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ARIIX LLC dba ARIIX  
ARIIX Holdings, LLC dba ARIIX

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**COUNTY OF ALAMEDA**

ENVIRONMENTAL RESEARCH  
CENTER, INC. a non-profit California  
corporation,

Plaintiff,

v.

ARIIX, LLC, a Utah limited liability company,  
dba ARIIX; ARIIX HOLDINGS, LLC, a Utah  
limited liability company, dba ARIIX,

Defendants.

CASE NO. RG16818149

**STIPULATED CONSENT  
JUDGMENT**

Health & Safety Code § 25249.5 *et seq.*

Action Filed: June 3, 2016

Trial Date: None set

**1. INTRODUCTION**

**1.1** On June 3, 2016, Plaintiff Environmental Research Center, Inc. ("ERC"), a non-profit corporation, as a private enforcer, and in the public interest, initiated this action by filing

1 a Complaint for Injunctive Relief and Civil Penalties (the “Complaint”) pursuant to the  
2 provisions of California Health and Safety Code section 25249.5 *et seq.* (“Proposition 65”),  
3 against ARIIX LLC dba ARIIX and ARIIX Holdings, LLC dba ARIIX (collectively “ARIIX”).  
4 Subsequently, on a later date, an Amended Complaint (the “Amended Complaint”) was filed.  
5 In this action, ERC alleges that a number of products manufactured, distributed or sold by  
6 ARIIX contain lead, a chemical listed under Proposition 65 as a carcinogen and reproductive  
7 toxin, and expose consumers to this chemical at a level requiring a Proposition 65 warning.  
8 These products (referred to hereinafter individually as a “Covered Product” or collectively as  
9 “Covered Products”) are: (1) ARIIX Slenderiiz PureNourish Natural Flavor, (2) ARIIX Nutrifii  
10 Restoriix, (3) TrueStar Health Inc. Be True TrueDetox and Cleanse, (4) TrueStar Health (U.S.)  
11 Holdings Inc. Be True TrueBasics for Women, (5) TrueStar Health (U.S.) Holdings Inc. Be True  
12 TrueSleep, (6) TrueStar Health (U.S.) Holdings Inc. Be True TrueCraving Control, (7) TrueStar  
13 Health (U.S.) Holdings Inc. Be True TrueBasics for Athletes, (8) TrueStar Health (U.S.) Holdings  
14 Inc. Be True TrueBasics with Lean Extreme, (9) TrueStar Health (U.S.) Holdings Inc. Be True  
15 TrueBasics for Men, (10) TrueStar Health (U.S.) Holdings Inc. Be True TrueEndurance, and (11)  
16 TrueStar Health (U.S.) Holdings Inc. Be True TrueKids. (12) Ariix Slenderiiz Power Boost Cocoa  
17 Flavor

18 **1.2** ERC and ARIIX are hereinafter referred to individually as a “Party” or  
19 collectively as the “Parties.”

20 **1.3** ERC is a California non-profit corporation dedicated to, among other causes,  
21 helping safeguard the public from health hazards by reducing the use and misuse of hazardous  
22 and toxic chemicals, facilitating a safe environment for consumers and employees, and  
23 encouraging corporate responsibility.

24 **1.4** For purposes of this Consent Judgment, the Parties agree that each defendant is a  
25 business entity each of which has employed ten or more persons at all times relevant to this action,  
26 and qualifies as a “person in the course of business” within the meaning of Proposition 65. ARIIX  
27 manufactures, distributes and sells the Covered Products.

28 **1.5** The Amended Complaint is based on allegations contained in ERC’s Notices of

1 Violation dated November 5, 2015 and April 29, 2016, July 29, 2016 that were served on the  
2 California Attorney General, other public enforcers, and ARIIX ("Notices"). True and correct  
3 copies of the Notices are attached as Exhibit A and are hereby incorporated by reference. More  
4 than 60 days have passed since the Notices were mailed and uploaded to the Attorney  
5 General's website, and no designated governmental entity has filed a complaint against ARIIX  
6 with regard to the Covered Products or the alleged violations.

7       **1.6**     ERC's Notices and Amended Complaint allege that use of the Covered Products  
8 exposes persons in California to lead without first providing clear and reasonable warnings in  
9 violation of California Health and Safety Code section 25249.6. ARIIX denies all material  
10 allegations contained in the Notices and Amended Complaint.

11       **1.7**     The Parties have entered into this Consent Judgment in order to settle,  
12 compromise and resolve disputed claims and thus avoid prolonged and costly litigation.  
13 Nothing in this Consent Judgment shall constitute or be construed as an admission by any of  
14 the Parties, or by any of their respective officers, directors, shareholders, employees, agents,  
15 parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers,  
16 distributors, wholesalers, or retailers. Except for the representations made above, nothing in  
17 this Consent Judgment shall be construed as an admission by the Parties of any fact, issue of  
18 law, or violation of law, nor shall compliance with this Consent Judgment be construed as an  
19 admission by the Parties of any fact, issue of law, or violation of law, at any time, for any  
20 purpose.

21       **1.8**     Except as expressly set forth herein, nothing in this Consent Judgment shall  
22 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any  
23 other or future legal proceeding unrelated to these proceedings.

24       **1.9**     The Effective Date of this Consent Judgment is the date on which it is entered as  
25 a Judgment by this Court.

