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7 Attorneys for Plaintiff,
8 Consumer Advocacy Group, Inc., in the public interest

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 COUNTY OF LOS ANGELES

11 Coordination Proceeding
12 Special Title (Rule 3.550)

13 **PROPOSITION 65**
14 **RICE PRODUCT CASES**

15 This document relates to:

16 CONSUMER ADVOCACY GROUP, INC., in
17 the public interest,

18 Plaintiff,

19 v.

20 MATCO RICE PROCESSING (PVT); et al;

21 Defendants.

JCCP Case N° 4816 [Filed in BC556594]

CONSENT JUDGMENT [PROPOSED]

Health & Safety Code § 25249.5 *et seq.*

Coordinated Case(s): BC549137,
BC549139, BC553852, BC554810,
BC553427, BC556594, 34-2014-00165277,
CGC-13-536301, and BC571487

[Hon. Elihu M. Berle – Dept. 6]

Complaint Filed: August 1, 2014

Trial Date: January 3, 2023

22 **1. INTRODUCTION**

23 1.1 This Consent Judgment is entered into by and between plaintiff, Consumer
24 Advocacy Group, Inc. (referred to as “CAG”) acting on behalf of itself and in the interest of the
25 public, and defendant, San Fernando Valley Produce & Deli, Inc. (hereinafter, “SFVP” or
26 “Defendant”), with each referred to as a “Party” and collectively referred to as “Parties.”

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1 1.2 **Defendants and Products**

2 1.2.1 SFVP employs ten or more persons, is a person in the course of doing
3 business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California
4 Health & Safety Code §§25249.6 et seq. (“Proposition 65”), and sells Rice, including but not
5 limited to “Sadaf® ‘BASMATI RICE’ ‘GOLDEN WHITE’ ‘ALL NATURAL’ ‘VEGETARIAN’
6 ‘NET WT. 16 OZ. 453.7g’ UPC: 0 52851 14170 8” (hereinafter “Covered Product”).

7 1.3 **Chemicals Of Concern**

8 1.3.1 Lead is a chemical known to the State of California to cause cancer and/or
9 birth defects or other reproductive harm.

10 1.4 **Notice of Violation.**

11 1.4.1 On or about April 22, 2014, CAG served SFVP, Soofer Company, Inc. and
12 other defendants in the subsequent instant L.A.S.C. case N° BC556594, and various public
13 enforcement agencies with a document entitled “60-Day Notice of Violation” (the “April 22, 2014
14 Notice”) that provided the recipients with notice of alleged violations of Health & Safety Code
15 §25249.6 for failing to warn individuals in California of exposures to Lead in the Covered Product
16 (and others no longer relevant to this action in that such causes of action were dismissed), including
17 but not limited to: (1) Sadaf® ‘BASMATI RICE’, (2) MEDITERRANEAN CLASSICS
18 CAMPAGNA ‘SUPERFINEO ARBORIO RICE’; and (3) FALAK ® ‘BASMATI RICE’. No
19 public enforcer has commenced or diligently prosecuted the allegations set forth in the April 22,
20 2014 Notice.

21 1.5 **Complaint.**

22 1.5.1 On September 3, 2014, CAG filed a Complaint for civil penalties and
23 injunctive relief in Los Angeles Superior Court, Case No. BC556594. The Complaint alleges,
24 among other things, that Defendant violated Proposition 65 by failing to give clear and reasonable
25 warnings of exposure to Lead from the Covered Product. The Complaint was consolidated in JCCP
26 Case N° 4816.

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1 **1.6 Consent to Jurisdiction**

2 For purposes of this Consent Judgment, the Parties stipulate that this Court has jurisdic-
3 tion over the allegations of violations contained in the Complaint and personal jurisdiction over
4 Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Los
5 Angeles and that this Court has jurisdiction to enter this Consent Judgment as a full settlement
6 and resolution of the allegations contained in the Complaint and of all claims which were or
7 could have been raised by any person or entity based in whole or in part, directly or indirectly, on
8 the facts alleged therein or arising therefrom or related thereto.

