Consent Judgment ("Consent Judgment"), the Parties agree that GT's Living Foods is a business entity that has employed ten or more persons at all times relevant to this action, and qualifies as a "person in the course of doing business" within the meaning of Proposition 65. GT's Living Foods manufactures, distributes, and/or sells the Covered Products.

1.5 The Complaint is based on allegations contained in ERC's Notices of Violation
dated March 16, 2023 and April 4, 2023 that were served on the California Attorney General,
other public enforcers, and GT's Living Foods ("Notices"). True and correct copies of the 60Day Notices dated March 16, 2023 and April 4, 2023 are attached hereto as Exhibits A and B
and each is incorporated herein by reference. More than 60 days have passed since the Notices

were served on the Attorney General, public enforcers, and GT's Living Foods and no 2 designated governmental entity has filed a Complaint against GT's Living Foods with regard to 3 the Covered Products or the alleged violations.

1.6 ERC's Notices and Complaint allege that use of the Covered Products by California consumers exposes them to lead and/or mercury without first receiving clear and reasonable warnings from GT's Living Foods, which is in violation of California Health and Safety Code section 25249.6. GT's Living Foods denies all material allegations contained in the Notices and Complaint.

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

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

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

#### 2. JURISDICTION AND VENUE

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

#### SECOND AMENDED STIPULATED CONSENT JUDGMENT Case No. 23CV037863

1

1 2

3

5

8

11

12

15

16

17

18

19

20

21

22

23

24

25

3.

#### **INJUNCTIVE RELIEF, TESTING AND WARNINGS**

3.1 Beginning on the Effective Date, GT's Living Foods shall be permanently enjoined from manufacturing for sale in the State of California, "Distributing into the State of 4 California," or directly selling in the State of California, any Covered Product that exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day and/or "Daily Mercury Exposure Level" of more than 0.3 micrograms of mercury per day as 6 7 determined by the testing described in Section 3.4 below, unless it meets the warning requirements under Section 3.2. If the testing described in Section 3.4 below indicates that a 9 warning should be required, GT's Living Foods will have the opportunity to prove that the 10 lead or mercury detected in the product is naturally occurring with evidence that meets the requirements of 27 CCR section 25501 (2023) and may thereafter seek modification of the Consent Judgment pursuant to Section 5, so the Court can determine if the modification is 13 consistent with the law and only after giving the Attorney General 45 days' notice of the 14 proposed modification to the Consent Judgment.

**3.1.1** As used in this Consent Judgment, the term "Distributing into the State of California" shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that GT's Living Foods knows or has reason to know will sell the Covered Product in California.

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

26 **3.1.3** For purposes of this Consent Judgment, the "Daily Mercury Exposure 27 Level" shall be measured in micrograms, and shall be calculated using the following formula: 28 micrograms of mercury per gram of product, multiplied by grams of product serving of the

1

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

product (using the largest serving size appearing on the product label), multiplied by servings 2 of the product per day (using the largest number of recommended daily servings appearing on 3 the label), which equals micrograms of lead exposure per day. If the label contains no 4 recommended daily servings, then the number of recommended daily servings shall be one.

#### 3.2 **Clear and Reasonable Warnings**

If GT's Living Foods is required to provide a warning pursuant to Section 3.1, one of the following warnings must be utilized ("Warning"):

#### **OPTION 1:**

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

#### **OPTION 2**:

**WARNING**: [Cancer and] Reproductive Harm – www.P65Warnings.ca.gov/food GT's Living Foods shall use the phrase "cancer and" in the Warning if GT's Living Foods has reason to believe that the "Daily Lead Exposure Level" is greater than 15 micrograms of lead as determined pursuant to the testing methodology set forth in Section 3.4 or if GT's Living Foods has actual knowledge that another Proposition 65 chemical is present at a level that requires a cancer warning. As identified in the brackets, the warning shall appropriately reflect whether there is lead, mercury, or both chemicals present in each of the Covered Products, but if GT's Living Foods has actual knowledge that there is a chemical present at a level that requires a cancer warning, the chemical requiring use of the phrase "cancer and" in the Warning shall always be identified. For the Option 2 Warning, a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline shall be placed to the left of the text of the Warning, in a size no smaller than the height of the word "WARNING." Where the sign, label or shelf tag for the product is not printed using the color yellow, the symbol may be printed in black and white.

