1	GIDEON KRACOV (SBN 179815) 801 S. Grand Avenue, Ste. 1100		
2	Los Angeles, CA 90017 213.629.2071		
3	FAX 213.623.7755 gk@gideonlaw.net	,	
4		•	
5	Attorneys for Plaintiff ENVIRONMENTAL RESEARCH CENTER	rec'd	
6		JUL 0 8 2011	
7		FILING WINDOW	
8	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
9	COUNTY OF LOS ANGELES		
10			
11	ENVIRONMENTAL RESEARCH CENTER, a) CASE NO.		
12	non-profit California corporation,	BC465087	
13	Plaintiff,))	
14	NNC LLC dba NATURADE, a Delaware limited liability company,	PROPOSED] STIPULATED CONSENT JUDGMENT	
1	1		
15	Defendant.))	
])))	
15 16)))	
15 16 17	Defendant.		
15 16 17 18	Defendant. IT IS HEREBY STIPULATED AND AG	REED by the Parties hereto, as follows:	
15	Defendant. IT IS HEREBY STIPULATED AND AG WHEREAS:	·	
15 16 17 18	Defendant. IT IS HEREBY STIPULATED AND AG WHEREAS: A. ENVIRONMENTAL RESEARCH	CENTER ("ERC") is a citizen enforcer of	
15 16 17 18 19	Defendant. IT IS HEREBY STIPULATED AND AG WHEREAS: A. ENVIRONMENTAL RESEARCH California Health and Safety Code § 25249.6 et s	CENTER ("ERC") is a citizen enforcer of eq. ("Proposition 65") and is a non-profit	
115 116 117 118 119 120 121	Defendant. IT IS HEREBY STIPULATED AND AG WHEREAS: A. ENVIRONMENTAL RESEARCH	CENTER ("ERC") is a citizen enforcer of eq. ("Proposition 65") and is a non-profit	
115 116 117 118 119 120 121 122 122 1	IT IS HEREBY STIPULATED AND AG WHEREAS: A. ENVIRONMENTAL RESEARCH California Health and Safety Code § 25249.6 et s corporation organized under California's Non-Pre	CENTER ("ERC") is a citizen enforcer of eq. ("Proposition 65") and is a non-profit	
115 116 117 118 119 120 221 221 222	IT IS HEREBY STIPULATED AND AG WHEREAS: A. ENVIRONMENTAL RESEARCH California Health and Safety Code § 25249.6 et s corporation organized under California's Non-Pre	CENTER ("ERC") is a citizen enforcer of eq. ("Proposition 65") and is a non-profit ofit Public Benefit Corporation Law. bility company that does business as	

marketed, and/or sold the products containing lead and lead compounds sold in the State of California ("the Products or Product"). "Parties" means ERC and NATURADE only.

- C. The name of the Products covered under this Consent Judgment are set forth in **Exhibit A**, attached hereto (any products not set forth on Exhibit A hereto are not subject to the injunctive provisions herein, and are not covered by the release of liability herein);
- D. On February 27, 1987, the State of California officially listed the chemical lead as a chemical known to cause reproductive toxicity, pursuant to California Health and Safety Code § 25249.8;
- E. On October 1, 1992, the State of California officially listed the chemicals lead and lead compounds as chemicals known to cause cancer, pursuant to California Health and Safety Code § 25249.8;
- F. The Products have allegedly been sold by NATURADE for use in California since at least October 2009.
- G. On September 23, 2010 and December 24, 2010, ERC served NATURADE and each of the appropriate public enforcement agencies with a document entitled "60-Day Notice" that provided NATURADE and the public enforcement agencies with notice that NATURADE was in violation of Proposition 65 for failing to warn purchasers and individuals using the Products that the use of the Products exposes them to lead, a chemical known to the State of California to cause cancer and/or reproductive toxicity ("Prop. 65 Notices") (a copy of the 60-Day Notices are attached hereto as Exhibit B);
- H. The Action was brought by ERC in the public interest at least sixty (60) days after ERC provided notice of the Proposition 65 violations to NATURADE and the appropriate public enforcement agencies and none of the public enforcement agencies had commenced and begun diligently prosecuting an action against NATURADE for such violations;
- I. For purposes of this Consent Judgment only, the Parties stipulate that this Court [PROPOSED] STIPULATED CONSENT JUDGMENT

has jurisdiction over the subject matter of this action and personal jurisdiction over the Parties, that venue is proper in this Court, and that this Court has jurisdiction to enter a Consent Judgment pursuant to the terms set forth herein;

- J. The Parties enter into this Consent Judgment to settle disputed claims between them and to avoid prolonged litigation. By execution of this Consent Judgment, NATURADE does not admit any violations or the applicability of Proposition 65. Except for the representations made above, nothing in this Consent Judgment shall be construed as an admission by NATURADE or Plaintiff of any fact, issue of law, or violation of law, nor shall compliance with this Consent Judgment constitute or be construed as an admission by NATURADE or Plaintiff of any fact, issue of law, or violation of law;
- K. Except as expressly provided herein, nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy or defense the Parties may have in any other or further legal proceeding. This paragraph shall not diminish or otherwise affect the obligations, responsibilities, and duties of any Party to this Consent Judgment; and,
- L. The "Effective Date" of this Consent Judgment shall be the date upon which this Consent Judgment is entered by the Court.
- NOW, THEREFORE, in consideration of the promises, covenants and agreements herein contained, the sufficiency and adequacy of which is hereby acknowledged by the Parties:
- 1. Injunctive Relief. On and after the Effective Date of this Consent Judgment,

