2 3	Michael Freund SBN 99687 Ryan Hoffman SBN 283297 Michael Freund & Associates 1919 Addison Street, Suite 105 Berkeley, CA 94704 Telephone: (510) 540-1992 Facsimile: (510) 540-5543			
6	Attorneys for Plaintiff ENVIRONMENTAL RESEARCH CENTER Melissa A. Jones SBN 205576 Stoel Rives LLP 500 Capitol Mall, Suite 1600 Sacramento, CA 95814 Telephone: (916) 447-0700 Facsimile: (916) 447-4781 Attorney for Defendant RIVER CANYON RETREAT, INC. dba EARTH CIRCLE ORGANICS	I		
12 13 14	SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF ALAMEDA			
15 16 17 18	ENVIRONMENTAL RESEARCH CENTER, a California non-profit corporation, Plaintiff, v.	CASE NO. RG14746349 STIPULATED CONSENT JUDGMENT; [PROPOSED] ORDER Health & Safety Code § 25249.5 et seq.		
19 20 21	RIVER CANYON RETREAT, INC. dba EARTH CIRCLE ORGANICS and DOES 1- 100	Action Filed: October 30, 2014 Trial Date: None set		
22	Defendants.			
23 24	1. INTRODUCTION			
25	III	nvironmental Research Center ("ERC"), a non		
26 27	profit corporation, as a private enforcer, and in the public interest, initiated this action by filin a Complaint for Injunctive and Declaratory Relief and Civil Penalties (the "Complaint"			
28				
40	STIPULATED CONSENT JUDGMENT; [PROPOSED] OR	DER CASE NO. RG14746349 1		

pursuant to the provisions of California Health and Safety Code section 25249.5 et seq. ("Proposition 65"), against River Canyon Retreat, Inc. dba Earth Circle Organics and Does 1-100 (collectively "ECO"). In this action, ERC alleges that a number of products manufactured, distributed or sold by ECO contain lead, a chemical listed under Proposition 65 as a carcinogen and reproductive toxin, and expose consumers to this chemical at a level requiring a Proposition 65 warning. These products (referred to hereinafter individually as a "Covered Product" or collectively as "Covered Products") are: (1) River Canyon Retreat, Inc. Earth Circle Organics Raw Organic Spirulina Powder; (2) River Canyon Retreat, Inc. Earth Circle Organics Raw Organic Spirulina Tablets 250 mg; (3) River Canyon Retreat, Inc. Earth Circle Organics Raw Organic Dehydrated Alfalfa Grass Powder; (5) River Canyon Retreat, Inc. Earth Circle Organics Organic Balinese Cacao Powder; and (6) River Canyon Retreat, Inc. Earth Circle Foods Raw Chlorella Tablets 250 mg.

- 1.2 ERC and ECO are hereinafter referred to individually as a "Party" or collectively as the "Parties."
- 1.3 ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.
- 1.4 For purposes of this Consent Judgment, the Parties agree that ECO is a business entity that has employed ten or more persons at all times relevant to this action, and qualifies as a "person in the course of business" within the meaning of Proposition 65. ECO manufactures, distributes and sells the Covered Products.
- 1.5 The Complaint is based on allegations contained in ERC's Notice of Violation dated May 23, 2014, that was served on the California Attorney General, other public enforcers, and ECO ("Notice"). A true and correct copy of the Notice is attached as Exhibit A and is hereby incorporated by reference. More than 60 days have passed since the Notice was

mailed and uploaded to the Attorney General's website, and no designated governmental entity has filed a complaint against ECO with regard to the Covered Products or the alleged violations.

- 1.6 ERC's Notice and Complaint allege that use of the Covered Products exposes persons in California to lead without first providing clear and reasonable warnings in violation of California Health and Safety Code section 25249.6. ECO denies all material allegations contained in the Notice and Complaint.
- 1.7 The Parties have entered into this Consent Judgment in order to settle, compromise and resolve disputed claims and thus avoid prolonged and costly litigation. Nothing in this Consent Judgment shall constitute or be construed as an admission by any of the Parties, or by any of their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers. Except for the representations made above, nothing in this Consent Judgment shall be construed as an admission by the Parties of any fact, issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an admission by the Parties of any fact, issue of law, or violation of law, at any time, for any purpose.
- 1.8 Except as expressly set forth herein, nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any other or future legal proceeding unrelated to these proceedings.
- 1.9 The Effective Date of this Consent Judgment is the date on which it is entered as a Judgment by this Court.
- 1.10 As a result of ERC's NOV of May 23, 2014, ECO represents that it has taken the following actions regarding the Covered Products: 1) Raw Organic Spirulina Powder-temporarily discontinued October 28, 2014 and then reintroduced into the California marketplace in approximately late February 2015 with a Proposition 65 warning; 2) Raw Organic Spirulina Tablets-discontinued sales in California as of April 2014; 3) Raw Chlorella & Spirulina Tablets-