9 **1.7 No Admission**

10 This Consent Judgment resolves claims that are denied and disputed. The Parties enter into
11 this Consent Judgment pursuant to a full and final settlement of any and all claims between the
12 Parties for the purpose of avoiding prolonged litigation. Nothing in this Consent Judgment shall
13 be construed as an admission by the Parties of any material allegation of the Complaint (each and
14 every allegation of which Defendant denies), any fact, conclusion of law, issue of law or violation
15 of law, including without limitation, any admission concerning any violation of Proposition 65 or
16 any other statutory, regulatory, common law, or equitable doctrine, or the meaning of the terms
17 “knowingly and intentionally expose” or “clear and reasonable warning” as used in Health and
18 Safety Code §25249.6. Nothing in this Consent Judgment, nor compliance with its terms, shall
19 constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of
20 law, or violation of law, or of fault, wrongdoing, or liability by any defendant, its officers, direc-
21 tors, employees, or parent, subsidiary or affiliated corporations, or be offered or admitted as
22 evidence in any administrative or judicial proceeding or litigation in any court, agency, or forum.
23 Furthermore, nothing in this Consent Judgment shall prejudice, waive or impair any right,
24 remedy, argument, or defense the Parties may have in any other or future legal proceeding,
25 except as expressly provided in this Consent Judgment.

26 **2. DEFINITIONS**

27 2.1 “Covered Products” means:
28

1 2.1.1 “Sadaf® ‘BASMATI RICE’ ‘GOLDEN WHITE’ ‘ALL NATURAL’
2 ‘VEGETARIAN’ ‘NET WT. 16 OZ. 453.7g’ UPC: 0 52851 14170 8”;

3 2.1.2 “‘MEDITERRANEAN CLASSICS CAMPAGNA ‘SUPERFINEO
4 ARBORIO RICE’, ‘1 kg NET 35 oz’,” UPC: 8 005391 003564; and

5 2.1.3 “‘FALAK® ‘BASMATI RICE’ ‘The Authentic Flavour of Punjab’ ‘BROWN
6 BASMATI RICE’ ‘Premium Quality’ ‘SUPER KERNEL’ ‘Net Weight 2
7 lbs. 0.9 kg’”, Bar Code: 8 961100 090181

8 (hereinafter “Rice Products”). “Covered Products” are limited to those sold, manufactured, and/or
9 distributed by SFVP.

10 2.2 “Covered Rice” means all Rice, including but not limited to the Rice Products.
11 Covered Rice is limited to that sold, manufactured, and/or distributed by SFVP. Covered Rice is
12 a subset of Covered Products as defined in Section 2.1 above.

13 2.3 “Effective Date” means the date that this Consent Judgment is approved by the
14 Court.

15 3. INJUNCTIVE RELIEF / CLEAR AND REASONABLE WARNINGS.

16 3.1 As of the Effective Date, SFVP will not manufacture, distribute, or sell the Covered
17 Products in California unless the Covered Products are reformulated to contain less than 56ppb of
18 Lead.

19 3.2 The foregoing reformulation standard in §3.1 above also specifically apply to, but
20 are not limited to, all brands of Covered Products specifically owned by SFVP (if any).

21 3.3 As of the Effective Date, SFVP will notify and require its vendors or suppliers from
22 whom SFVP purchases the Covered Products to ensure that all Covered Products that SFVP
23 purchases from its vendors or suppliers and sold in its California stores will not contain more than
24 56ppb of Lead.

25 3.3 For any Covered Products whose Lead content exceeds 56 ppm still existing in Defend-
26 ant’s inventory or inventories as of the Effective Date, Defendant shall place a clear and reason-
27 able warning Proposition 65 compliant warning on them, consistent with 27 CCR §25600 *et seq.*
28 In consideration of the fact that Defendant has agreed to only order for distribution or sale

1 reformulated Covered Product, the Parties agree to the following language for the Covered
2 Product in existing inventory that contain more than 56 ppm:

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

7 Or:

8  Cancer and Reproductive Harm - www.P65Warnings.ca.gov

9 **4. SETTLEMENT PAYMENT**

10 4.1 **Payment and Due Date:** SFVP shall pay a total of Sixty thousand dollars and zero
11 cents (\$60,000) in full and complete settlement of all monetary claims by CAG related to the
12 Notice and Complaint, as follows:

13 4.1.1 **Civil Penalty:** SFVP shall issue separate checks totaling Five thousand
14 Seven Hundred Twenty dollars (\$5,720) as penalties pursuant to Health & Safety Code §25249.12:

15 (a) SFVP will issue payment made payable to the State of California's Office of
16 Environmental Health Hazard Assessment ("OEHHA") in the amount of Four Thousand Two
17 Hundred Ninety dollars (\$4,290.00) representing 75% of the total penalty; and

18 (b) SFVP will issue payment to "Consumer Advocacy Group, Inc." in the amount
19 of One Thousand Four Hundred Thirty dollars (\$1,430.00) representing 25% of the total penalty;
20 and

21 (c) Separate 1099s shall be issued for each of the above payments: SFVP will issue
22 a 1099 to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) for the amount of
23 \$4,290.00. SFVP will also issue a 1099 to CAG c/o Law Offices of Kenneth W. Ralidis, aplc,
24 3435 Wilshire Boulevard, 27th Floor, Los Angeles, California 90010 for the amount of \$1,430.00.