 NATURADE shall not manufacture for sale in the State of California, distribute into the State of

 California, or directly sell in the State of California any Product for which the maximum dose

 recommended on the label contains more than 0.5 micrograms (mcg) of lead, excluding the following

 amounts of naturally occurring lead in the ingredients listed below in Table 1A in accordance

with the Attorney General's Stipulation Modifying Consent Judgments in *People v. Warner Lambert et al.* (San. Fran. Sup. Crt. Case No. 984503):

TABLE 1A

<u>INGREDIENT</u>	NATURALLY OCCURRING AMOUNT OF LEAD
<u>Calcium</u>	.8 mcg/1000 milligrams
Ferrous Fumarate	<u>.4 mcg/g</u>
Zinc Oxide	8.0 mcg/g
Magnesium Oxide	<u>.4 mcg/g</u>
Magnesium Carbonate	.332 mcg/g
Magnesium Hydroxide	<u>.4 mcg/g</u>
Zinc Gluconate	<u>.8 mcg/g</u>
Potassium Chloride	1.1 mcg/g

2. For Products that cause exposures in excess of that permitted by Paragraph 1, unless NATURADE can prove that the excess exposure is caused solely by "naturally occurring" lead at the "lowest level currently feasible," as set forth in 27 California Code of Regulations § 25501(a), NATURADE shall, at the point of manufacture, prior to shipment to California, or prior to distribution within California, (1) affix to or print on the Product container, cap, label, or unit package, or (2) display at the point of sale of the Products the following warning (the language in brackets in the warning below is optional):

WARNING: This product contains [lead,] a chemical known [to the State of California] to cause cancer, birth defects, or other reproductive harm.

[PROPOSED] STIPULATED CONSENT JUDGMENT

The term "cancer" shall be included in the warning only if there is an exposure to a daily dose of more than 15 micrograms of lead when taken as directed on the Product's label and as defined by the quality control methodology set forth in paragraph 4 below.

- 3. The warning required by paragraph 2 above shall be prominently affixed to, printed on, or displayed proximately to the point of sale of each Product with such conspicuousness, as compared with other words, statements, designs, or devices on the labeling as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. If the warning is displayed on the Product container or labeling, the warning shall be at least the same size as the largest of any other health or safety warnings on the product container or labeling, and the word "warning" shall be in all capital letters and in bold print. If printed on the labeling itself, the warning shall be contained in the same section of the labeling that states other safety warnings concerning the use of the Product. The requirement for Product labeling set forth herein is imposed pursuant to the terms of this Consent Judgment and is recognized by the parties as not being the exclusive method of providing a warning for the Products under Proposition 65 and its implementing regulations.
- 4. Once a year, on or before the anniversary of the entry of the Consent Judgment, NATURADE shall undertake testing of the Products. NATURADE (itself or through another) shall test at least two (2) randomly-selected samples of each Product for lead content, to confirm that the daily dose is no more than .5 micrograms of lead plus the allowable amounts of the lead for the ingredients listed in Table 1A when taken as directed on the Product's label. All testing pursuant to this Consent Judgment shall be performed by a laboratory certified by the California Environmental Laboratory Accreditation Program for the analysis of heavy metals or a laboratory [PROPOSED] STIPULATED CONSENT JUDGMENT

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that is approved by, accredited by, or registered with the United States Food & Drug Administration for the analysis of heavy metals. The method of selecting samples for testing must comply with the regulations of the Food and Drug Administration as set forth in Title 21. Part 111, Subpart E of the Code of Federal Regulations, including section 111.80(c). Testing for lead shall be performed using Inductively Coupled Plasma-Mass Spectrometry (ICP-MS) and closed-vessel, microwave-assisted digestion employing high-purity reagents¹ or any other testing method agreed upon in writing by the parties. Nothing in this Consent Judgment shall limit NATURADE's ability to conduct, or require that others conduct, additional testing of the Products, including the raw materials used in their manufacture. This Consent Judgment. including the testing and sampling methodology set forth in this paragraph, is the product of negotiation and compromise, and is accepted by the parties for purposes of settling. compromising, and resolving issues disputed in this action, including future compliance by NATURADE with this Consent Judgment, and shall not be used for any other purpose, or in any other matter and, except for the purpose of determining future compliance with this Consent Judgment, shall not constitute an adoption or employment of a method of analysis for a listed chemical in a specific medium as set forth in 27 California Code of Regulations § 25900(g). For the first two years from the date of this Consent Judgment, NATURADE shall provide any test results and documentation to ERC within 30 working days of completion of the testing; thereafter upon written request from ERC, and shall retain all test results and documentation from the date testing commenced.

