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11 Attorneys for Defendants
12 SEQUEL NATURALS, INC. and related entities

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 COUNTY OF LOS ANGELES

15 ENVIRONMENTAL RESEARCH
16 CENTER, a California non-profit
corporation,

17 Plaintiff,

18 v.

19 SEQUEL NATURALS, INC. and DOES 1
20 THROUGH 10,

21 Defendants.
22

CASE NO. BC506027

[PROPOSED] STIPULATED
23 CONSENT JUDGMENT; [PROPOSED]
ORDER

Health & Safety Code § 25249.5 et seq.

Action Filed: April 16, 2013
24 Trial Date: July 14, 2014

25 **1. INTRODUCTION**

26 **WHEREAS**, Plaintiff Environmental Research Center ("ERC") is a California non-
profit corporation dedicated to, among other causes, helping safeguard the public from health
27 hazards by reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe
28 environment for consumers and employees, and encouraging corporate responsibility.

1 **WHEREAS**, on April 16, 2013, ERC filed a complaint (the “Complaint”), in the
2 Superior Court for the County of Los Angeles against Sequel Naturals, Inc. and Sequel
3 Naturals, Ltd. (jointly, “Sequel Naturals” or “Defendant”), alleging that Defendant violated the
4 Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section
5 25249.6, also known as “Proposition 65,” by failing to provide clear and reasonable warnings
6 that ingestion of certain products marketed and/or sold by Defendant would expose consumers
7 to lead.

8 **WHEREAS**, Defendant denies all material allegations contained in the Complaint and
9 specifically denies that any of its products, including the Covered Products (defined below), are
10 unsafe or harmful in any way or otherwise require any Proposition 65 warning. Defendant’s
11 products are made of all plant-based ingredients largely sourced from North America. Sequel
12 Naturals contends any lead, arsenic, cadmium, mercury or inorganic mercury contained in the
13 Covered Products is “naturally occurring” from the environment and falls within the statutory
14 exception codified by in California Code of Regulations, Title 27, Section 25501. Moreover,
15 Sequel Naturals contends the “reasonably anticipated rate of intake or exposure for average
16 users” of the Covered Products is likewise insufficient to be harmful or otherwise to require
17 any Proposition 65 warning.
18

19 **NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

20 **1.1** The Complaint is hereby amended to include allegations as to covered products
21 sold under the “Sequel” or “Vega” brand, including without limitation, the products described
22 in **Appendix A** attached hereto for which Notices of Violation have been issued by Plaintiff
23 regarding the presence of lead, arsenic, cadmium, mercury and/or inorganic mercury
24 (collectively, the “Covered Products”).

25 **1.2** The Parties have entered into this Consent Judgment in order to fully and finally
26 settle, compromise and resolve disputed claims and thus avoid prolonged and costly litigation.
27 Nothing in this Consent Judgment shall constitute or be construed as an admission by any of
28 the Parties, or by any of their respective officers, directors, shareholders, employees, agents,

1 parent companies, subsidiaries, divisions, affiliates, franchises, licensees, customers, suppliers,
2 distributors, wholesalers, or retailers. Except for the representations made above, nothing in
3 this Consent Judgment shall be construed as an admission by Defendant or ERC of any fact,
4 issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed
5 as an admission by Defendant or ERC of any fact, issue of law, or violation of law, at any time,
6 for any purpose.

7 **1.3** Except as expressly set forth herein, nothing in this Consent Judgment shall
8 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any
9 other or future legal proceeding unrelated to these proceedings.

10 **1.4** The Effective Date of this Consent Judgment is the date on which it is entered as a
11 Judgment by this Court.

12 **2. JURISDICTION AND VENUE**

13 For purposes of this Consent Judgment only, the Parties stipulate that this Court has
14 jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction
15 over Defendant as to the acts alleged in the Complaint, that venue is proper in Los Angeles
16 County, and that this Court has jurisdiction to enter this Consent Judgment as a full and final
17 resolution of all claims which were or could have been asserted in his action based on the facts
18 alleged in the Notice of Violations and the Complaint.