27 The Warning shall be securely affixed to or printed upon the label of each Covered 28 Product and it must be set off from other surrounding information and enclosed in a box. In addition, for any Covered Product sold over the internet, the Warning shall appear on the
 checkout page when a California delivery address is indicated for any purchase of any Covered
 Product. An asterisk or other identifying method must be utilized to identify which products on
 the checkout page are subject to the Warning. In no event shall any internet or website
 Warning be contained in or made through a link.

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

GT's Living Foods must display the above Warning with such conspicuousness, as compared with other words, statements or designs on the label, or on its website, if applicable, to render the Warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product. Where a sign or label used to provide the Warning for a Covered Product includes consumer information about the Covered Product in a language other than English, the Warning must also be provided in that language in addition to English.

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

3.3

#### .3 Conforming Covered Products

A Conforming Covered Product is a Covered Product for which the "Daily Lead Exposure Level" is no greater than 0.5 micrograms of lead per day and/or the "Daily Mercury Exposure Level" is no greater than 0.3 micrograms of mercury per day as determined by the exposure methodology set forth in Section 3.1.2 and the quality control methodology described in Section 3.4, and that is not known by GT's Living Foods to contain other chemicals that violate Proposition 65's safe harbor thresholds.

28 || ///

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

#### 3.4 Testing and Quality Control Methodology

**3.4.1** Beginning within one year of the Effective Date, GT's Living Foods shall arrange for lead and mercury testing of the Covered Products at least once a year for a minimum of five consecutive years by arranging for testing of three (3) randomly selected samples of each of the Covered Products, in the form intended for sale to the end-user, which GT's Living Foods intends to sell or is manufacturing for sale in California, directly selling to a consumer in California or "Distributing into the State of California." If tests conducted pursuant to this Section demonstrate that no Warning is required for a Covered Product during each of five consecutive years, then the testing requirements of this Section will no longer be required as to that Covered Product. However, if during or after the five-year testing period, GT's Living Foods reformulates any of the Covered Products, GT's Living Foods shall test that Covered Product annually for at least four (4) consecutive years after such change is made.

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

**3.4.3** All testing pursuant to this Consent Judgment shall be performed using a laboratory method that complies with the performance and quality control factors appropriate for the method used, including limit of detection and limit of quantification, sensitivity, accuracy and precision that meets the following criteria: Inductively Coupled Plasma-Mass Spectrometry ("ICP-MS") achieving a limit of quantification of less than or equal to 0.005 mg/kg... In the alternative GT's Living Foods may conduct testing pursuant to the AOAC 993.14 method or any other method for lead and mercury testing that is accepted for First Action by the AOAC in the future so long as the limit of quantification for such testing method is less than or equal to .005 mg/kg. ERC is not required to use the same testing method chosen by GT's Living Foods as each Party may select a qualifying laboratory and testing method of its choice to conduct the testing pursuant to Section 3.4.

3.4.4 All testing pursuant to this Consent Judgment shall be performed by an
independent third party laboratory certified by the California Environmental Laboratory

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Accreditation Program or an independent third-party laboratory that is registered with the 1 2 United States Food & Drug Administration.

**3.4.5** Nothing in this Consent Judgment shall limit GT's Living Foods' ability 4 to conduct, or require that others conduct, additional testing of the Covered Products, including the raw materials used in their manufacture.

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

4. SETTLEMENT PAYMENT

4.1 In full satisfaction of all potential civil penalties, additional settlement payments, attorney's fees, and costs, GT's Living Foods shall make a total payment of \$90,947.48 ("Total Settlement Amount") to ERC within 15 days of the Effective Date ("Due Date"). GT's Living Foods shall make this payment by wire transfer to ERC's account, for which ERC will give GT's Living Foods the necessary account information. The Total Settlement Amount shall be apportioned as follows:

4.2 \$21,250.00 shall be considered a civil penalty pursuant to California Health and Safety Code section 25249.7(b)(1). ERC shall remit 75% (\$15,937.50) of the civil penalty to the Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety Code section 25249.12(c). ERC will retain the remaining 25% (\$5,312.50) of the civil penalty.

4.3 \$2,801.45 shall be distributed to ERC as reimbursement to ERC for reasonable costs incurred in bringing this action.