¹ See Mindak, W.R., Cheng, J., Canas, B.J., & Bolger, P.M. Lead in Women's and [PROPOSED] STIPULATED CONSENT JUDGMENT

- 5. The requirements of paragraphs 1, 2, 3 and 4 above, will only apply to any time in which NATURADE is a "person in the course of doing business," as that term is defined in Health and Safety Code § 25249.11(b). NATURADE represents that at the time it stipulated to entry of this Consent Judgment it was not a "person in the course of doing business" because it had fewer than 10 employees. NATURADE represents that it understands that even if NATURADE is not a "person in the course of doing business" under Proposition 65, other companies in its chain of distribution (such as manufacturers, retailers, or distributors) that have 10 or more employees are not exempt from Proposition 65 and could violate Proposition 65 by knowingly and intentionally exposing individuals to chemicals contained in NATURADE products without first giving a clear and reasonable warning.
 - 6. If at any time in the future NATURADE employs 10 or more employees, it will notify ERC of this fact within 30 days. If ERC sends a written request to NATURADE for proof of the number of employees of NATURADE, within 45 days NATURADE will provide all appropriate documentation to ERC showing the number of employees it has employed in the previous 24 months.
 - 7. NATURADE within nine (9) months of the Effective Date will put a recommended daily dose in writing on the label for all the Products. NATURADE will comply with this requirement regardless of whether it is a "person in the course of doing business," as that term is defined in Health and Safety Code § 25249.11(b).
 - 8. NATURADE within thirty (30) days of the Effective Date will instruct all of its

Children's Vitamins, J. Agric. Food Chem. 2008, 56, 6892-96.

customer service personnel responding to consumer inquiries by phone, e-mail or other correspondence not to consume more than the a recommended daily dose on the writing on the label for all the Products. NATURADE will comply with this requirement regardless of whether it is a "person in the course of doing business," as that term is defined in Health and Safety Code § 25249.11(b).

- 10. **Civil Penalty Assessment**. NATURADE agrees to pay a civil penalty in the amount of \$6,675.00 pursuant to Health & Safety Code §25249.7(b). Plaintiff shall remit 75% of this amount to the State of California pursuant to Health & Safety Code §25192.
- 11. Payment In Lieu of Further Civil Penalties. NATURADE agrees to make an additional payment in lieu of further civil penalties in the amount of \$19,825.00 to ERC for projects to reduce exposures to toxic chemicals, and to increase consumer, worker and community awareness of the health hazards posed by toxic chemicals.
- 12. **Reimbursement of Plaintiff's Fees and Costs**. NATURADE agrees to reimburse Plaintiff's reasonable investigative, expert and attorneys' fees and costs incurred as a result of investigating and bringing this matter to the attention of NATURADE, and negotiating a settlement in the public interest; these fees and costs total \$26,000.00.
- 13. **Payment Schedule.** Pursuant to Paragraphs 9, 10 and 11 herein, NATURADE agrees to remit the total amount of \$52,500.00 to Plaintiff, payable to: the "Law Offices of Gideon Kracov Client Trust Account" and remitted to the Law Office of Gideon Kracov at the law firm's address noted in the Notice provision below. The schedule for the payment of these funds shall be as follows: (a) an initial payment of \$12,500.00 within five (5) calendar days of execution of this Consent Judgment (to be held in trust by ERC until approval of this Consent Judgment); and, if this Consent Judgment is approved, (b) \$10,000.00 payment each for four

consecutive months thereafter. In the event that any payments owed under this Consent

Judgment is not remitted on or before its due date, NATURADE shall be deemed to be in default
of its obligations under this Consent Judgment. Plaintiff shall provide written notice to

NATURADE of any default; if NATURADE fails to remedy the default within two (2) business
days of such notice, then all future payments due hereunder shall become immediately due and
payable, with the prevailing federal funds rate applying to all interest accruing on unpaid
balances due hereunder, beginning on the due date of the funds in default.

- Plaintiff's Release of NATURADE; includes A "Downstream Release."

 Plaintiff, acting on behalf of itself and acting on behalf of the general public, permanently and fully releases NATURADE, its parents, subsidiaries, affiliates (including those companies that are under common ownership and/or common control), shareholders, directors, members, officers, employees, and attorneys, and each entity to whom each of them directly or indirectly distributed or sold the Products, including iHerb, Inc. but not limited to distributors, wholesalers, customers, retailers, franchisees, and any other person or entity in the course of doing business who distributed, marketed or sold the products, from all claims of any nature asserted in the Prop. 65 Notices.
- 14. **Limits of Release.** Nothing in this release is intended to apply to any occupational or environmental exposures arising under Proposition 65 nor shall it apply to any NATURADE products not set forth on Exhibit A to this Consent Judgment.
- 15. **Release of Environmental Research Center.** NATURADE, by this Consent Judgment, waives all rights to institute any form of legal action against ERC for all actions or statements made or undertaken by ERC in the course of seeking enforcement of Proposition 65 against the named NATURADE by means of the Prop. 65 Notices.
- 16. Motion for Approval of Consent Judgment/Notice to the California Attorney General's Office. Upon execution of this Consent Judgment by the Parties, Plaintiff shall notice [PROPOSED] STIPULATED CONSENT JUDGMENT