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

20 **3.1** Beginning six months from the Effective Date, Defendant shall: (a) not
21 manufacture for sale in the State of California, distribute into the State of California, or directly
22 sell in the State of California, any Covered Product which exposes a consumer of the Covered
23 Products to a daily dose of heavy metals (as calculated in Section 3.3) exceeding 0.5
24 micrograms of lead, 10 micrograms of arsenic, 4.1 micrograms of cadmium, 0.3 micrograms of
25 mercury, or 3.0 micrograms of inorganic mercury, excluding any naturally occurring level
26 (defined below), unless each such unit of the Covered Product (1) qualifies as a "Reformulated
27 Covered Product" under Section 3.3, or (2) meets the warning requirements under Section 3.2;
28

1 and (b) implement and ensure compliance with the Good Manufacturing Practices set forth in
2 Section 3.5 below to ensure the lowest feasible level of the specified heavy metals in its
3 Covered Products.

4 **3.2 Clear and Reasonable Warnings**

5 If Defendant provides a warning for a Covered Product sold in California pursuant to
6 Section 3.1, Defendant shall either: (a) place a warning label on the package of each such Covered
7 Product that is sold in California, or (b) post a warning sign where such Covered Products are sold.
8 Such warning shall conform to the requirements set out in California Code of Regulations, title 27,
9 section 25601, or the "safe harbor" warning methods set out in California Code of Regulations,
10 title 27, section 25603.2(a), or state, as applicable, the following:

11 **WARNING: This product contains [identify chemical], a**
12 **chemical known to the State of California to cause [cancer and]**
13 **birth defects or reproductive toxicity.**

14 Defendant shall use the term "cancer" in the warning only if required for the relevant heavy metal
15 at issue. Nothing in this section shall preclude Defendant from adopting additional warning or
16 information disclosures regarding the Covered Products.

17 **3.3 Calculation of Heavy Metal Levels; Reformulated Covered Products**

18 A Reformulated Covered Product is one that contains no more than 0.5 micrograms of
19 lead per day, 10 micrograms of arsenic per day, 4.1 micrograms of cadmium per day, 0.3
20 micrograms of mercury per day, or 3.0 micrograms of inorganic mercury per day as determined
21 by the quality control methodology described in Section 3.4, and excluding any naturally
22 occurring level of the heavy metal, as defined below. As used in this Consent Judgment, "no
23 more than 0.5 micrograms of lead per day, 10 micrograms of arsenic per day, 4.1 micrograms
24 of cadmium per day, 0.3 micrograms of mercury per day, or 3.0 micrograms of inorganic
25 mercury per day" means that the samples of the testing performed by Defendant under Section
26 3.4 yield a daily exposure of no more than that level of the above mentioned heavy metal
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1 calculated pursuant to Section 3.4 of this Consent Judgment. For products that cause exposures
2 in excess of the foregoing levels, Defendant shall provide the warning set forth in Section 3.2.
3 For purposes of this Consent Judgment and determining Defendant's compliance with
4 Proposition 65, daily heavy metal exposure levels shall be calculated using the following
5 formula: micrograms of heavy metal per gram of product, multiplied by 4 grams for covered
6 powder products and 7 grams for covered bar and gel products, multiplied by one serving per
7 day (provided there are no directions on the product label to consume more than one serving
8 per day and as long as Defendant's product label provides no recommended number of servings
9 and states the number of grams of the product only under "nutritional facts" or "supplement
10 facts"), which equals micrograms of heavy metal exposure per day.

11 For the purposes of this Consent Judgment and determining Defendant's compliance
12 with Proposition 65, Defendant shall be afforded a naturally occurring allowance of up to one
13 (1) part per million (1000 ppb) of lead for any cocoa powder in the Covered Products, pursuant
14 to the letter dated September 28, 2001 from the Attorney General to Roger Lane Carrick and
15 Michele Corash. Any additional determination of naturally occurring heavy metal in a given
16 Covered Product may be established by a preponderance of evidence pursuant to Cal. Code of
17 Reg., Title 27, §22501, pursuant to a meet and confer of the Parties and if necessary
18 determination by a neutral arbitrator, or Section 5 below.