discontinued sales in California as of July 2014; 4) Raw Organic Dehydrated Alfalfa Grass Powder-temporarily discontinued sales in California in July 2014, reintroduced in February 2015 with a corrected serving size on the label of 2.5 grams (previously erroneously labeled 3.0 grams); 5) Organic Balinese Cacoa Powder-temporarily suspended sales in California then reintroduced in late February 2015 with the corrected serving size on the label of 2 teaspoons equating to 4 grams (previously erroneously labeled 5 teaspoons equating to 15 g); and 6) Raw Chlorella Tablets-temporarily suspended sales in California, re-introduced into the California marker in January 2015 with corrected serving size on label of 1 gram nationwide (previously erroneously labeled as 6 grams).

2. JURISDICTION AND VENUE

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

3. INJUNCTIVE RELIEF, REFORMULATION, TESTING AND WARNINGS

- 3.1 Beginning on the Effective Date, ECO shall be permanently enjoined from manufacturing for sale in the State of California, "Distributing into the State of California", or directly selling in the State of California, any Covered Product which exposes a person to a "Daily Exposure Level" of more than 0.5 micrograms per day when the maximum suggested dose is taken as directed on the Covered Product's label, unless it meets the warning requirements under Section 3.2.
- 3.2 3.1.1 As used in this Consent Judgment, the term "Distributing into the State of California" shall mean to directly ship a Covered Product into California for sale in

California or to sell a Covered Product to a distributor that ECO knows will sell the Covered Product in California.

3.1.2 For purposes of this Consent Judgment, the "Daily Lead Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label) multiplied by servings of the product per day (using the largest number of servings in a recommended dosage appearing on the product label or, if there is no recommendation regarding servings per day appearing on the label, then the serving size per day for purposes of the consent judgment shall be one), which equals micrograms of lead exposure per day.

3.3 Clear and Reasonable Warnings

If ECO is required to provide a warning pursuant to Section 3.1, the following warning must be utilized:

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

ECO shall use the phrase "cancer and" in the warning only if the maximum daily dose recommended on the label contains more than 15 micrograms of lead as determined pursuant to the quality control methodology set forth in Section 3.4.

The warning shall be securely affixed to or printed upon the container or label of each Covered Product. In addition, if the Covered Products are ever sold over ECO's website, the warning shall appear on ECO's checkout page on its website for California consumers identifying any Covered Product, and also appear prior to completing checkout on ECO's website when a California delivery address is indicated for any purchase of any Covered Product.

The warning shall be at least the same size as the largest of any other health or safety warnings also appearing on its website or on the label or container of ECO's product packaging and the word "WARNING" shall be in all capital letters and in bold print. No conflicting or

diminishing statement regarding Proposition 65 may accompany the warning..

ECO must display the above warnings with such conspicuousness, as compared with other words, statements, or design of the label or container, as applicable, to render the warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product.

3.3 Reformulated Covered Products

A Reformulated Covered Product is one for which the Daily Exposure Level when the maximum suggested dose is taken as directed on the Reformulated Covered Product's label, contains no more than 0.5 micrograms of lead per day as determined by the quality control methodology described in Section 3.4.

3.4 Testing and Quality Control Methodology

- 3.4.1 Beginning within one year of the Effective Date, ECO shall arrange for lead testing of the Covered Products at least once a year for a minimum of three (3) consecutive years by arranging for testing of five randomly selected samples of each of the Covered Products, in the form intended for sale to the end-user, which ECO intends to sell or is manufacturing for sale in California, directly selling to a consumer in California or "Distributing into California." The testing requirement does not apply to any of the Covered Products for which ECO has provided the warning specified in Section 3.2. If tests conducted pursuant to this Section demonstrate that no warning is required for a Covered Product during each of three consecutive years, then the testing requirements of this Section will no longer be required as to that Covered Product.
- 3.4.2 For purposes of measuring the "Daily Lead Exposure Level", the average lead detection result of the five (5) randomly selected samples of the Covered Products will be controlling.
- 3.4.3 All testing pursuant to this Consent Judgment shall be performed using a laboratory method that complies with the performance and quality control factors appropriate for the method used, including limit of detection, qualification, accuracy, and precision that

meets the following criteria: Inductively Coupled Plasma-Mass Spectrometry ("ICP-MS") achieving a limit of quantification of less than or equal to 0.010 mg/kg or any other testing method subsequently agreed to in writing by the Parties.