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a Motion for Approval & Entry of Consent Judgment in the Los Angeles Superior Court pursuant to 11 California Code of Regulations §3000, et seq. This motion shall be served upon all of the Parties to the Action and upon the California Attorney General's Office. In the event that the Court fails to approve and order entry of the judgment, this Consent Judgment shall become null and void upon the election of any Party as to them and upon written notice to all of the Parties to the Action pursuant to the notice provisions herein. NATURADE and ERC shall use their best efforts to support entry of this Consent Judgment in the form submitted to the Office of the Attorney General. If the Attorney General objects in writing to any term in this Consent Judgment, the Parties shall use best efforts to resolve the concern in a timely manner and prior to the hearing on the motion to approve this Consent Judgment. If the Attorney General elects to file papers with the Court stating that the People shall appear at the hearing for entry of this Consent Judgment so as to oppose entry of the Consent Judgment, then a party may withdraw from this Consent Judgment prior to the date of the hearing, with notice to all Parties and the Attorney General, and upon such notice this Consent Judgment shall be null and void and any payments made pursuant to Section 12 of this Consent Judgment shall be promptly returned to NATURADE.

- 17. **Severability**. In the event that any of the provisions of this Consent Judgment are held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.
- 18. **Enforcement**. In the event that a dispute arises with respect to any of the provisions of this Consent Judgment, this Consent Judgment may be enforced pursuant to Code of Civil Procedure § 664.6 or any other valid provision of law. The prevailing party in any such dispute shall be awarded all reasonable fees and costs incurred.
- 19. **Governing Law**. The terms of this Consent Judgment shall be governed by the laws of the State of California.

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20. **Notices.** All correspondence and notices required to be provided under this Consent Judgment shall be in writing and shall be sent by first class registered or certified mail addressed as follows. All correspondence to ERC shall be mailed to:

Environmental Research Center 5694 Mission Center Road, #199 San Diego, CA 92108

And to:

Gideon Kracov 801 S. Grand Ave., 11th FI. Los Angeles, CA 90017

All correspondence to NATURADE shall be mailed to:

NNC LLC 1 City Boulevard West, Suite 1440 Orange, CA 92868

And to:

Todd Harrison Venable LLC 575 7th Street, NW Washington, DC 20004

- 21. **Integration & Modification.** This Consent Judgment, together with the Exhibits hereto which are specifically incorporated herein by this reference, constitutes the entire agreement between the Parties relating to the rights and obligations herein granted and assumed, and supersedes all prior agreements and understandings between the Parties. This Consent Judgment may be modified only upon the written agreement of the Parties.
- 22. **Counterparts.** This Consent Judgment may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

1.	23. Authorization. The undersigned are authorized to execute this Consent			
2	Judgment on behalf of their respective Parties and have read, understood, and agree to all of the			
3	terms and conditions of this Consent Judgment.			
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.5	DATED: By:			
6	Chris Heptinstall, Executive Director ENVIRONMENTAL RESEARCH CENTER			
7	70 mil			
8	DATED: 7-8-20/1 By: Rick Robinette, CEO			
9	NNCLLC dba NATURADE			
10	IT IS SO ORDERED.			
11	Dated:			
12	Judge of the Superior Court			
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14	EXHIBIT A - Product List			
15	EXHIBIT B - September 23, 2010 and December 24, 2010 Prop. 65 Notices to NATURADE			
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26	[PROPOSED] STIPULATED CONSENT JUDGMENT 12			
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1	23. Authorization. The undersigned are authorized to execute this Consent			
2	Judgment on behalf of their respective Parties and have read, understood, and agree to all of the			
3	terms and conditions of this Consent Judgment.			
4	a Block of Hill			
5	DATED: 7/8/2011 By: Chris Heptinstall, Executive Director			
6	ENVIRONMENTAL RESEARCH CENTER			
7	DATED: By:			
8	Rick Robinette, CEO			
9	NNC LLC dba NATURADE			
10	IT IS SO ORDERED.			
11	Dated:			
12	Judge of the Superior Court			
13	EXHIBIT A - Product List EXHIBIT B - September 23, 2010 and December 24, 2010 Prop. 65 Notices to NATURADE			
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2526	[PROPOSED] STIPULATED CONSENT JUDGMENT			

EXHIBIT A PRODUCT LIST Naturade 100% Soy Protein Booster – Natural Naturade Calcium Shake - Vanilla Naturade Complete Cleanse Step 1 All-Natural Herbs Naturade Cleanse Step 2 Bio-Active Fiber Naturade Veg Protein Booster Natural Flavor Naturade N-R-G Protein Booster Vanilla Flavor Naturade Total Soy Meal Replacement Vanilla Naturade Total Soy Meal Replacement Chocolate

EXHIBIT B Prop 65. Notices



Environmental Research Center

5694 Mission Center Road #199 San Diego, CA 92108 619.309.4194

September 24, 2010

VIA CERTIFIED MAIL

Current CEO or President NNC, LLC 1 City Blvd W Suite 1440 Orange, CA 92868

NATIONAL REGISTERED AGENTS, INC. (NNC LLC's Agent for Service of Process) 160 Greentree Drive, Suite 101 Dover, DE 19904

Rick Robinette (NNC, LLC.'s Agent for Service of Process) 17595 Edgewood LN Yorba Linda, CA 92886