20 **3.4 Testing and Quality Control Methodology**

21 **3.4.1** All testing pursuant to this Consent Judgment shall be performed
22 according to proper and accepted scientific and statistical analysis for the Covered Products
23 using a laboratory method that complies with the performance and quality control factors
24 appropriate for the method used, including limit of detection, limit of qualification, accuracy,
25 and precision and meets at least the following criteria: Inductively Coupled Plasma-Mass
26 Spectrometry (ICP-MS) achieving a limit of quantification of less than or equal to 0.010 mg/kg
27 or any other testing method subsequently agreed upon in writing by the Parties. The
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1 methodology is intended to ensure that any resulting test reports and analysis properly account
2 for and eliminate the possibility of false positives or sampling error.

3 3.4.2 All testing pursuant to this Consent Judgment shall be performed by an
4 independent third-party laboratory certified by the California Environmental Laboratory
5 Accreditation Program for the analysis of heavy metals or an independent third-party laboratory
6 that is registered with the United States Food & Drug Administration ("FDA") for the analysis
7 of heavy metals and/or that uses methods that are in compliance with FDA regulations for the
8 analysis of heavy metals. Defendant may perform this testing itself or with a third party
9 laboratory if it provides, in an attachment to the test results Defendant provides to ERC, proof
10 that its laboratory meets the requirements in Section 3.4.2 and this Section 3.4.3. Nothing in
11 this Consent Judgment shall limit Defendant's ability to conduct, or require that others conduct,
12 additional testing of the Covered Products, including the raw materials used in their
13 manufacture.

14 3.4.3 Defendant shall arrange, for at least three (3) consecutive years and at
15 least once per year, for the lead, arsenic, cadmium, mercury, and inorganic mercury testing of
16 at least three (3) randomly selected samples of each Covered Product in the form intended for
17 sale to the end-user to be distributed or sold to California. The testing requirements discussed
18 in Section 3.4 are not applicable to any Covered Product for which Defendant has provided the
19 warning as specified in Section 3.2.

20 3.4.4 Defendant shall retain the laboratory test data and certifications (if
21 applicable) for a period of three (3) years from the date of testing. If there is an allegation that
22 a Covered Product is in violation of Section 3.1, ERC may make a written request to Defendant
23 delivered to the address of Defendant as set forth in Section 11, for data generated in
24 compliance with Section 3.4.4. In response, within thirty (30) days of ERC's written request,
25 Defendant will provide to ERC, the date the analysis was performed, the name of the laboratory
26 conducting the test, the test method used by the laboratory, the detection limit used by the
27 laboratory, and the analytical results. These reports shall be deemed and treated by ERC as
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1 confidential information under the terms of the existing confidentiality agreement entered into
2 by the Parties.

3 **3.5 Use of Good Manufacturing Practices**

4 Defendant shall implement and continue to use good manufacturing practices and quality
5 control measures (the "Good Manufacturing Practices"), which may be adjusted from time to
6 time, intended to reduce lead, arsenic, cadmium, mercury and inorganic mercury in the Covered
7 Products to the "lowest level currently feasible," under 21 C.F.R. Section 110.110(c) (2001).
8 Defendant shall implement and continue to obligate its contract manufacturers to use ingredients
9 with the lowest feasible levels of heavy metals by periodically, and at least once a year,
10 reviewing alternate ingredient supplies with the intention of reducing, to the extent feasible, the
11 contribution of heavy metals from such ingredients. The term "feasible" as used in this Consent
12 Judgment means considering the reasonable availability and reliability of ingredient and
13 formulation supply; cost; and performance characteristics including formulation, safety, taste,
14 efficacy and stability.
15