4.4 \$15,750.00 shall be distributed to ERC as an Additional Settlement Payment ("ASP"), pursuant to California Code of Regulations, title 11, sections 3203, subdivision (d) and 3204, which shall be subject to the Court's ongoing judicial oversight pursuant to California Code of Regulations, title 11, section 3204. ERC will utilize the ASP for activities that address the same public harm as allegedly caused by Defendant in this matter. These activities are detailed below and support ERC's overarching goal of reducing and/or

eliminating hazardous and toxic chemicals in dietary supplement products in California. ERC's
 activities have had, and will continue to have, a direct and primary effect within the State of
 California because California consumers will be benefitted by the reduction and/or elimination
 of exposure to lead and/or mercury in dietary supplements and/or by providing clear and
 reasonable warnings to California consumers prior to ingestion of the products.

Based on a review of past years' actual budgets, ERC is providing the following list of 6 7 activities ERC engages in to protect California consumers through Proposition 65 citizen 8 enforcement, along with a breakdown of how ASP funds will be utilized to facilitate those 9 activities: (1) ENFORCEMENT (up to 65-80%): obtaining, shipping, analyzing, and testing 10 dietary supplement products that may contain lead and/or mercury and are sold to California 11 consumers. This work includes continued monitoring and enforcement of past consent 12 judgments and settlements to ensure companies are in compliance with their obligations 13 thereunder, with a specific focus on those judgments and settlements concerning lead and/or 14 mercury. This work also includes investigation of new companies that ERC does not obtain 15 any recovery through settlement or judgment; (2) VOLUNTARY COMPLIANCE PROGRAM 16 (up to 10-20%): maintaining ERC's Voluntary Compliance Program by acquiring products 17 from companies, developing and maintaining a case file, testing products from these 18 companies, providing the test results and supporting documentation to the companies, and 19 offering guidance in warning or implementing a self-testing program for lead and/or mercury 20 in dietary supplement products; and (3) "GOT LEAD" PROGRAM (up to 5%): maintaining 21 ERC's "Got Lead?" Program which reduces the numbers of contaminated products that reach 22 California consumers by providing access to free testing for lead in dietary supplement 23 products (Products submitted to the program are screened for ingredients which are suspected 24 to be contaminated, and then may be purchased by ERC, catalogued, sent to a qualified 25 laboratory for testing, and the results shared with the consumer that submitted the product).

ERC shall be fully accountable in that it will maintain adequate records to document and will be able to demonstrate how the ASP funds will be spent and can assure that the funds are being spent only for the proper, designated purposes described in this Consent Judgment.

ERC shall provide the Attorney General, within thirty days of any request, copies of 1 2 documentation demonstrating how such funds have been spent.

4.5 \$16,300.00 shall be distributed to Aqua Terra Aeris Law Group as reimbursement of ERC's attorney fees, while \$34,846.03 shall be distributed to ERC for its in-4 house legal fees. Except as explicitly provided herein, each Party shall bear its own fees and costs.

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

#### 5.

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

#### **MODIFICATION OF CONSENT JUDGMENT**

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

5.2 If GT's Living Foods seeks to modify this Consent Judgment under Section 5.1, then GT's Living Foods must provide written notice to ERC of its intent ("Notice of Intent"). If ERC seeks to meet and confer regarding the proposed modification in the Notice of Intent, then ERC must provide written notice to GT's Living Foods within thirty (30) days of receiving the Notice of Intent. If ERC notifies GT's Living Foods in a timely manner of ERC's intent to meet and confer, then the Parties shall meet and confer in good faith as required in this Section. The Parties shall meet in person or via telephone within thirty (30) days of ERC's notification of its intent to meet and confer. Within thirty (30) days of such meeting, if ERC disputes the

proposed modification, ERC shall provide to GT's Living Foods a written basis for its position.
 The Parties shall continue to meet and confer for an additional thirty (30) days in an effort to
 resolve any remaining disputes. Should it become necessary, the Parties may agree in writing
 to different deadlines for the meet-and-confer period.

5 5.3 In the event that GT's Living Foods initiates or otherwise requests a
modification under Section 5.1, and the meet and confer process leads to a joint motion or joint
application for a modification of the Consent Judgment, GT's Living Foods shall reimburse
ERC its costs and reasonable attorney's fees for the time spent in the meet-and-confer process
and filing and arguing the motion or application.