25 (c) The payment to OEHHA shall be delivered directly to Office of Environmental
26 Health Hazard Assessment, Attn: Mike Gyurics, 1001 I Street, Mail Stop 12-B, Sacramento,
27

1 California 95812. Defendant shall provide written confirmation to CAG concurrently with
2 payment to OEHHA.

3 **4.1.2 Payment In Lieu of Civil Penalties:** SFVP shall pay Four Thousand Two
4 Hundred Eighty dollars (\$4,280) in lieu of civil penalties to “Consumer Advocacy Group, Inc.”
5 CAG will use this payment for investigation of the public’s exposure to Proposition 65 listed
6 chemicals through various means, including laboratory fees for testing for Proposition 65 listed
7 chemicals, administrative costs and fees related to such activities, expert fees for evaluating
8 exposures through various mediums, including but not limited to consumer product, occupational,
9 and environmental exposures to Proposition 65 listed chemicals, and the cost of hiring consulting
10 and retained experts who assist with the extensive scientific analysis necessary for those files in
11 litigation, as well as administrative costs and fees related to such activities in order to reduce the
12 public’s exposure to Proposition 65 listed chemicals by notifying those persons and/or entities
13 believed to be responsible for such exposures and attempting to persuade those persons and/or
14 entities to reformulate their products or the source of exposure to completely eliminate or lower
15 the level of Proposition 65 listed chemicals, thereby addressing the same public harm as allegedly
16 in the instant Action. Further, should the court require it, CAG will submit under seal, an
17 accounting of these funds as described above as to how the funds were used. The payment shall
18 be made payable to “Consumer Advocacy Group, Inc.” and delivered to the address at §4.2 below.
19

20 **4.1.3 Reimbursement of Attorneys Fees and Costs:** Within one (1) month of
21 the Effective Date, SFVP shall pay Fifty Thousand dollars (\$50,000) to “Law Offices of Kenneth
22 W. Ralidis, apc,” as reimbursement for reasonable investigation fees and costs, attorneys’ fees,
23 and any other costs incurred as a result of investigating, bringing this matter to SFVP’s attention,
24 litigating, and negotiating a settlement in the public interest. The payment shall be made payable
25 to “Law Offices of Kenneth W. Ralidis, apc” and delivered to the address at §4.2 below.

26 **4.2** All payments pursuant to §4.1 shall be delivered via overnight mail to:
27 Kenneth Ralidis, Law Offices of Kenneth W. Ralidis, apc, 3435 Wilshire Boulevard, 27th Floor,
28 Los Angeles, California 90010.

1 **5. MATTERS COVERED BY THIS CONSENT JUDGMENT**

2 5.1 This Consent Judgment is a full, final, and binding resolution between CAG on
3 behalf of itself and in the public interest on the one hand, and SFVP and its officers, directors,
4 insurers, employees, parents, shareholders, divisions, subdivisions, subsidiaries, partners,
5 affiliates, sister companies and their successors and assigns (“Defendant Releasees”), on the other
6 hand, for all claims for violations of Proposition 65 up through the Effective Date based on
7 exposure to Lead from the Covered Product. Nothing in this section shall constitute or effectuate
8 any form of release as between SFVP, on the one hand, and Soofer Company, Inc., on the other
9 hand. SFVP’s and Defendant Releasees’ compliance with this Consent Judgment shall constitute
10 compliance with Proposition 65 with respect to Lead from the Covered Product. Nothing in this
11 Section affects CAG’s right to commence or prosecute an action under Proposition 65 against any
12 person other than SFVP or Defendant Releasees.

13 5.2 CAG, on behalf of itself, its past and current agents, representatives, attorneys,
14 successors, and/or assignees, and in the public interest, hereby waives all rights to institute or
15 participate in, directly or indirectly, any form of legal action and releases all claims, including,
16 without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands,
17 obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to,
18 investigation fees, expert fees, and attorneys’ fees) of any nature whatsoever, whether known or
19 unknown, fixed or contingent (collectively “Claims”), against SFVP and Defendant Releasees
20 arising from any violation of Proposition 65 or any other statutory or common law regarding the
21 failure to warn about exposure to Lead from the Covered Rice.