16 **4. SETTLEMENT PAYMENT**

17 **4.1** In full satisfaction of all potential civil penalties, payment in lieu of civil penalties,
18 attorney's fees, and costs, Defendant shall make a total payment of \$150,000.00 by check
19 within ten business days of receiving service of the Notice of Entry of Judgment. Said payment
20 shall be for the following:

21 **4.2** \$25,956.00 shall be payable as civil penalties pursuant to California Health and
22 Safety Code section 25249.7(b)(1). Of this amount, \$19,467.00 shall be payable to the Office
23 of Environmental Health Hazard Assessment ("OEHHA") and \$6,489.00 shall be payable to
24 Environmental Research Center. California Health and Safety Code section 25249.12(c)(1) &
25 (d). Defendant shall send both civil penalty payments to ERC's counsel who will be
26 responsible for forwarding the civil penalty.

27 **4.3** \$48,537.00 shall be payable to Environmental Research Center as reimbursement
28 to ERC for (A) reasonable costs associated with the enforcement of Proposition 65 and other

1 costs incurred as a result of work in bringing this action; and (B) \$25,957.00 shall be payable to
2 Environmental Research Center in lieu of further civil penalties, for the day-to-day business
3 activities such as (1) continued enforcement of Proposition 65, which includes work, analyzing,
4 researching and testing consumer products that may contain Proposition 65 chemicals, focusing
5 on the same or similar type of ingestible products that are the subject matter of the current
6 action; (2) the continued monitoring of past consent judgments and settlements to ensure
7 companies are in compliance with Proposition 65; and (3) giving a donation of \$1,298.00 to the
8 As You Sow to address reducing toxic chemical exposures in California.

9 **4.4** \$45,000.00 shall be payable to Rose, Klein & Marias LLP as reimbursement of
10 ERC's attorney's fees. \$4,550.00 shall be payable to Lozeau | Drury LLP as reimbursement
11 of ERC's attorney's fees.

12 **4.5** Defendant shall mail or deliver the payments in this Section by check to the Law
13 Offices of Rose, Klein & Marias LLP at the address stated in Section 11. Defendant will be
14 provided with taxpayer identification information to enable Defendant to process the payments.
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16 **5. MODIFICATION OF CONSENT JUDGMENT**

17 **5.1** This Consent Judgment may be modified (i) by written stipulation of the Parties or
18 pursuant to Section 5.4 and (ii) upon entry by the Court of a modified consent judgment.

19 **5.2** If Defendant seeks to modify this Consent Judgment under Section 5.1, then
20 Defendant must provide written notice to ERC of its intent ("Notice of Intent"). If ERC seeks
21 to meet and confer regarding the proposed modification in the Notice of Intent, then ERC must
22 provide written notice to Defendant within thirty days of receiving the Notice of Intent. If ERC
23 notifies Defendant in a timely manner of ERC's intent to meet and confer, then the Parties shall
24 meet and confer in good faith as required in this Section. The Parties shall meet and confer
25 within thirty (30) days of ERC's notification of its intent to meet and confer. Within thirty days
26 of such meeting, if ERC disputes the proposed modification, ERC shall provide to Defendant a
27 written basis for its position. The Parties shall continue to meet and confer for an additional
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1 thirty (30) days in an effort to resolve any remaining disputes. The Parties may agree in writing
2 to different deadlines for the meet-and-confer period.

3 **5.3** In the event that Defendant initiates or otherwise requests a modification under
4 Section 5.1, Defendant shall reimburse ERC its costs and reasonable attorney's fees for the time
5 spent in the meet-and-confer process and filing and arguing a joint motion or application in
6 support of a modification of the Consent Judgment.

7 **5.4** Where the meet-and-confer process does not lead to a joint motion or application
8 in support of a modification of the Consent Judgment, then either Party may seek judicial relief
9 on its own. In such a situation, the prevailing party may seek to recover costs and reasonable
10 attorney's fees. As used in the preceding sentence, the term "prevailing party" means a party
11 who is successful in obtaining relief more favorable to it than the relief that the other party was
12 amenable to providing during the Parties' good faith attempt to resolve the dispute that is the
13 subject of the modification.