Current CEO or President Naturade (a division of NNC LLC) 1 City Blvd. West., Suite 1440 Orange, CA 92868

Current CEO or President Naturade Operating Corp. 1 City Blvd W Ste 1440 Orange, CA 92868

UNITED CORPORATE SERVICES, INC. (Naturade Operating Corp.'s Agent for Service of Process)
874 Walker Road, Suite C
Dover, DE 19904

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 P.O. Box 70550 Oakland, CA 94612-0550

Re: Notice of Violation against NNC LLC, Naturade, and Naturade Operating Corp. for Violation of California Health & Safety Code Section 25249.6

Dear Prosecutors:

The Environmental Research Center ("ERC"), the noticing entity is a California corporation whose mission is to safeguard the public from health hazards that impact families, workers and the environment. ERC is dedicated to reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees and encouraging corporate responsibility. ERC is located at 5694 Mission Center Road, # 199, San Diego, CA 92108. Tel. (619) 309-4194, Executive Director: Chris Heptinstall. Through this Notice of Violation, ERC seeks to reduce exposure to the public from lead that is contained in the named products manufactured and distributed by NNC LLC, Naturade, and Naturade Operating Corp.

This letter constitutes notification that NNC LLC, Naturade, and Naturade Operating Corp., located at 1 City Blvd W Ste 1440 Orange, CA 92868 have violated the warning requirement of Proposition 65, the Safe Drinking Water and Toxic Enforcement Act (commencing with section 25249.5 of the Health and Safety Code).

In particular, these Companies have manufactured and distributed products that have exposed and continue to expose numerous individuals within California to lead. Lead was listed pursuant to Proposition 65 as a chemical known to cause developmental toxicity, and male and female reproductive toxicity on February 27, 1987. Lead was listed pursuant to Proposition 65 as a carcinogen on October 1, 1992. The time period of these violations commenced one year after the listed dates above, at least since September 24, 2007, as well as every day since the products were introduced in the California marketplace, and will continue every day until clear and reasonable warnings are provided to purchasers and users.

The consumer exposures that are the subject of this notice result from the purchase, acquisition, handling and recommended use of these products by consumers. Accordingly, the primary route of exposure for consumers has been oral through ingestion, but may also occur through the inhalation and/or dermal contact route of exposure.

NNC LLC, Naturade, and Naturade Operating Corp. are exposing people to lead from the following products:

NNC LLC - Naturade 100% Soy Protein Booster - Natural

NNC LLC - Naturade Calcium Shake - Vanilla

NNC LLC - Naturade Complete Cleanse Step 1 All-Natural Herbs

NNC LLC - Naturade Complete Cleanse Step 2 Bio-Active Fiber

Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to certain listed chemicals. NNC, LLC., Naturade, and Naturade Operating Corp. are in violation of Proposition 65 because the Company failed to provide a warning to persons using their products that they are being exposed to lead. (22 C.C.R. section 12601.) While in the course of doing business, the company is knowingly and intentionally exposing people to lead without first providing clear and reasonable warning. (Health and Safety Code section 25249.6.) The method of warning should be a warning that appears on the product's label. 22 C.C.R. section 12601 (b)(1) (A).

Proposition 65 requires that notice and intent to sue be given to a violator 60-days before the suit is filed. With this letter, ERC gives notice of the alleged violation to the noticed party and the appropriate governmental authorities. This notice covers all violations of Proposition 65 that are currently known to ERC from information now available. ERC may continue to investigate other products that may reveal further violations. A summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, and referenced as Appendix A, has been provided to the noticed party.

Based on the allegations set forth in this Notice, ERC intends to file a citizen enforcement action against NNC, LLC., Naturade, and Naturade Operating Corp. unless it agrees in an enforceable written instrument to: instrument to: (1) recall or reformulate the listed products so as to eliminate further unwarned exposures to the identified chemicals; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65, ERC is interested in seeking a constructive resolution to this matter. Such resolution will avoid both further unwarned consumer exposures to the identified chemicals and expensive and time consuming litigation.

Please direct all questions concerning this notice to ERC's attorney, Gideon Kracov, 801 S. Grand Ave., 11th Fl., Los Angeles, CA 90017, 213-629-2071, gk@gideonlaw.net.

Sincerely,

Chris Heptinstall
Executive Director, Environmental Research Center

cc: Karen A. Evans

Attachments
Certificate of Merit
Certificate of Service
OEHHA Summary (to NNC, LLC., Naturade, Naturade Operating Corp., and their Registered Agents for Service of Process Only)
Additional Supporting Information for Certificate of Merit (to AG only)

CERTIFICATE OF MERIT

Re: Environmental Research Center's Notice of Proposition 65 Violations by NNC LLC, Naturade, and Naturade Operating Corp.

I, Gideon Kracov, declare:

- 1. This Certificate of Merit accompanies the attached sixty-day notice in which it is alleged the party identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
- 2. I am an attorney for the noticing party.
- 3. I have consulted with one or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the notice.
- 4. Based on the information obtained through those consultants, and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and that the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.
- 5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California Health & Safety Code §25249.7(h)(2), i.e., (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.