## 6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT JUDGMENT

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

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

#### || 7.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

## APPLICATION OF CONSENT JUDGMENT

This Consent Judgment may apply to, be binding upon, and benefit the Parties and their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, franchisees, licensees, customers (excluding private labelers), distributors, wholesalers, retailers, predecessors, successors, and assigns. This Consent Judgment shall have no application to any Covered Product that is distributed or sold exclusively outside the State of California and

that is not used by California consumers. 1

8.

#### **BINDING EFFECT, CLAIMS COVERED AND RELEASED**

8.1 This Consent Judgment is a full, final, and binding resolution between ERC, on behalf of itself and in the public interest, and GT's Living Foods and its respective officers, directors, shareholders, employees, agents, parent companies, predecessors, subsidiaries, divisions, suppliers, franchisees, licensees, customers (not including private label customers of GT's Living Foods), distributors, wholesalers, retailers, and all other upstream and downstream entities in the distribution chain of any Covered Product, and the predecessors, successors, and assigns of any of them (collectively, "Released Parties"), of any violation of Proposition 65 based on failure to warn about alleged exposure to lead and mercury contained in Covered Products that were sold or distributed by GT's Living Foods prior to the Effective Date.

8.2 ERC, acting in the public interest, releases the Released Parties from any and all claims for violations of Proposition 65 up through the Effective Date based on exposure to lead and/or mercury from the Covered Products as set forth in the Notices of Violation. ERC, on behalf of itself only, hereby fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs, and expenses asserted, or that could have been asserted from the handling, use, or consumption of the Covered Products, as to any alleged violation of Proposition 65 or its implementing regulations arising from the failure to provide Proposition 65 warnings on the Covered Products regarding lead and/or mercury up to and including the Effective Date.

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

8.4 It is possible that other claims not known to the Parties, arising out of the facts alleged in the Notices and Complaint, and relating to the Covered Products, will develop or be discovered. ERC on behalf of itself only, and GT's Living Foods on behalf of itself only,
 acknowledge that this Consent Judgment is expressly intended to cover and include all such
 claims up through and including the Effective Date, including all rights of action therefore.
 ERC and GT's Living Foods acknowledge that the claims released in Sections 8.2 and 8.3
 above may include unknown claims, and nevertheless waive California Civil Code section
 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

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

ERC on behalf of itself only, and GT's Living Foods on behalf of itself only, acknowledge and
understand the significance and consequences of this specific waiver of California Civil Code
section 1542.

8.5 Compliance with the terms of this Consent Judgment shall be deemed to constitute compliance with Proposition 65 by any of the Released Parties regarding alleged exposures to lead and/or mercury in the Covered Products as set forth in the Notices and Complaint.

8.6 Nothing in this Consent Judgment is intended to apply to any occupational or
environmental exposures arising under Proposition 65, nor shall it apply to any of GT's Living
Foods' 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 unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.

#### 10. GOVERNING LAW

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

28 ////

7

8

9

10

14

15

16

17

21

22

23

24

25

26

27

#### 1 11. **PROVISION OF NOTICE**

2

All notices required to be given to either Party to this Consent Judgment by the other shall

3 be in writing and sent to the following agents listed below via first-class mail or via electronic

4 mail where required. Courtesy copies via email may also be sent.

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

Chris Heptinstall, Executive Director, Environmental Research Center 6 3111 Camino Del Rio North, Suite 400 7 San Diego, CA 92108 Ph: (619) 500-3090 8 Email: chris.heptinstall@erc501c3.org 9 With a copy to: Matthew C. Maclear 10 Anthony M. Barnes 11 Aqua Terra Aeris Law Group 4030 Martin Luther King Jr. Way 12 Oakland, CA 94609 Telephone: (415) 568-5200 13 Email: mcm@atalawgroup.com 14 15 FOR GT's LIVING FOODS, LLC: GT Dave 16 Chief Executive Officer GT's Living Foods, LLC 17 4646 Hampton St. 18 Vernon, California 90058 Email: gt@drinkgts.com 19 With a copy to: 20 Dawn Sestito 21 R. Collins Kilgore O'Melveny & Myers LLP 22 400 South Hope Street Los Angeles, California 90071-2899 23 Telephone: (213) 430-6000 24 Email: dsestito@omm.com ckilgore@omm.com 25 **COURT APPROVAL** 12. 26 27 12.1 Upon execution of this Consent Judgment by the Parties, ERC shall notice a Motion for Court Approval. The Parties shall use their best efforts to support entry of this 28