14 **5.5** This Consent Judgment shall be deemed automatically modified and revised to
15 reflect any of the following events establishing or allowing for heavy metal levels in the
16 Covered Products or similar dietary or protein supplement products in excess of those set forth
17 in this Consent Judgment: (a) an amendment to Proposition 65 or a revised regulation by
18 OEHHA concerning safe harbor or naturally occurring levels, or (b) a judicially-approved
19 consent judgment between Plaintiff ERC and a third party. In the event of any of the
20 foregoing, the Parties stipulate that this Consent Judgment (and the heavy metal thresholds and
21 allowances set forth herein) shall be deemed modified to correspond to such revised terms,
22 without any requirement to seek a formal modification hereof.

23 **5.6** Nothing in this Consent Judgment shall preclude Sequel Naturals from petitioning
24 the Attorney General or a court to modify and revise this Consent Judgment to reflect any of
25 the following events establishing or allowing for heavy metal levels for any dietary or protein
26 supplement products in excess of those set forth in this Consent Judgment (including due to
27 naturally occurring amounts in the environment): (a) the Attorney General approves a consent
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1 judgment or settlement with any seller or manufacturer of dietary or protein supplement
2 products with such higher heavy metal amounts, or (b) if a judgment is entered by a court
3 establishing such higher levels.

4 **6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT**
5 **JUDGMENT**

6 **6.1** This Court shall retain jurisdiction of this matter to enforce, modify or terminate
7 this Consent Judgment.

8 **6.2** Only after it complies with Section 15 below may any Party, by motion or
9 application for an order to show cause filed with this Court, enforce the terms and conditions
10 contained in this Consent Judgment.

11 **6.3** If ERC alleges that any Covered Product fails to qualify as a Reformulated
12 Covered Product (for which ERC alleges that no warning has been provided), then ERC shall
13 inform Defendant in a reasonably prompt manner of its test results, including information
14 sufficient to permit Defendant to identify the Covered Products at issue. Defendant shall,
15 within thirty days following such notice, provide ERC with testing information, from an
16 independent third-party laboratory meeting the requirements of Sections 3.4.2 and 3.4.3,
17 demonstrating Defendant's compliance with the Consent Judgment, if warranted. The Parties
18 shall first attempt to resolve the matter prior to ERC taking any further legal action.

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20 **7. APPLICATION OF CONSENT JUDGMENT**

21 This Consent Judgment may apply to, be binding upon, and benefit the Parties and their
22 respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries,
23 divisions, affiliates, franchisees, licensees, customers, (excluding private labelers) distributors,
24 wholesalers, retailers, predecessors, successors, and assigns. This Consent Judgment shall have no
25 application to Covered Products which are distributed or sold exclusively outside the State of
26 California and which are not used by California consumers. This Consent Judgment shall
27 terminate without further action by any Party when Defendant no longer manufactures, distributes
28 or sells all of the Covered Products and all of such Covered Products previously "distributed for

1 sale in California” have reached their expiration dates and are no longer sold. With respect to
2 Covered Products that are distributed and/or sold both inside and outside of California, the
3 requirements in this Consent Judgment apply to the Covered Products only to the extent that the
4 distribution and/or sales occur in California