Dated: September 24, 2010

Gideon Kracov, Attorney At Law

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CERTIFICATE OF SERVICE

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, over the age of 18 years of age, and am not a party to the within entitled action. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742

On September 24, 2010, I served the following documents: NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY"

On the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Current CEO or President NNC LLC 1 City Blvd W Suite 1440 Orange, CA 92868

NATIONAL REGISTERED AGENTS, INC. (NNC, LLC's Agent for Service of Process) 160 Greentree Drive, Suite 101 Dover, DE 19904

Rick Robinette (NNC LLC's Agent for Service of Process) 17595 Edgewood LN Yorba Linda, CA 92886 Current CEO or President Naturade (a division of NNC LLC) 1 City Blvd. West., Suite 1440 Orange, CA 92868

Current CEO or President Naturade Operating Corp. 1 City Blvd W Ste 1440 Orange, CA 92868

UNITED CORPORATE SERVICES, INC. (Naturade Operating Corp.'s Agent for Service of Process) 874 Walker Road, Suite C Dover, DE 19904

On September 24, 2010, I served the following documents: NOTICE OF VIOLATION, 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) on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 Post Office Box 70550 Oakland, CA 94612-0550

On September 24, 2010, 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 with the U.S. Postal Service for delivery by Priority Mail.

Executed on September 24, 2010, in Fort Oglethorpe, Georgia.

Chris Heptinstall

Service List

District Attorney, Alameda County 1225 Fallon Street, Room 900 Oakland, CA 94612

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

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

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

District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249

District Attorney, Colusa County 547 Market Street Colusa, CA 95932

District Attorney, Contra Costa County 900 Ward Street Martinez, CA 94553

District Attorney, Del Norte County 450 H Street, Ste. 171 Crescent City, CA 95531

District Attorney, El Dorado County 515 Main Street Placerville, CA 95667

District Attorney, Fresno County 2220 Tulare Street, #1000 Fresno, CA 93721

District Attorney, Glenn County Post Office Box 430 Willows, CA 95988

District Attorney, Humboldt County 825 5th Street Eureka, CA 95501

District Attorney, Imperial County 939 West Main Street, Ste 102 El Centro, CA 92243

District Attorney, Inyo County 230 W. Line Street Bishop, CA 93514

District Attorney, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301 District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230

District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453

District Attorney, Lassen County 220 South Lassen Street, Ste. 8 Susanville, CA 96130

District Attorney, Los Angeles County 210 West Temple Street, Rm 345 Los Angeles, CA 90012

District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637

District Attorney, Marin County 3501 Civic Center, Room 130 San Rafael, CA 94903

District Attorney, Mariposa County Post Office Box 730 Mariposa, CA 95338

District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482

District Attorney, Merced County 2222 M Street Merced, CA 95340

District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020

District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517

District Attorney, Monterey County 230 Church Street, Bldg 2 Salinas, CA 93901

District Attorney, Napa County 931 Parkway Mall Napa, CA 94559

District Attorney, Nevada County 110 Union Street Nevada City, CA 95959

District Attorney, Orange County 401 Civic Center Drive West Santa Ana, CA 92701

District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678

District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971

District Attorney, Riverside County 4075 Main Street, 1st Floor Riverside, CA 92501

District Attorney, Sacramento County 901 "G" Street Sacramento, CA 9581

District Attorney, San Benito County 419 Fourth Street, 2nd Floor Hollister, CA 95023

District Attorney, San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004

District Attorney, San Diego County 330 West Broadway, Room 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Room 325 San Francsico, CA 94103

District Attorney, San Joaquin County Post Office Box 990 Stockton, CA 95201

District Attorney, San Luis Obispo County 1050 Monterey Street, Room 450 San Luis Obispo, CA 93408

District Attorney, San Mateo County 400 County Ctr., 3rd Floor Redwood City, CA 94063

District Attorney, Santa Barbara County 1105 Santa Barbara Street Santa Barbara, CA 93101

District Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110

District Attorney, Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95060

District Attorney, Shasta County 1525 Court Street, Third Floor Redding, CA 96001-1632

District Attorney, Sierra County PO Box 457 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, Sonoma County 600 Administration Drive, Room 212J Santa Rosa, CA 95403

District Attorney, Stanislaus County 832 12th Street, Ste 300 Modesto, CA 95353

District Attorney, Sutter County 446 Second 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, Tulare County 221 S. Mooney Avenue, Room 224 Visalia, CA 93291

District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370

District Attorney, Ventura County 800 South Victoria Avenue Ventura, CA 93009

District Attorney, Yolo County 301 2nd Street Woodland, CA 95695

District Attorney, Yuba County 215 Fifth Street Marysville, CA 95901

Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Rm 800 Los Angeles, CA 90012

San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101

San Francisco City Attorney's Office City Hall, Room 234 1 Drive Carlton B Goodlett Place San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street San Jose, CA 95113



Environmental Research Center

5694 Mission Center Road #199 San Diego, CA 92108 619.309.4194

December 23, 2010

VIA CERTIFIED MAIL

Current CEO or President NNC, LLC 1 City Blvd W Suite 1440 Orange, CA 92868

NATIONAL REGISTERED AGENTS, INC. (NNC LLC's Agent for Service of Process) 160 Greentree Drive, Suite 101 Dover, DE 19904