22 5.3 Additionally, CAG on behalf of itself, its past and current agents, representatives,
23 attorneys, successors, and/or assignees, only (i.e., not on behalf of the public), hereby waives all
24 Claims against SFVP and Defendant Releasees, arising from any violation of Proposition 65 or
25 any other statutory or common law regarding the failure to warn about exposure to Lead from the
26 Covered Product.
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1 5.4 The releases in this Section are limited to only those Covered Products that are sold,
2 manufactured, and/or distributed by SFVP.

3 5.5 In furtherance of the foregoing, as to alleged exposures to Lead from the Covered
4 Product, CAG on behalf of itself only, hereby waives any and all rights and benefits which it now
5 has, or in the future may have, conferred upon it with respect to Claims arising from any violation
6 of Proposition 65 or any other statutory or common law regarding the failure to warn about
7 exposure to Lead from the Covered Product as to SFVP and Defendant Releasees by virtue of the
8 provisions of section 1542 of the California Civil Code, which provides as follows:

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

14 CAG understands and acknowledges that the significance and consequence of this waiver of
15 California Civil Code §1542 is that even if CAG suffers future damages arising out of or
16 resulting from, or related directly or indirectly to, in whole or in part, Claims arising from any
17 violation of Proposition 65 or any other statutory or common law regarding the failure to warn
18 about exposure to Lead from the Covered Product, including but not limited to any exposure to,
19 or failure to warn with respect to exposure to Lead from the Covered Product, CAG will not be
20 able to make any claim for those damages against SFVP and Defendant Releasees. Further,
21 CAG acknowledges that it intends these consequences for any such Claims arising from any
22 violation of Proposition 65 or any other statutory or common law regarding the failure to warn
23 about exposure to Lead from the Covered Product as may exist as of the date of this release but
24 which CAG does not know exist, and which, if known, would materially affect its decision to
25 enter into this Consent Judgment, regardless of whether its lack of knowledge is the result of
26 ignorance, oversight, error, negligence, or any other cause.

26 **6. ENTRY OF CONSENT JUDGMENT**

27 6.1 CAG and Defendant, cooperatively, shall file a motion seeking approval of this
28 Consent Judgment pursuant to *California Health & Safety Code* §25249.7(f) and/or a Good Faith

1 Settlement Motion, which shall require Defendant to assert by declaration of their principal(s)
2 their financial conditions which formed the primary basis for the monetary portions of this
3 Settlement and Consent Judgment (in the absence of which the monetary portions of this Settle-
4 ment and Consent Judgment would not have been so low). The Parties agree to act in good faith
5 to obtain Court approval of the Consent Judgment. Upon entry of the Consent Judgment, CAG
6 and Defendant waive their respective rights to a hearing and trial on the allegations in the
7 Notices and Complaint.

8 6.2 If this Consent Judgment is not approved in full by the Court: (a) this Consent
9 Judgment and any and all prior agreements between the Parties merged herein shall terminate and
10 become null and void, and the actions shall revert to the status that existed prior to the execution
11 date of this Consent Judgment; (b) no term of this Consent Judgment or any draft thereof, or of the
12 negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall
13 have any effect, nor shall any such matter be admissible in evidence for any purpose in this Action,
14 or in any other proceeding; and (c) the Parties agree to meet and confer to determine whether to
15 modify the terms of the Consent Judgment and to resubmit it for approval.

16 6.3 In any proceeding brought by either Party to enforce this Consent Judgment, the
17 prevailing party shall be entitled to recover its reasonable attorneys' fees and costs.

18 **7. MODIFICATION OF JUDGMENT**

19 7.1 This Consent Judgment may be modified only upon written agreement of the
20 Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of
21 any Party as provided by law and upon entry of a modified Consent Judgment by the Court.

22 7.2 Any Party seeking to modify this Consent Judgment shall attempt in good faith to
23 meet and confer with the other Party prior to filing a motion to modify the Consent Judgment.

24 **8. RETENTION OF JURISDICTION**

25 8.1 This Court shall retain jurisdiction of this matter to implement and enforce the
26 terms of this Consent Judgment under *Code of Civil Procedure* §664.6.

1 8.2 In any proceeding brought by either Party to enforce this Consent Judgment, the
2 prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

3 **9. SERVICE ON THE ATTORNEY GENERAL**

4 9.1 CAG shall serve a copy of this Consent Judgment, signed by both parties, on the California
5 Attorney General so that the Attorney General may review this Consent Judgment prior to its
6 submittal to the Court for approval. No sooner than forty-five (45) days after the Attorney General
7 has received the aforementioned copy of this Consent Judgment, CAG may then submit it to the
8 Court for approval. Defendants expressly understand and agree that declarations regarding their
9 financial positions shall be provided to the California Attorney General at the same time as a copy
10 of this signed Consent Judgment is provided to the California Attorney General.