- 3.4.4 All testing pursuant to this Consent Judgment shall be performed by an independent third party laboratory certified by the California Environmental Laboratory Accreditation Program or an independent third-party laboratory that is registered with the United States Food & Drug Administration.
- 3.4.5 Nothing in this Consent Judgment shall limit ECO's ability to conduct, or require that others conduct, additional testing of the Covered Products, including the raw materials used in their manufacture.
- 3.4.6 ECO shall retain all test results and documentation for a period of five years from the date of each test.

4. SETTLEMENT PAYMENT

- 4.1 In full satisfaction of all potential civil penalties, payment in lieu of civil penalties, attorney's fees, and costs, ECO shall make a total payment of \$85,000.00 ("Total Settlement Amount") to ERC which shall be made in three payments as follows:
 - \$28,333.00 due five (5) days from the Effective Date
 - \$28,333.00 due thirty-five (35) days from the Effective Date
 - \$28,334.00 due sixty (65) days from the Effective Date
- ECO shall make these payments by wire transfer to ERC's escrow account, for which ERC will give ECO the necessary account information. The Total Settlement Amount shall be apportioned as follows:
- 4.2 \$31,430.00 shall be considered a civil penalty pursuant to California Health and Safety Code §25249.7(b)(1). ERC shall remit 75% (\$23,572.50) of the civil penalty to the Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety Code §25249.12(c). ERC will retain the remaining 25% (\$7,857.50) of the civil penalty.

- 4.3 \$1,565.89 shall be distributed to ERC as reimbursement to ERC for reasonable costs incurred in bringing this action.
- 4.4 \$23,714.00 shall be distributed to ERC in lieu of further civil penalties, for the day-to-day business activities such as (1) continued enforcement of Proposition 65, which includes work, analyzing, researching and testing consumer products that may contain Proposition 65 chemicals, focusing on the same or similar type of ingestible products that are the subject matter of the current action; (2) the continued monitoring of past consent judgments and settlements to ensure companies are in compliance with Proposition 65; and (3) giving a donation of \$1,185.00 to Global Community Monitor to address reducing toxic chemical exposures in California.
- 4.5 \$13,480.00 shall be distributed to Michael Freund as reimbursement of ERC's attorney's fees, \$1,822.50 shall be distributed to Ryan Hoffman as reimbursement of ERC's attorney's fees, while \$12,987.61 shall be distributed to ERC for its in-house legal fees.

5. MODIFICATION OF CONSENT JUDGMENT

- 5.1 This Consent Judgment may be modified only (i) by written stipulation of the Parties or pursuant to Section 5.4 and (ii) upon entry by the Court of a modified consent judgment.
- 5.2 If ECO seeks to modify this Consent Judgment under Section 5.1, then ECO must provide written notice to ERC of its intent ("Notice of Intent"). If ERC seeks to meet and confer regarding the proposed modification in the Notice of Intent, then ERC must provide written notice to ECO within thirty days of receiving the Notice of Intent. If ERC notifies ECO in a timely manner of ERC's intent to meet and confer, then the Parties shall meet and confer in good faith as required in this Section. The Parties shall meet in person or via telephone within thirty (30) days of ERC's notification of its intent to meet and confer. Within thirty days of such meeting, if ERC disputes the proposed modification, ERC shall provide to ECO a written basis for its position. The Parties shall continue to meet and confer for an additional thirty (30)

6.

- 5.3 In the event that ECO initiates or otherwise requests a modification under Section 5.1, and the meet and confer process leads to a joint motion or application of the Consent Judgment, ECO shall reimburse ERC its costs and reasonable attorney's fees for the time spent in the meet-and-confer process and filing and arguing the motion or application.
- 5.4 Where the meet-and-confer process does not lead to a joint motion or application in support of a modification of the Consent Judgment, then either Party may seek judicial relief on its own. In such a situation, the prevailing Party may seek to recover costs and reasonable attorney's fees. As used in the preceding sentence, the term "prevailing party" means a party who is successful in obtaining relief more favorable to it than the relief that the other party was amenable to providing during the Parties' good faith attempt to resolve the dispute that is the subject of the modification.

RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT JUDGMENT

- 6.1 This Court shall retain jurisdiction of this matter to enforce, modify or terminate this Consent Judgment.
- 6.2 If ERC alleges that any Covered Product fails to qualify as a Reformulated Covered Product (for which ERC alleges that no warning has been provided), then ERC shall inform ECO in a reasonably prompt manner of its test results and provide ECO with testing information from an independent third-party laboratory, including information sufficient to permit ECO to identify the Covered Products at issue. ECO shall, within (30) thirty days following such notice, provide ERC with testing information, from an independent third-party laboratory meeting the requirements of Sections 3.4.1 and 3.4.2, demonstrating ECO's compliance with the Consent Judgment, if warranted. If ECO contends that it has has demonstrated compliance with this Consent Judgment as elaborated by this Section 6.2 and ERC agrees ECO has demonstrated compliance, ERC will not take any further legal action

7.