Page 14 of 18

Consent Judgment.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

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

#### 13. EXECUTION AND COUNTERPARTS

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

#### 14. DRAFTING

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

## 15. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

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

#### 16. ENFORCEMENT

16.1 ERC may, by motion or order to show cause before the Superior Court of
Alameda County, enforce the terms and conditions contained in this Consent Judgment. Prior
to bringing any such motion, ERC shall provide GT's Living Foods with written notice setting

forth the basis for the alleged violation. The Parties shall then meet and confer regarding the 1 2 basis for ERC's anticipated motion or application in an attempt to resolve it informally. Should 3 such attempts at meeting and conferring fail, ERC may file its enforcement motion. In any 4 action brought by ERC to enforce this Consent Judgment, ERC may seek whatever fines, costs, 5 penalties, or remedies as are provided by law for failure to comply with the Consent Judgment. To the extent the failure to comply with the Consent Judgment constitutes a violation of 6 7 Proposition 65 or other laws, ERC shall not be limited to enforcement of this Consetn Judgment, but may seek in another action whatever fines, costs, penalties, or remedies as are provided by law for failure to comply with Proposition 65 or other laws.

#### **17. ENTIRE AGREEMENT, AUTHORIZATION**

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

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

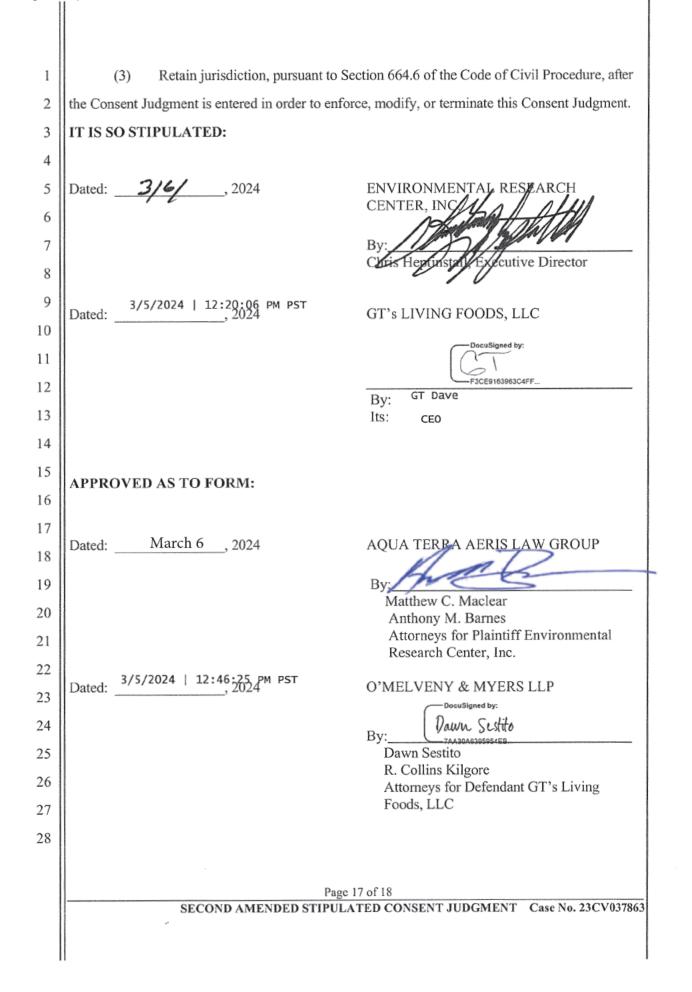
## 18. REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT AND ENTRY OF CONSENT JUDGMENT

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

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

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

#### SECOND AMENDED STIPULATED CONSENT JUDGMENT Case No. 23CV037863



1	ORDER AND JUDGMENT				
2	Based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is				
3	approved and Judgment is hereby entered according to its terms.				
4	IT IS SO ORDERED, ADJUDGED AND DECREED.				
5					
6	Dated:	04/22/2024	, 2024	Juli Gar	
7				Judge of the Superior Court	
8				Julia Spain / Judge	
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
	Page 18 of 18 SECOND AMENDED STIPULATED CONSENT JUDGMENT Case No. 23CV				

# **EXHIBIT** A



Matthew Maclear <u>mcm@atalawgroup.com</u> 415-568-5200 Anthony Barnes <u>amb@atalawgroup.com</u> 917-371-8293

March 16, 2023

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

Dear Alleged Violator 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 Violator identified below failed to provide required clear and reasonable warnings with these products. This letter serves as a notice of these violations to the alleged Violator and the appropriate public enforcement agencies. Pursuant to 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.