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

6 **8.1** This Consent Judgment is a full, final, and binding resolution between ERC, on
7 behalf of itself and in the public interest, and Defendant, of any alleged violation of Proposition
8 65 or its implementing regulations for failure to provide Proposition 65 warnings of exposure to
9 lead, arsenic, cadmium, mercury or inorganic mercury from the handling, use, or consumption
10 of the Covered Products and fully resolves all claims that have been or could have been
11 asserted in this action up to and including the Effective Date for failure to provide Proposition
12 65 warnings for the Covered Products. ERC, on behalf of itself and in the public interest,
13 hereby discharges Defendant and its respective officers, directors, shareholders, employees,
14 agents, parent companies, subsidiaries, divisions, affiliates, suppliers, franchisees, licensees,
15 customers, (not including private label customers of Defendant) distributors, wholesalers,
16 retailers, and all other upstream and downstream entities in the distribution chain of any
17 Covered Product, and the predecessors, successors and assigns of any of them (collectively,
18 “Released Parties”), from any and all claims, actions, causes of action, suits, demands,
19 liabilities, damages, penalties, fees, costs and expenses asserted, or that could have been
20 asserted, as to any alleged violation of Proposition 65 arising from the failure to provide
21 Proposition 65 warnings on the Covered Products regarding lead, arsenic, cadmium, mercury or
22 inorganic mercury.
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24 **8.2** ERC, on behalf of itself only, hereby releases and discharges the Released Parties
25 from all known and unknown claims for alleged violations of Proposition 65 arising from or
26 relating to alleged exposures to lead, arsenic, cadmium, mercury or inorganic mercury in the
27 Covered Products as set forth in the Notice of Violation. It is possible that other claims not
28 known to the Parties arising out of the facts alleged in the Notice of Violation or the Complaint

1 and relating to the Covered Products will develop or be discovered. ERC, on behalf of itself
2 only, acknowledges that this Consent Judgment is expressly intended to cover and include all
3 such claims, including all rights of action therefore. ERC has full knowledge of the contents of
4 California Civil Code section 1542. ERC, on behalf of itself only, acknowledges that the
5 claims released in Sections 8.1 and 8.2 above may include unknown claims, and nevertheless
6 waives California Civil Code section 1542 as to any such unknown claims. California Civil
7 Code section 1542 reads as follows:

8
9 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
10 **WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO**
11 **EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING**
12 **THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST**
13 **HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT**
14 **WITH THE DEBTOR.**

13 ERC, on behalf of itself only, acknowledges and understands the significance and
14 consequences of this specific waiver of California Civil Code Section 1542.

15 **8.3** Compliance with the terms of this Consent Judgment shall be deemed to constitute
16 compliance by any Released Party with Proposition 65 regarding alleged exposures to lead,
17 arsenic, cadmium, mercury and inorganic mercury in the Covered Products, as set forth in the
18 Notices of Violation and the Complaint.

19 **8.4** Defendant reserves all rights, claims and defenses as between Defendant and any
20 third party in connection with any alleged violations of Proposition 65. Nothing herein shall be
21 deemed to waive any rights, claims or defenses Defendant may have with regard to any third
22 party.

23 **8.5** Nothing in this Consent Judgment is intended to apply to any occupational or
24 environmental exposures arising under Proposition 65, nor shall it apply to any of Defendant's
25 products other than the Covered Products.

26 **8.6** ERC and Defendant each release and waive all claims they may have against each
27 other for any statements or actions made or undertaken by them in connection with the Notice
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1 of Violation or the Complaint; provided, however, that nothing in Section 8 shall affect or limit
2 any Party's right to seek to enforce the terms of this Consent Judgment.

3 **9. SEVERABILITY OF UNENFORCEABLE PROVISIONS**

4 In the event that any of the provisions of this Consent Judgment is held by a court to be
5 unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.

6 **10. GOVERNING LAW**

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

9 **11. PROVISION OF NOTICE**

10 All notices required to be given to either Party to this Consent Judgment by the other shall
11 be in writing and sent to the following agents listed below by: (a) first-class, registered, or certified
12 mail; (b) overnight courier; or (c) personal delivery. Courtesy copies via email shall also be sent,
13 provided an email address .
14

15 **FOR ENVIRONMENTAL RESEARCH CENTER:**

16 Chris Heptinstall, Executive Director
17 Environmental Research Center
18 3111 Camino Del Rio North, Suite 400
San Diego, CA 92108

19 *With a copy to:*

20 ROSE, KLEIN & MARIAS LLP
21 David A. Rosen (SBN 101287)
22 Kevin P. Smith (SBN 252580)
23 801 South Grand Avenue, 11th floor
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24 213.626.0571
25 FAX 213.623.7755
d.rosen@rkmlaw.net