APPLICATION OF CONSENT JUDGMENT

California and which are not used by California consumers.

This Consent Judgment may apply to, be binding upon, and benefit the Parties and their

respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries,

divisions, affiliates, franchisees, licensees, customers (excluding private labelers), distributors,

wholesalers, retailers, predecessors, successors, and assigns. This Consent Judgment shall have no

application to Covered Products which are distributed or sold exclusively outside the State of

behalf of itself and in the public interest, and ECO, of any alleged violation of Proposition 65 or

its implementing regulations for failure to provide Proposition 65 warnings of exposure to lead

from the handling, use, or consumption of the Covered Products and fully resolves all claims

that have been or could have been asserted in this action up to and including the Effective Date

for failure to provide Proposition 65 warnings for the Covered Products. ERC, on behalf of

itself and in the public interest, hereby discharges ECO and its respective officers, directors,

shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, suppliers,

franchisees, licensees, customers (not including private label customers of ECO), distributors,

wholesalers, retailers, and all other upstream and downstream entities in the distribution chain

of any Covered Product, and the predecessors, successors and assigns of any of them

(collectively, "Released Parties"), from any and all claims, actions, causes of action, suits,

demands, liabilities, damages, penalties, fees, costs and expenses asserted, or that could have

been asserted, as to any alleged violation of Proposition 65 arising from the failure to provide

the other, further waive and release any and all claims they may have against each other for all

actions or statements made or undertaken in the course of seeking or opposing enforcement of

ERC on its own behalf only, on one hand, and ECO on its own behalf only, on

This Consent Judgment is a full, final, and binding resolution between ERC, on

BINDING EFFECT, CLAIMS COVERED AND RELEASED

2

1

3 4

5 6

7

8

9

8.

8.1

10

11 12

13

14

15

16

17

18

19

20

21 22

23

24 25

26

27

28

8.2

Proposition 65 warnings on the Covered Products regarding lead.

Proposition 65 in connection with the Notice or Complaint up through and including the Effective Date, provided, however, that nothing in Section 8 shall affect or limit any Party's right to seek to enforce the terms of this Consent Judgment.

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

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

ERC on behalf of itself only, on the one hand, and ECO, on the other hand, acknowledge and understand the significance and consequences of this specific waiver of California Civil Code section 1542.

- **8.4** Compliance with the terms of this Consent Judgment shall be deemed to constitute compliance with Proposition 65 by any releasee regarding alleged exposures to lead in the Covered Products as set forth in the Notice and the Complaint.
- 8.5 Nothing in this Consent Judgment is intended to apply to any occupational or environmental exposures arising under Proposition 65, nor shall it apply to any of ECO's products other than the Covered Products.

9. SEVERABILITY OF UNENFORCEABLE PROVISIONS

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

10. GOVERNING LAW

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

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

In the event that Proposition 65 is repealed orpreemptedor if any of the provisions of this Consent Judgment are rendered inapplicable or are no longer required as a result of any such repeal or preemption as to the Covered Products, then ECO may provide written notice to ERC of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so affected.

11. PROVISION OF NOTICE

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

FOR ENVIRONMENTAL RESEARCH CENTER:

Chris Heptinstall, Executive Director, Environmental Research Center 3111 Camino Del Rio North, Suite 400

San Diego, CA 92108

Tel: (619) 500-3090

Email: chris_erc501c3@yahoo.com

With a copy to:

19 | Michael Freund Ryan Hoffman

20 Michael Freund & Associates

1919 Addison Street, Suite 105

21 Berkeley, CA 94704

22 Telephone: (510) 540-1992 Facsimile: (510) 540-5543

23

24

25

RIVER CANYON RETREAT, INC. dba EARTH CIRCLE ORGANICS

Herb Heller
Earth Circle Organics

355 Crown Point Circle, Suite D

27 Grass Valley, CA 95945

2 || With copies to:

Melissa A. Jones
 Stoel Rives LLP
 500 Capitol Mall, Suite 1600

Sacramento, CA 95814 melissa.jones@stoel.com

Robert Rymek
The Law Office of Robert Rymek
735 Sunrise Avenue - Suite 115
Roseville, CA 95661

12. COURT APPROVAL

- 12.1 Upon execution of this Consent Judgment by the Parties, ERC shall notice a Motion for Court Approval. The Parties shall use their best efforts to support entry of this Consent Judgment.
- 12.2 If the California Attorney General objects to any term in this Consent Judgment, the Parties shall use their best efforts to resolve the concern in a timely manner, and if possible prior to the hearing on the motion.
- 12.3 If this Stipulated Consent Judgment is not approved by the Court, it shall be void and have no force or effect.