<u>General Information about Proposition 65</u>. 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 Violator identified below.

1

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

**GT's Living Foods, LLC** 



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

- 1. GT's Synergy Raw Kombucha Multi-Green Lead, Mercury
- 2. GT's Synergy Raw Kombucha Gingerade Mercury
- 3. GT's Synergy Raw Kombucha Guava Goddess Mercury
- 4. GT's Synergy Raw Kombucha Pomegranate Power Lead, Mercury

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.

On July 1, 1990, the State of California officially listed mercury and mercury compounds as chemicals known to cause developmental toxicity and male and female reproductive toxicity.

It should be noted that ERC may continue to investigate other products that may reveal further violations and result in subsequent notices of violations.

<u>Route of Exposure</u>. The consumer exposures that are the subject of this notice result from the recommended use of these products. Consequently, the route of exposure to these chemicals has been and continues to be through ingestion.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least March 16, 2020, 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 these known toxic chemicals are 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 chemicals. The method of warning should be a warning that appears on the product label. The Violator violated Proposition 65 because it failed to provide persons ingesting these products with appropriate warnings that they are being exposed to these chemicals.

Consistent with the public interest goals of Proposition 65 and a desire to have these ongoing violations of California law quickly rectified, ERC is interested in seeking a constructive resolution of this matter that includes an enforceable written agreement by the Violator to: (1) reformulate the identified products so as to eliminate further exposures to the identified chemicals, 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 chemicals, as well as an expensive and time-consuming litigation.

ERC has retained ATA Law Group as legal counsel in connection with this matter. Please direct all communications regarding this Notice of Violation to my attention, or the attention of ATA partner Anthony Barnes, using the address or contact information indicated on the letterhead.

Sincerely, MAH Molear

Matthew Maclear Aqua Terra Aeris Law Group

Attachments

Certificate of Merit Certificate of Service OEHHA Summary (to GT's Living Foods, LLC and its Registered Agents for Service of Process only) Additional Supporting Information for Certificate of Merit (to AG only)



#### **CERTIFICATE OF MERIT**

#### Re: Environmental Research Center, Inc.'s Notice of Proposition 65 Violations by GT's Living Foods, LLC

I, Matthew Maclear, declare:

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

2. I am 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 chemicals that are the subject of the notice.

4. Based on the information obtained through those consultants, and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and that the information did not prove that the alleged Violator will be able to establish any of the affirmative defenses set forth in the statute.

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

Chrat Moclear

Dated: March 16, 2023

Matthew Maclear



#### 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 March 16, 2023, 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 GT's Living Foods, LLC 4646 Hampton St Vernon, CA 90058

Current President or CEO GT's Living Foods, LLC PO Box 2352 Beverly Hills, CA 90213

Current President or CEO GT's Living Foods, LLC 4415 Bandini Blvd Vernon, CA 90058 CT Corporation System (Registered Agent for GT's Living Foods, LLC) 330 N Brand Blvd, Ste 700 Glendale, CA 91203

The Corporation Trust Company (Registered Agent for GT's Living Foods, LLC) 1209 N. Orange St. Wilmington, DE 19801

CT Corporation System (Registered Agent for GT's Living Foods, LLC) 28 Liberty St New York, NY 10005

On March 16, 2023, 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

(415) 568-5200 (415)-326-3173



On March 16, 2023, 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

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

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

Lisa A. Smittcamp, District Attorney Fresno County 2100 Tulare Street Fresno, CA 93721 consumerprotection@fresnocountyca.gov

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

Walter W. Wall, District Attorney Mariposa County P.O. Box 730 Mariposa, CA 95338 mcda@mariposacounty.org Kimberly Lewis, District Attorney Merced County 550 West Main St Merced, CA 95340 Prop65@countyofmerced.com

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

Allison Haley, District Attorney Napa County 1127 First Street, Ste C Napa, CA 94559 CEPD@countyofnapa.org

Clifford H. Newell, District Attorney Nevada County 201 Commercial St Nevada City, CA 95959 DA.Prop65@co.nevada.ca.us

Todd Spitzer, District Attorney Orange County 300 N Flower St Santa Ana, CA 92703 Prop65notice@da.ocgov.com