26 **FOR SEQUEL NATURALS:**

27 BRAUNHAGEY AND BORDEN LLP
28 J. Noah Hagey, Esq. (SBN 262331)
220 Sansome Street, 2nd Floor

1 San Francisco, CA 94104
2 (415) 599-0210
3 (415) 276-1808
4 hagey@braunhagey.com

5 *With a copy to:*

6 Sequel Naturals, Inc.
7 C/o Derek Chan
8 Chief Financial Officer
9 A 101 - 3001 Wayburne Dr.
10 Burnaby, BC V5G 4W3
11 derek@myvega.com

12. COURT APPROVAL

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

12.2 ERC shall comply with California Health and Safety Code section 25249.7(f) and with Title II of the California Code Regulations, Section 3003.

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 as valid as the original signature.

14. DRAFTING

The terms of this Consent Judgment have been reviewed by the respective counsel for the each Party to this Settlement prior to its signing, and each Party has had an opportunity to fully discuss the terms with counsel. The Parties agree that, in any subsequent interpretation and construction of this Consent Judgment entered thereon, the terms and provisions shall not be construed against any Party.

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 in person or by telephone and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of

1 such a good faith attempt to resolve the dispute beforehand. In the event an action or motion is
2 filed, however, the prevailing party may seek to recover costs and reasonable attorney's fees. As
3 used in the preceding sentence, the term "prevailing party" means a party who is successful in
4 obtaining relief more favorable to it than the relief that the other party was amenable to providing
5 during the Parties' good faith attempt to resolve the dispute that is the subject of such enforcement
6 action.

7 **16. ENTIRE AGREEMENT, AUTHORIZATION**

8 **16.1** This Consent Judgment contains the sole and entire agreement and understanding
9 of the Parties with respect to the entire subject matter herein, and any and all prior discussions,
10 negotiations, commitments and understandings related hereto. No representations, oral or
11 otherwise, express or implied, other than those contained herein have been made by any Party.
12 No other agreements, oral or otherwise, unless specifically referred to herein, shall be deemed
13 to exist or to bind any Party.

14 **16.2** Each signatory to this Consent Judgment certifies that he or she is fully authorized
15 by the Party he or she represents to stipulate to this Consent Judgment. Except as explicitly
16 provided herein, each Party shall bear its own fees and costs.

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

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

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

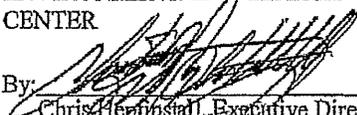
25 (2) Make the findings pursuant to California Health and Safety Code section
26 25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.
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28 **IT IS SO STIPULATED:**

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Dated: 5/7/, 2014

ENVIRONMENTAL RESEARCH
CENTER

By: 
Chris Hepfinstall, Executive Director

Dated: 5/12/, 2014

SEQUEL NATURALS, INC.

By: 
DEREK CHANT

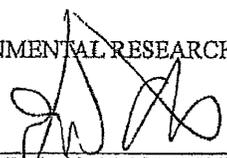
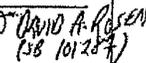
SEQUEL NATURALS, LTD.

By: 
DEREK CHANT

APPROVED AS TO FORM:

Dated: 5/7, 2014

ENVIRONMENTAL RESEARCH
CENTER

By: 
Kevin P. Smith (SBN 252580) 
Rose, Klein & Marias LLP (SB 10/28/7)

Dated: May 14, 2014

SEQUEL NATURALS, INC. and
SEQUEL NATURALS, LTD.