Rick Robinette (NNC, LLC.'s Agent for Service of Process) 17595 Edgewood LN Yorba Linda, CA 92886

Current CEO or President Naturade (a division of NNC LLC) 1 City Blvd. West., Suite 1440 Orange, CA 92868

Current CEO or President Naturade Operating Corp. 1 City Blvd W Ste 1440 Orange, CA 92868

UNITED CORPORATE SERVICES, INC. (Naturade Operating Corp.'s Agent for Service of Process)
874 Walker Road, Suite C
Dover, DE 19904

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 P.O. Box 70550 Oakland, CA 94612-0550

Re: Notice of Violation against NNC LLC, Naturade, and Naturade Operating Corp. for Violation of California Health & Safety Code Section 25249.6

Dear Prosecutors:

The Environmental Research Center ("ERC"), the noticing entity is a California corporation whose mission is to safeguard the public from health hazards that impact families, workers and the environment. ERC is dedicated to reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees and encouraging corporate responsibility. ERC is located at 5694 Mission Center Road, # 199, San Diego, CA 92108. Tel. (619) 309-4194, Executive Director: Chris Heptinstall. Through this Notice of Violation, ERC seeks to reduce exposure to the public from lead that is contained in the named products manufactured and distributed by NNC LLC, Naturade, and Naturade Operating Corp.

This letter constitutes notification that NNC LLC, Naturade, and Naturade Operating Corp., located at 1 City Blvd W Ste 1440 Orange, CA 92868 have violated the warning requirement of Proposition 65, the Safe Drinking Water and Toxic Enforcement Act (commencing with section 25249.5 of the Health and Safety Code).

In particular, these Companies have manufactured and distributed products that have exposed and continue to expose numerous individuals within California to lead. Lead was listed pursuant to Proposition 65 as a chemical known to cause developmental toxicity, and male and female reproductive toxicity on February 27, 1987. Lead was listed pursuant to Proposition 65 as a carcinogen on October 1, 1992. The time period of these violations commenced one year after the listed dates above, at least since December 23, 2007, as well as every day since the products were introduced in the California marketplace, and will continue every day until clear and reasonable warnings are provided to purchasers and users.

The consumer exposures that are the subject of this notice result from the purchase, acquisition, handling and recommended use of these products by consumers. Accordingly, the primary route of exposure for consumers has been oral through ingestion, but may also occur through the inhalation and/or dermal contact route of exposure.

NNC LLC, Naturade, and Naturade Operating Corp. are exposing people to lead from the following products:

Naturade Veg Protein Booster Natural Flavor (426g) Naturade N-R-G Protein Booster Vanilla Flavor (426g) Naturade Total Soy Meal Replacement Chocolate 540g Naturade Total Soy Meal Replacement Vanilla 540g

Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to certain listed chemicals. NNC, LLC., Naturade, and Naturade Operating Corp. are in violation of Proposition 65 because the Company failed to provide a warning to persons using their products that they are being exposed to lead. (22 C.C.R. section 12601.) While in the course of doing business, the company is knowingly and intentionally exposing people to lead without first providing clear and reasonable warning. (Health and Safety Code section 25249.6.) The method of warning should be a warning that appears on the product's label. 22 C.C.R. section 12601 (b)(1) (A).

Proposition 65 requires that notice and intent to sue be given to a violator 60-days before the suit is filed. With this letter, ERC gives notice of the alleged violation to the noticed party and the appropriate governmental authorities. This notice covers all violations of Proposition 65 that are currently known to ERC from information now available. ERC may continue to investigate other products that may reveal further violations. A summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, and referenced as Appendix A, has been provided to the noticed party.

Based on the allegations set forth in this Notice, ERC intends to file a citizen enforcement action against NNC, LLC., Naturade, and Naturade Operating Corp. unless it agrees in an enforceable written instrument to: instrument to: (1) recall or reformulate the listed products so as to eliminate further unwarned exposures to the identified chemicals; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65, ERC is interested in seeking a constructive resolution to this matter. Such resolution will avoid both further unwarned consumer exposures to the identified chemicals and expensive and time consuming litigation.

Please direct all questions concerning this notice to ERC's attorney, Gideon Kracov, 801 S. Grand Ave., 11th Fl., Los Angeles, CA 90017, 213-629-2071, gk@gideonlaw.net.

Sincerely,

Chris Heptinstall

Executive Director, Environmental Research Center

cc: Karen A. Evans

Attachments
Certificate of Merit
Certificate of Service
OEHHA Summary (to NNC, LLC.; Naturade; Naturade Operating Corp.; and their Registered Agents for Service of Process Only)
Additional Supporting Information for Certificate of Merit (to AG only)

CERTIFICATE OF MERIT

Re: Environmental Research Center's Notice of Proposition 65 Violations by NNC LLC, Naturade, and Naturade Operating Corp.

I, Gideon Kracov, declare:

- 1. This Certificate of Merit accompanies the attached sixty-day notice in which it is alleged the party identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
- 2. I am an attorney for the noticing party.
- 3. I have consulted with one or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the notice.
- 4. Based on the information obtained through those consultants, and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and that the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.
- 5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California Health & Safety Code §25249.7(h)(2), i.e., (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.