Morgan Briggs Gire, District Attorney Placer County 10810 Justice Center Drive Roseville, CA 95678 Prop65@placer.ca.gov

David Hollister, District Attorney Plumas County 520 Main St Quincy, CA 95971 davidhollister@countyofplumas.com



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

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

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

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

Alexandra Grayner, Assistant District Attorney San Francisco District Attorney's Office 350 Rhode Island Street San Francisco, CA 94103 Alexandra.grayner@sfgov.org

Valerie Lopez, Deputy City Attorney San Francisco City Attorney 1390 Market Street, 7<sup>th</sup> Floor San Francisco, CA 94102 Valerie.Lopez@sfcityatty.org Starla.Sousa@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, 4<sup>th</sup> 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

Nora V. Frimann, City Attorney San Jose City Attorney 200 E. Santa Clara Street, 16<sup>th</sup> Floor San Jose, CA 96113 Proposition65notices@sanjoseca.gov

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

Jill Ravitch, District Attorney Sonoma County 600 Administration Dr Sonoma, CA 95403 Jeannie.Barnes@sonoma-county.org

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

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

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

4030 Martin Luther King Jr. Way mcm@atalawgroup.com Oakland, CA 94609 amb@atalawgroup.com



On March 16, 2023, 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 March 16, 2023, in Fort Oglethorpe, Georgia.

Phyllis Junior



#### 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 310 6th St 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, 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 Attomey, 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, Mendocino County Post Office Box 1000 Ukiah, CA 95482

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, 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 Post Office Box 457 100 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

4030 Martin Luther King Jr. Way mcm@atalawgroup.com Oakland, CA 94609

amb@atalawgroup.com

(415) 568-5200 (415)-326-3173

#### 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.<sup>1</sup> 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

<sup>&</sup>lt;sup>1</sup> 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: <u>http://www.oehha.ca.gov/prop65/prop65\_list/Newlist.html</u>.

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 contaminant<sup>2</sup> 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.

<sup>&</sup>lt;sup>2</sup> 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.

# **EXHIBIT B**



Matthew Maclear <u>mcm@atalawgroup.com</u> 415-568-5200 Anthony Barnes <u>amb@atalawgroup.com</u> 917-371-8293

April 4, 2023

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

Dear Alleged Violator 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 Violator identified below failed to provide required clear and reasonable warnings with these products. This letter serves as a notice of these violations to the alleged Violator and the appropriate public enforcement agencies. Pursuant to 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.

<u>General Information about Proposition 65</u>. 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 Violator identified below.

1

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

GT's Living Foods, LLC



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

- 1. GT's Synergy Raw Kombucha Sacred Life Lead, Mercury
- 2. GT's Synergy Raw Kombucha Tangerine Dream Lead, Mercury
- 3. GT's Synergy Raw Kombucha Mystic Mango Mercury

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.

On July 1, 1990, the State of California officially listed mercury and mercury compounds as chemicals known to cause developmental toxicity and male and female reproductive toxicity.

It should be noted that ERC may continue to investigate other products that may reveal further violations and result in subsequent notices of violations.

<u>Route of Exposure</u>. The consumer exposures that are the subject of this notice result from the recommended use of these products. Consequently, the route of exposure to these chemicals has been and continues to be through ingestion.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least April 4, 2020, 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 these known toxic chemicals are 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 chemicals. The method of warning should be a warning that appears on the product label. The Violator violated Proposition 65 because it failed to provide persons ingesting these products with appropriate warnings that they are being exposed to these chemicals.

Consistent with the public interest goals of Proposition 65 and a desire to have these ongoing violations of California law quickly rectified, ERC is interested in seeking a constructive resolution of this matter that includes an enforceable written agreement by the Violator to: (1) reformulate the identified products so as to eliminate further exposures to the identified chemicals, 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 chemicals, as well as an expensive and time-consuming litigation.



ERC has retained ATA Law Group as legal counsel in connection with this matter. **Please direct all** communications regarding this Notice of Violation to my attention, or the attention of ATA partner Anthony Barnes, using the address or contact information indicated on the letterhead.