13. EXECUTION AND COUNTERPARTS

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

14. DRAFTING

The terms of this Consent Judgment have been reviewed by the respective counsel for each Party prior to its signing, and each Party has had an opportunity to fully discuss the terms and conditions with legal counsel. The Parties agree that, in any subsequent interpretation and construction of this Consent Judgment, no inference, assumption, or presumption shall be drawn,

and no provision of this Consent Judgment shall be construed against any Party, based on the fact that one of the Parties and/or one of the Parties' legal counsel prepared and/or drafted all or any portion of the Consent Judgment. It is conclusively presumed that all of the Parties participated equally in the preparation and drafting of this Consent Judgment.

15. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet 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 such a good faith attempt to resolve the dispute beforehand. In the event an action or motion is filed, however, the prevailing party may seek to recover costs and reasonable attorney's fees. As used in the preceding sentence, the term "prevailing party" means a party who is successful in obtaining relief more favorable to it than the relief that the other party was amenable to providing during the Parties' good faith attempt to resolve the dispute that is the subject of such enforcement action.

16. ENTIRE AGREEMENT, AUTHORIZATION

- 16.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter herein, and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party. No other agreements, oral or otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party.
- 16.2 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the Party he or she represents to stipulate to this Consent Judgment. Except as explicitly provided herein, each Party shall bear its own fees and costs.

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

This Consent Judgment has come before the Court upon the request of the Parties. The

1	Parties request the Court to fully review this Consent Judgment and, being fully informed		
2	1		
3	(1) Find that the terms and provisions of this Consent Judgment represent a fair and		
zţ	equitable settlement of all matters raised by the allegations of the Complaint, that the matter has		
5	heen diligently prosecuted, and that the public interest is served by such settlement; and		
Ď	(2) Make the findings pursuant to California Health and Safety Code section		
7	25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.		
8	IT IS SO STIPULATED:		
9	Dated: 6/12/, 2015 ENVIRONMENTAL RESEARCH		
10	Ru Bur Bur Bur Bur Bur Bur Bur Bur Bur Bu		
11	Chris Achturali, Execute Director		
12	Dated: 100 1 2015 RIVER CANYON RETREAT, INC. dba		
13	EARTH CIRCLE ORGANICS		
14	By: the the tree		
15	By: HETHELLER Its: PRESIDENT/COU		
16	APPROVED AS TO FORM:		
17	Dated:, 2015 MICHAEL FREUND & ASSOCIATES		
18	By:		
19	Michael Freund Ryan Hoffman		
20	Autorneys for Plaintiff Environmental Research Center, Inc.		
21	1		
22	Dated: LUNC 2015 STOEL RIVES LLP		
23			
24	(By: Cast 4		
25	Attorney for Defendant River Canyon		
26	Retreat, Inc. doa Earth Circle Organics		
27			
28	STIPULATED CONSENT JUDGMENT; [PROPOSED] ORDER CASE NO. RG14746349		
	15 CASE NO. RG14 746349		

	Parties request the Court to fully review this	Consent Judgment and, being fully informed
2	regarding the matters which are the subject of this	action, to:
3	(1) Find that the terms and provisions	of this Consent Judgment represent a fair and
4	equitable settlement of all matters raised by the a	llegations of the Complaint, that the matter has
5	been diligently prosecuted, and that the public into	rest is served by such settlement; and
6	(2) Make the findings pursuant to	California Health and Safety Code section
7	25249.7(f)(4), approve the Settlement, and approve	e this Consent Judgment.
8	IT IS SO STIPULATED:	
9	Dated:, 2015	ENVIRONMENTAL RESEARCH CENTER
0		Ву:
ı		Chris Heptinstall, Executive Director
2	Dated: June 11, 2015	RIVER CANYON RETREAT, INC. dba EARTH CIRCLE ORGANICS
3		Step-
4 5		By: HERSTELLER Its: DRESIDENT/COU
9		ACESSIA PAIN / COO
6	APPROVED AS TO FORM:	
7	Dated: June 11, 2015	MICHAEL FREUND & ASSOCIATES
8		By: Michael Freund
9		Ryan Hoffman Attorneys for Plaintiff Environmental
0		Research Center, Inc.
!}	11 -	
22	Dated: , 2015	STOEL RIVES LLP
23		
24	n o	By: Melissa A. Jones
25	T	Attorney for Defendant River Canyon Retreat, Inc. dba Earth Circle Organics
26		
27		
28	STIPULATED CONSENT JUDGMENT; [PROPOSED] OR	
		15

1	ORDER AND JUDGMENT		
2	Based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is		
3	approved and Judgment is hereby entered according to its terms.		
4	T IS SO ORDERED, ADJUDGED AND DECREED.		
5	Dated:, 2015 Judge of the Superior Court		
6	Judge of the Superior Court		
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\		
27			
28	STIPULATED CONSENT JUDGMENT; [PROPOSED] ORDER 16 CASE NO. RG14746349		

Michael Freund & Associates

1919 Addison Street, Suite 105 Berkeley, CA 94704 Voice: 510.540.1992 • Fax: 510.540.5543

Michael Freund, Esq. Ryan Hoffman, Esq.