Dated: December 23, 2010

Gideon Kracov, Attorney At Law

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CERTIFICATE OF SERVICE

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, over the age of 18 years of age, and am not a party to the within entitled action. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742

On December 23, 2010, I served the following documents: NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY"

On the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Current CEO or President	Rick Robinette	Current CEO or President
NNC LLC	(NNC LLC's Agent for Service of	Naturade Operating Corp.
1 City Blvd W Suite 1440	Process)	1 City Blvd W Ste 1440
Orange, CA 92868	17595 Edgewood LN	Orange, CA 92868
	Yorba Linda, CA 92886	0.
National Registered Agents, Inc.		United Corporate Services, Inc.
(NNC, LLC's Agent for Service of	Current CEO or President	(Naturade Operating Corp.'s
Process)	Naturade (a division of NNC LLC)	Agent for Service of Process)
160 Greentree Drive, Suite 101	1 City Blvd. West., Suite 1440	874 Walker Road, Suite C
Dover, DE 19904	Orange, CA 92868	Dover, DE 19904

On December 23, 2010, I served the following documents: NOTICE OF VIOLATION, 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)

on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 Post Office Box 70550 Oakland, CA 94612-0550

On December 23, 2010, 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 with the U.S. Postal Service for delivery by Priority Mail.

Executed on December 23, 2010, in Fort Oglethorpe, Georgia.

Chris Heptinstall

Service List

District Attorney, Alameda County 1225 Fallon Street, Room 900 Oakland, CA 94612

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

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

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

District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249

District Attorney, Colusa County 547 Market Street Colusa, CA 95932

District Attorney, Contra Costa County 900 Ward Street Martinez, CA 94553

District Attorney, Del Norte County 450 H Street, Ste. 171 Crescent City, CA 95531

District Attorney, El Dorado County 515 Main Street Placerville, CA 95667

District Attorney, Fresno County 2220 Tulare Street, #1000 Fresno, CA 93721

District Attorney, Glenn County Post Office Box 430 Willows, CA 95988

District Attorney, Humboldt County 825 5th Street Eureka, CA 95501

District Attorney, Imperial County 939 West Main Street, Ste 102 El Centro, CA 92243

District Attorney, Inyo County 230 W. Line Street Bishop, CA 93514

District Attorney, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301 District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230

District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453

District Attorney, Lassen County 220 South Lassen Street, Ste. 8 Susanville, CA 96130

District Attorney, Los Angeles County 210 West Temple Street, Rm 345 Los Angeles, CA 90012

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District Attorney, Merced County 2222 M Street Merced, CA 95340

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District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971

District Attorney, Riverside County 4075 Main Street, 1st Floor Riverside, CA 92501

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District Attorney, San Benito County 419 Fourth Street, 2nd Floor Hollister, CA 95023

District Attorney, San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004

District Attorney, San Diego County 330 West Broadway, Room 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Room 325 San Francsico, CA 94103

District Attorney, San Joaquin County Post Office Box 990 Stockton, CA 95201

District Attorney, San Luis Obispo County 1050 Monterey Street, Room 450 San Luis Obispo, CA 93408

District Attorney, San Mateo County 400 County Ctr., 3rd Floor Redwood City, CA 94063

District Attorney, Santa Barbara County 1105 Santa Barbara Street Santa Barbara, CA 93101

District Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110

District Attorney, Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95060

District Attorney, Shasta County 1525 Court Street, Third Floor Redding, CA 96001-1632

District Attorney, Sierra County PO Box 457 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

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District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093

District Attorney, Tulare County 221 S. Mooney Avenue, Room 224 Visalia, CA 93291

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District Attorney, Yolo County 301 2nd Street Woodland, CA 95695

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San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101

San Francisco City Attorney's Office City Hall, Room 234 1 Drive Carlton B Goodlett Place San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street San Jose, CA 95113

PROOF OF SERVICE

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2	I, Gideon Kracov, being duly sworn, deposes and says:
3	I am a citizen of the United States and work in Los Angeles County, California. I am over the age of eighteen years and am not a party to the within entitled action. My business address is: 801 S. Grand Ave., 11 th Fl., LA, CA 90017. On July 8, 2011, I served
4	this list of persons with the following documents: Proposed Consent Judg., Motion to
5	Approve and Enter Proposed Consent Judgment, Decl. of Kracov, Decl. of Heptinstall
6	The documents were served on:
7	Todd Harrison Venable LLC
8	575 7th Street, NW
9	Washington, DC 20004
10	by placing a true copy thereof enclosed in a sealed envelope, with postage thereon fully prepaid, in the United States Post Office mail box at 801 S.
11	Grand Ave., Los Angeles, California, addressed as set forth above. I am readily familiar with my firm's practice of collection and processing
12	correspondence for mailing. It is deposited with the U.S. Postal Service on the same day in the ordinary course of business. I am aware that on
13	motion of party served, service is presumed invalid if postal cancellation date of postage meter date is more than 1 day after date of deposit for
14	mailing in affidavit.
15	I declare under penalty of perjury, according to the laws of the State of California,
16	that the foregoing is true and correct.
17	Executed this, 2011 at Los Angeles, California.
18	Gideon Kracov
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