Sincerely, Watt Moclear

Matthew Maclear AQUA TERRA AERIS LAW GROUP

Attachments

Certificate of Merit

Certificate of Service

OEHHA Summary (to GT's Living Foods, LLC and its Registered Agents for Service of Process only) Additional Supporting Information for Certificate of Merit (to AG only)



### **CERTIFICATE OF MERIT**

### Re: Environmental Research Center, Inc.'s Notice of Proposition 65 Violations by GT's Living Foods, LLC

I, Matthew Maclear, declare:

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

2. I am 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 chemicals that are the subject of the notice.

4. Based on the information obtained through those consultants, and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and that the information did not prove that the alleged Violator will be able to establish any of the affirmative defenses set forth in the statute.

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

Chrat Molear

Dated: April 4, 2023

Matthew Maclear



#### CERTIFICATE OF SERVICE PURSUANT TO 27 CCR § 25903

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States and over the age of 18 years of age. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742. I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at Fort Oglethorpe, Georgia.

On April 4, 2023, 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 GT's Living Foods, LLC 4646 Hampton St Vernon, CA 90058

Current President or CEO GT's Living Foods, LLC PO Box 2352 Beverly Hills, CA 90213

Current President or CEO GT's Living Foods, LLC 4415 Bandini Blvd Vernon, CA 90058

CT Corporation System (Registered Agent for GT's Living Foods, LLC) 28 Liberty St New York, NY 10005 CT Corporation System (Registered Agent for GT's Living Foods, LLC) 330 N Brand Blvd, Ste 700 Glendale, CA 91203

The Corporation Trust Company (Registered Agent for GT's Living Foods, LLC) 1209 N. Orange St. Wilmington, DE 19801

On April 4, 2023, 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 April 4, 2023, 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

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

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

Lisa A. Smittcamp, District Attorney Fresno County 2100 Tulare Street Fresno, CA 93721 consumerprotection@fresnocountyca.gov

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

Walter W. Wall, District Attorney Mariposa County P.O. Box 730 Mariposa, CA 95338 mcda@mariposacounty.org Kimberly Lewis, District Attorney Merced County 550 West Main St Merced, CA 95340 Prop65@countyofmerced.com

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

Allison Haley, District Attorney Napa County 1127 First Street, Ste C Napa, CA 94559 CEPD@countyofnapa.org

Clifford H. Newell, District Attorney Nevada County 201 Commercial St Nevada City, CA 95959 DA.Prop65@co.nevada.ca.us

Todd Spitzer, District Attorney Orange County 300 N Flower St Santa Ana, CA 92703 Prop65notice@da.ocgov.com

Morgan Briggs Gire, District Attorney Placer County 10810 Justice Center Drive Roseville, CA 95678 Prop65@placer.ca.gov

David Hollister, District Attorney Plumas County 520 Main St Quincy, CA 95971 davidhollister@countyofplumas.com



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

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

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

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

Alexandra Grayner, Assistant District Attorney San Francisco District Attorney's Office 350 Rhode Island Street San Francisco, CA 94103 Alexandra.grayner@sfgov.org

Valerie Lopez, Deputy City Attorney San Francisco City Attorney 1390 Market Street, 7<sup>th</sup> Floor San Francisco, CA 94102 Valerie.Lopez@sfcityatty.org Starla.Sousa@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, 4<sup>th</sup> 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

Nora V. Frimann, City Attorney San Jose City Attorney 200 E. Santa Clara Street, 16<sup>th</sup> Floor San Jose, CA 96113 Proposition65notices@sanjoseca.gov

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

Jill Ravitch, District Attorney Sonoma County 600 Administration Dr Sonoma, CA 95403 Jeannie.Barnes@sonoma-county.org

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

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

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

4030 Martin Luther King Jr. Way mcm@atalawgroup.com Oakland, CA 94609 amb@atalawgroup.com



On April 4, 2023, 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 April 4, 2023, in Fort Oglethorpe, Georgia.

Phyllis Dunwoody



#### Service List

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

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

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

District Attorney, Colusa County 310 6th St 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, 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 Attomey, 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, Mendocino County Post Office Box 1000 Ukiah, CA 95482

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, 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 Post Office Box 457 100 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

4030 Martin Luther King Jr. Way mcm@atalawgroup.com Oakland, CA 94609

amb@atalawgroup.com

(415) 568-5200 (415)-326-3173

## 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.<sup>1</sup> 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

<sup>&</sup>lt;sup>1</sup> 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: <u>http://www.oehha.ca.gov/prop65/prop65\_list/Newlist.html</u>.

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 contaminant<sup>2</sup> 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.

<sup>&</sup>lt;sup>2</sup> 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.