OF COUNSEL: Denise Ferkich Hoffman, Esq.

May 23, 2014

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

Dear Alleged Violator and the Appropriate Public Enforcement Agencies:

I represent Environmental Research Center ("ERC"), 3111 Camino Del Rio North, Suite 400, San Diego, CA 92108; Tel. (619) 500-3090. ERC's Executive Director is Chris Heptinstall. ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

ERC has identified violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), which is codified at California Health & Safety Code §25249.5 et seq., with respect to the products identified below. These violations have occurred and continue to occur because the alleged Violator identified below failed to provide required clear and reasonable warnings with these products. This letter serves as a notice of these violations to the alleged Violator and the appropriate public enforcement agencies. Pursuant to Health and Safety Code Section 25249.7(d), ERC intends to file a private enforcement action in the public interest 60 days after effective service of this notice unless the public enforcement agencies have commenced and are diligently prosecuting an action to rectify these violations.

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

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

River Canyon Retreat Inc. dba Earth Circle Organics

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

- 1) River Canyon Retreat, Inc. Earth Circle Organics Raw Organic Spirulina Powder Lead
- 2) River Canyon Retreat, Inc. Earth Circle Organics Raw Organic Spirulina Tablets 250 mg Lead
- 3) River Canyon Retreat, Inc. Earth Circle Foods Raw Chlorella & Spirulina Tablets 250 mg Lead
- 4) River Canyon Retreat, Inc. Earth Circle Organics Raw Organic Dehydrated Alfalfa Grass Powder Lead
- 5) River Canyon Retreat, Inc. Earth Circle Organics Organic Balinese Cacao Powder Lead
- 6) River Canyon Retreat, Inc. Earth Circle Foods Raw Chlorella Tablets 250 mg Lead

On February 27, 1987, the State of California officially listed lead as a chemical known to cause developmental toxicity, and male and female reproductive toxicity. On October 1, 1992, the State of California officially listed lead and lead compounds as chemicals known to cause cancer.

Notice of Violation of California Health & Safety Code §25249.5 et seq. May 23, 2014 Page 2

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

Route of Exposure. The consumer exposures that are the subject of this notice result from the purchase, acquisition, handling and recommended use of these products. Consequently, the primary route of exposure to these chemicals has been and continues to be through ingestion, but may have also occurred and may continue to occur through inhalation and/or dermal contact.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least May 23, 2011, as well as every day since the products were introduced into the California marketplace, and will continue every day until clear and reasonable warnings are provided to product purchasers and users or until these known toxic chemicals are either removed from or reduced to allowable levels in the products. Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to the identified chemicals. The method of warning should be a warning that appears on the product label. The Violator violated Proposition 65 because it failed to provide persons handling and/or using these products with appropriate warnings that they are being exposed to these chemicals.

Consistent with the public interest goals of Proposition 65 and a desire to have these ongoing violations of California law quickly rectified, ERC is interested in seeking a constructive resolution of this matter that includes an enforceable written agreement by the Violator to: (1) reformulate the identified products so as to eliminate further exposures to the identified chemicals, or provide appropriate warnings on the labels of these products; and (2) pay an appropriate civil penalty. Such a resolution will prevent further unwarned consumer exposures to the identified chemicals, as well as an expensive and time consuming litigation.

ERC has retained me as legal counsel in connection with this matter. Please direct all communications regarding this Notice of Violation to my attention at the law office address and telephone number indicated on the letterhead or at rrhoffma@gmail.com.

Sincerely,

Rvan Hoffman

Attachments

Certificate of Merit Certificate of Service

OEHHA Summary (to River Canyon Retreat Inc. dba Earth Circle Organics and its Registered Agent for Service of Process only)

Additional Supporting Information for Certificate of Merit (to AG only)

Notice of Violation of California Health & Safety Code §25249.5 et seq. May 23, 2014 Page 3

CERTIFICATE OF MERIT

Re: Environmental Research Center's Notice of Proposition 65 Violations by River Canyon Retreat Inc. dba Earth Circle Organics

I, Ryan Hoffman, declare:

- 1. This Certificate of Merit accompanies the attached 60-day notice in which it is alleged that the party identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
 - 2. I am an attorney for the noticing party.
- 3. I have consulted with one or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies, or other data regarding the exposure to the listed chemicals that are the subject of the notice.
- 4. Based on the information obtained through those consultants, and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and that the information did not prove that the alleged Violator will be able to establish any of the affirmative defenses set forth in the statute.
- 5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California Health & Safety Code §25249.7(h)(2), i.e., (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.