11 **10. ATTORNEY FEES**

12 10.1 Except as specifically provided in §§4.1.3 and 6.3, each Party shall bear its own
13 costs and attorneys' fees in connection with this action.

14 **11. ENTIRE AGREEMENT**

15 11.1 This Consent Judgment contains the sole and entire agreement and understanding
16 of the Parties with respect to the entire subject matter hereof and any and all prior discussions,
17 negotiations, commitments and understandings related hereto. No representations, oral or
18 otherwise, express or implied, other than those contained herein have been made by any party
19 hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed
20 to exist or to bind any of the Parties.

21 **12. GOVERNING LAW**

22 12.1 The validity, construction and performance of this Consent Judgment shall be
23 governed by the laws of the State of California, without reference to any conflicts of law provisions
24 of California law.

25 12.2 The terms of this Consent Judgment shall be governed by the laws of the State of
26 California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered
27 inapplicable by reason of law generally, or if any of the provisions of this Consent Judgment are
28

1 rendered inapplicable or are no longer required as a result of any such repeal or preemption, or
2 rendered inapplicable by reason of law generally as to the Covered Product, then any Defendant
3 subject to this Consent Judgment may provide written notice to CAG of any asserted change in the
4 law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and
5 to the extent that, the Covered Products are so affected. Nothing in this Consent Judgment shall
6 be interpreted to relieve a Defendant from any obligation to comply with any pertinent state or
7 federal law or regulation.

8 12.3 The Parties, including their counsel, have participated in the preparation of this
9 Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This
10 Consent Judgment was subject to revision and modification by the Parties and has been accepted
11 and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or
12 ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result
13 of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment
14 agrees that any statute or rule of construction providing that ambiguities are to be resolved against
15 the drafting Party should not be employed in the interpretation of this Consent Judgment and, in
16 this regard, the Parties hereby waive California Civil Code § 1654.

17 **13. EXECUTION AND COUNTERPARTS**

18 14.1 This Consent Judgment may be executed in counterparts and by means of facsimile
19 or portable document format (pdf), which taken together shall be deemed to constitute one
20 document and have the same force and effect as original signatures.

21 **14. NOTICES**

22 15.1 Any notices under this Consent Judgment shall be by personal delivery or First
23 Class Mail.

24 If to CAG:

25 Kenneth W. Ralidis
26 3435 Wilshire Boulevard, 27th Floor
27 Beverly Hills, CA 90010
28 (213) 251-5480

1 ken@ralidislaw.com

2 If to SFVP:

3 Ephram Nehm, President/CEO
4 Current President/CEO
5 San Fernando Valley Produce & Deli, Inc.
6 18435 Vanowen Street

7 Reseda, California 91335

8 With a copy to:

9 Brent M. Finch, Esq.
10 Finch Law
11 27200 Agoura Road, Suite 102
12 Calabasas, California 91301

13 **15. AUTHORITY TO STIPULATE**

14 15.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized
15 by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of
16 the party represented and legally to bind that party.

17 AGREED TO:

18 Date: _____, 2023

19 Name: _____

20 Title: _____

21 CONSUMER ADVOCACY GROUP,
22 INC.

23 AGREED TO:

24 Date: 1-19, 2023

25 Name: EPHRAM NEHME

26 Title: PRESIDENT

27 SAN FERNANDO VALLEY
28 PRODUCE & DELI, INC.

29 **IT IS SO ORDERED.**

30 Date: _____

31 JUDGE OF THE SUPERIOR COURT

1 ken@ralidislaw.com

2 If to SFVP:

3 Ephram Nehm, President/CEO
4 Current President/CEO
5 San Fernando Valley Produce & Deli, Inc.
6 18435 Vanowen Street

7 Reseda, California 91335

8 With a copy to:

9 Brent M. Finch, Esq.
10 Finch Law
11 27200 Agoura Road, Suite 102
12 Calabasas, California 91301

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15 by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of
16 the party represented and legally to bind that party.

17 AGREED TO:

18 Date: January 20, 2023

19 Michael Marcus

20 Name: Michael Marcus

21 Title: Director

22 CONSUMER ADVOCACY GROUP,
23 INC.

24 AGREED TO:

25 Date: 1-19, 2023

26 Ephram Nehme

27 Name: EPHRAM NEHME

28 Title: PRESIDENT

SAN FERNANDO VALLEY
PRODUCE & DELI, INC.

IT IS SO ORDERED.

Date: _____

JUDGE OF THE SUPERIOR COURT