By: 
J. Noah Hagey, Esq. (SBN 262331)
BraunHagey & Borden LLP

APPENDIX A: COVERED PRODUCTS

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- Sequel Naturals LTD. Vega One All-In-One Nutrition Bar Double Chocolate - Lead
- Sequel Naturals LTD. Vega One All-In-One Nutrition Bar Chocolate Almond - Lead
- Sequel Naturals LTD. Vega One All-In-One Nutrition Bar Chocolate Cherry - Lead
- Sequel Naturals LTD. Vega Sport Performance Protein Chocolate Powder - Lead
- Sequel Naturals LTD. Vega Protein Smoothie Viva Vanilla - Lead
- Sequel Naturals LTD. Vega Protein Smoothie Choc-A-Lot - Lead
- Sequel Naturals LTD. Vega Vibrancy Bar Chocolate Decadence - Lead
- Sequel Naturals LTD. Vega Sport Protein Bar Chocolate Saviseed - Lead
- Sequel Naturals LTD. Vega Sport Protein Bar Chocolate Coconut – Lead
- Sequel Naturals LTD. Vega Sport Endurance Bar Mocha - Lead
- Sequel Naturals LTD. Vega Sport Endurance Bar Acai Berry - Lead
- Sequel Naturals LTD. Vega Sport Performance Protein Berry - Lead
- Sequel Naturals LTD. Vega Sport Performance Protein Vanilla - Lead
- Sequel Naturals LTD. Vega Sport Endurance Gel Orange Zest Flavor - Lead
- Sequel Naturals LTD. Vega Sport Endurance Gel Raspberry Flavor – Lead
- Sequel Naturals LTD. Plant-Based Vega Energizing Smoothie Choc-A-Lot Dietary Supplement 28.1g - Cadmium
- Vega Maca Organic Chocolate Bar – Cadmium, Lead
- Sequel Naturals Ltd. Vega One (3rd Gen) Vanilla Chai Powder 874g – Cadmium, Mercury
- Sequel Vega Oil Blend 250ml. - Cadmium
- Sequel Naturals LTD. Vega One All-In-One Nutrition Bar Chocolate Almond 63 g – Cadmium, Mercury
- Vega Snack Bar Chocolate Peanut Butter Cup - Cadmium
- Sequel Naturals LTD. Vega Sport Protein Bar Chocolate Coconut 60 g- Cadmium, Mercury
- Vega Vibrancy Bar Berry Bliss- Cadmium, Mercury
- Sequel Naturals LTD Vega Complete Whole Food Health Optimizer Chocolate Flavor (501 g)- Arsenic, Cadmium, Mercury

ROSE, KLEIN & MARIAS LLP
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JUDGMENT

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

Dated: _____, 2014

Judge of the Superior Court

PROOF OF SERVICE

State of California

I am employed in the county of Los Angeles, state of California;
I am over the age of 18 years and not a party to the within action; my business address is:
801 S. Grand, 11th Floor, Los Angeles, California 90017

I am readily familiar with the firm's business practice of processing correspondence for mailing. In the ordinary course of business, the correspondence would be deposited with the United States Postal Service on that same day with postage thereon fully prepaid at my business address above. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing as listed

On December 19, 2014 I served the foregoing documents described as:

[Proposed] Stipulated Consent Judgment; [Proposed] Order

on the interested parties in this action, by placing a true copy thereof in a sealed envelope with postage thereon fully prepaid, in the United States Mail at my address stated above, addressed as follows:

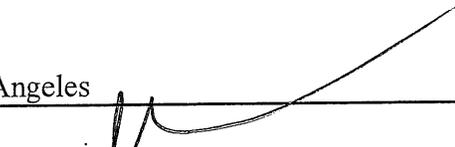
Braunhagey and Borden LLP
Rebecca Cross, Esq.
220 Sansome Street, 2nd Floor
San Francisco, CA. 94104

Sequel Naturals, Inc.

Office of the Attorney General
Attn: Prop 65 Coordinator
1515 Clay Street, Suite 2000
P.O. Box 70550
Oakland, CA. 94612-0550

Environmental Reseach Center
Chris Heptinstall
3111 Camino Del Rio N.
Suite 400
San Diego, CA. 92018

Executed on: December 19, 2014 at Los Angeles, California.


Debra Gorman
ROSEKLEIN & MARIAS LLP

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.