Dated: May 23, 2014

Rvan Hoffman

Notice of Violation of California Health & Safety Code §25249.5 et seq. May 23, 2014
Page 4

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. I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at Fort Oglethorpe, Georgia.

On May 23, 2014, I served the following documents: NOTICE OF VIOLATION OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY" on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it at a U.S. Postal Service Office with the postage fully prepaid for delivery by Certified Mail:

Current President or CEO River Canyon Retreat Inc. dba Earth Circle Organics 355 Crown Point Circle, Suite D Grass Valley, CA 95945 Eric Allen Botner
(River Canyon Retreat Inc. dba Earth Circle Organic's Registered Agent for Service of Process)
355 Crown Point Circle, Suite D
Grass Valley, CA 95945

On May 23, 2014, I electronically 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 party by uploading a true and correct copy thereof on the California Attorney General's website, which can be accessed at https://oag.ca.gov/prop65/add-60-day-notice:

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

On May 23, 2014, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT on each of the parties on the Service List attached hereto by placing a true and correct copy thereof in a sealed envelope, addressed to each of the parties on the Service List attached hereto, and depositing it at a U.S. Postal Service Office with the postage fully prepaid for delivery by Priority Mail.

Executed on May 23, 2014, in Fort Oglethorpe, Georgia.

Tiffany Capehart

They Cooked

Notice of Violation of California Health & Safety Code §25249.5 et seq. May 23, 2014

Page 5

Service List

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

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

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

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

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

District Attorney, Colusa County 346 Fifth Street Suite 101 Colusa, CA 95932

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

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

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

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

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

District Attorney, Humboldt County 825 5th Street 4th Floor Eureka, CA 95501

District Attorney, Imperial County 940 West Main Street, Ste 102 El Centro, CA 92243

District Attorney, 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, Suite 18000 Los Angeles, CA 90012

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

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

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

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

District Attorney, Merced County 550 W. Main Street Merced, CA 95340

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

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

District Attorney, Monterey County Post Office Box 1131 Salinas, CA 93902

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

District Attorney, Nevada County 201 Commercial Street Nevada City, CA 95959

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

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

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

District Attorney, Riverside County 3960 Orange Street Riverside, CA 92501

District Attorney, Sacramento County 901 "G" Street Sacramento, CA 95814

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, Suite 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Suite 322 San Francsico, CA 94103

District Attorney, San Joaquin County 222 E. Weber Ave. Rm. 202 Stockton, CA 95202

District Attorney, San Luis Obispo County 1035 Palm St, 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 1112 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 1355 West Street Redding, CA 96001

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 95354

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 Blvd, Room 224 Visalia, CA 93291 District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370

District Attorney, Ventura County 800 South Victoria Ave, Suite 314 Ventura, CA 93009

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

District Attorney, Yuba County 215 Fifth Street, Suite 152 Marysville, CA 95901

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

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

San Francisco, City Attorney City Hall, Room 234 1 Dr Carlton B Goodlett PL San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street, 16th Floor San Jose, CA 95113

APPENDIX A

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY

The following summary has been prepared by the California Office of Environmental Health Hazard Assessment (OEHHA), the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65"). A copy of this summary must be included as an attachment to any notice of violation served upon an alleged violator of the Act. The summary provides basic information about the provisions of the law, and is intended to serve only as a convenient source of general information. It is not intended to provide authoritative guidance on the meaning or application of the law. The reader is directed to the statute and OEHHA's implementing regulations (see citations below) for further information.

FOR INFORMATION CONCERNING THE BASIS FOR THE ALLEGATIONS IN THE NOTICE RELATED TO YOUR BUSINESS, CONTACT THE PERSON IDENTIFIED ON THE NOTICE.

Proposition 65 appears in California law as Health and Safety Code Sections 25249.5 through 25249.13. The statute is available online at:

http://oehha.ca.gov/prop65/law/P65law72003.html. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 27 of the California Code of Regulations, sections 25102 through 27001.¹ These implementing regulations are available online at: http://oehha.ca.gov/prop65/law/P65Regs.html.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Governor's List." Proposition 65 requires the Governor to publish a list of chemicals that are known to the State of California to cause cancer and/or reproductive toxicity. This means that chemicals are placed on the Proposition 65 list if they are known to cause cancer and/or birth defects or other reproductive harm, such as

¹ All further regulatory references are to sections of Title 27 of the California Code of Regulations unless otherwise indicated. The statute, regulations and relevant case law are available on the OEHHA website at: http://www.oehha.ca.gov/prop65/law/index.html.

damage to female or male reproductive systems or to the developing fetus. This list must be updated at least once a year. The current Proposition 65 list of chemicals is available on the OEHHA website at:

http://www.oehha.ca.gov/prop65/prop65_list/Newlist.html.

Only those chemicals that are on the list are regulated under this law. Businesses that produce, use, release or otherwise engage in activities involving listed chemicals must comply with the following:

Clear and reasonable warnings. A business is required to warn a person before "knowingly and intentionally" exposing that person to a listed chemical unless an exemption applies; for example, when exposures are sufficiently low (see below). The warning given must be "clear and reasonable." This means that the warning must: (1) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm and (2) be given in such a way that it will effectively reach the person before he or she is exposed. Some exposures are exempt from the warning requirement under certain circumstances discussed below.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water. Some discharges are exempt from this requirement under certain circumstances discussed below.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. You should consult the current version of the statute and regulations (http://www.oehha.ca.gov/prop65/law/index.html) to determine all applicable exemptions, the most common of which are the following:

Grace Period. Proposition 65 warning requirements do not apply until 12 months after the chemical has been listed. The Proposition 65 discharge prohibition does not apply to a discharge or release of a chemical that takes place less than 20 months after the listing of the chemical.

Governmental agencies and public water utilities. All agencies of the federal, state or local government, as well as entities operating public water systems, are exempt.

Businesses with nine or fewer employees. Neither the warning requirement nor the discharge prohibition applies to a business that employe a total of nine or fewer employees. This includes all employees, not just those present in California.

Exposures that pose no significant risk of cancer. For chemicals that are listed as known to the State to cause cancer ("carcinogens"), a warning is not required if the business can demonstrate that the exposure occurs at a level that poses "no significant risk." This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific "No Significant Risk Levels" (NSRLs) for many listed carcinogens. Exposures below these levels are exempt from the warning requirement. See OEHHA's website at: http://www.oehha.ca.gov/prop65/getNSRLs.html for a list of NSRLs, and Section 25701 et seq. of the regulations for information concerning how these levels are calculated.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause reproductive toxicity, a warning is not required if the business can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the "no observable effect level" divided by a 1,000. This number is known as the Maximum Allowable Dose Level (MADL). See OEHHA's website at: http://www.oehha.ca.gov/prop65/getNSRLs.html for a list of MADLs, and Section 25801 et seq. of the regulations for information concerning how these levels are calculated.

Exposures to Naturally Occurring Chemicals in a Food. Certain exposures to chemicals that occur in foods naturally (i.e., that do not result from any known human activity, including activity by someone other than the person causing the exposure) are exempt from the warning requirements of the law. If the chemical is a contaminant² it must be reduced to the lowest level feasible. Regulations explaining this exemption can be found in Section 25501.

Discharges that do not result in a "significant amount" of the listed chemical entering into any source of drinking water. The prohibition from discharges into drinking water does not apply if the discharger is able to demonstrate that a "significant amount" of the listed chemical has not, does not, or will not pass into or probably pass into a source of drinking water, and that the discharge complies with all other applicable laws, regulations, permits, requirements, or orders. A "significant amount" means any detectable amount, except an amount that would meet the "no significant risk" level for chemicals that cause cancer or that is 1,000 times below the "no observable effect" level for chemicals that cause reproductive toxicity, if an individual were exposed to that amount in drinking water.

² See Section 25501(a)(4)

HOW IS PROPOSITION 65 ENFORCED?

Enforcement is carried out through civil lawsuits. These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys. Lawsuits may also be brought by private parties acting in the public interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. The notice must comply with the information and procedural requirements specified in Section 25903 of the regulations and in Title 11, sections 3100-3103. A private party may not pursue an independent enforcement action under Proposition 65 if one of the governmental officials noted above initiates an action within sixty days of the notice.

A business found to be in violation of Proposition 65 is subject to civil penalties of up to \$2,500 per day for each violation. In addition, the business may be ordered by a court to stop committing the violation.

FOR FURTHER INFORMATION ABOUT THE LAW OR REGULATIONS...

Contact the Office of Environmental Health Hazard Assessment's Proposition 65 Implementation Office at (916) 445-6900 or via e-mail at P65Public.Comments@oehha.ca.gov.

Revised: July, 2012

NOTE: Authority cited: Section 25249.12, Health and Safety Code. Reference: Sections 25249.5, 25249.6, 25249.9, 25249.10 and 25249.11, Health and Safety Code.