## 26       **2.     JURISDICTION AND VENUE**

27       For purposes of this Consent Judgment and any further court action that may become  
28 necessary to enforce this Consent Judgment, the Parties stipulate that this Court has subject matter

1 jurisdiction over the allegations of violations contained in the Amended Complaint, personal  
2 jurisdiction over ARIIX as to the acts alleged in the Amended Complaint, that venue is proper in  
3 Alameda County, and that this Court has jurisdiction to enter this Consent Judgment as a full and  
4 final resolution of all claims up through and including the Compliance Date which were or could  
5 have been asserted in this action based on the facts alleged in the Notices and Amended  
6 Complaint.

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

8 **3.1** Beginning three (3) months from the Effective Date, (the “Compliance Date”),  
9 ARIIX shall be permanently enjoined from manufacturing for sale in the State of California,  
10 “Distributing into the State of California”, or directly selling in the State of California, any  
11 Covered Product which exposes a person to a “Daily Lead Exposure Level” of more than 0.5  
12 micrograms per day of lead when the maximum suggested dose is taken as directed on the  
13 Covered Product’s label, unless it meets the warning requirements under Section 3.2.

14 **3.1.1** As used in this Consent Judgment, the term “Distributing into the State  
15 of California” shall mean to directly ship a Covered Product into California for sale in  
16 California or to sell a Covered Product to a distributor that ARIIX knows will sell the Covered  
17 Product in California.

18 **3.1.2** For purposes of this Consent Judgment, the “Daily Lead Exposure  
19 Level” shall be measured in micrograms, and shall be calculated using the following formula:  
20 micrograms of lead per gram of product excluding any amount of lead deemed “naturally  
21 occurring” for purposes of this Consent Judgment only as defined in Table 3 below, multiplied  
22 by grams of product per serving of the product (using the largest serving size appearing on the  
23 product label), multiplied by servings of the product per day (using the largest number of  
24 servings in a recommended dosage appearing on the product label), which equals micrograms  
25 of lead exposure per day.  
26  
27  
28

1           **Table 3**

INGREDIENT	NATURALLY OCCURRING AMOUNT OF LEAD (µg/g)
Cocoa Powder	1.0

2           If at any time after the Compliance Date, ERC tests a Covered Product and the test results  
3           indicate that the Daily Lead Exposure Level is greater than 0.5 micrograms per day, ARIIX  
4           agrees to confidentially supply to ERC, within 30 days of a request from ERC, a list of  
5           ingredients, including the percentage of each ingredient of that particular covered product so that  
6           ERC may be able to calculate the daily exposure based on allowances contained in the above  
7           table.

8           **3.2     Clear and Reasonable Warnings**

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

11                 **WARNING:** This product can expose you to chemicals including lead which is known to  
12                 the State of California to cause [cancer and] birth defects or other reproductive harm. For  
13                 more information go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

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

17          The warning shall be securely affixed to or printed upon the container or label of each  
18          Covered Product. In addition, for Covered Products sold over ARIIX’s website, the warning  
19          shall appear on ARIIX’s checkout page on its website for California consumers identifying any  
20          Covered Product, or also appear prior to completing checkout on ARIIX’s website when a  
21          California delivery address is indicated for any purchase of any Covered Product.

22          The warning shall be at least the same size as the largest of any other health or safety  
23          warnings also appearing on its website or on the label or container of ARIIX’s product packaging  
24          and the word “**WARNING**” shall be in all capital letters and in bold print. No other statements  
25          about Proposition 65 or lead may directly precede or follow the warning.

26          ARIIX must display the above warnings with such conspicuousness, as compared with  
27          28

1 other words, statements, design of the label, container, or on its website, as applicable, to render  
2 the warning likely to be read and understood by an ordinary individual under customary conditions  
3 of purchase or use of the product.

### 4           **3.3     Reformulated Covered Products**

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

### 9           **3.4     Testing and Quality Control Methodology**

10           **3.4.1** Beginning within one year of the Compliance Date, ARIIX shall arrange  
11 for lead testing of the Covered Products at least once a year for a minimum of three consecutive  
12 years by arranging for testing of three randomly selected samples of each of the Covered  
13 Products, in the form intended for sale to the end-user, which ARIIX intends to sell or is  
14 manufacturing for sale in California, directly selling to a consumer in California or  
15 "Distributing into California." The testing requirement does not apply to any of the Covered  
16 Products for which ARIIX has provided the warning specified in Section 3.2. If tests  
17 conducted pursuant to this Section demonstrate that no warning is required for a Covered  
18 Product during each of three consecutive years, then the testing requirements of this Section  
19 will no longer be required as to that Covered Product. However, if during or after the three-  
20 year testing period, ARIIX changes ingredient suppliers for any of the Covered Products and/or  
21 reformulates any of the Covered Products, ARIIX shall test that Covered Product annually for  
22 at least three (3) consecutive years after such change is made.

23           **3.4.2** For purposes of measuring the "Daily Lead Exposure Level", the highest  
24 lead detection result of the three (3) randomly selected samples of the Covered Products will be  
25 controlling.

26           **3.4.3** All testing pursuant to this Consent Judgment shall be performed using a  
27 laboratory method that complies with the performance and quality control factors appropriate  
28 for the method used, including limit of detection, qualification, accuracy, and precision that



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

4           **3.4.4** All testing pursuant to this Consent Judgment shall be performed by an  
5 independent third party laboratory certified by the California Environmental Laboratory  
6 Accreditation Program or an independent third-party laboratory that is registered with the  
7 United States Food & Drug Administration.

8           **3.4.5** Nothing in this Consent Judgment shall limit ARIIX's ability to conduct,  
9 or require that others conduct, additional testing of the Covered Products, including the raw  
10 materials used in their manufacture.

11           **3.4.6** Beginning on the Compliance Date and continuing for a period of three  
12 years, ARIIX shall retain all test results and documentation from the date of each test.

13       **4. SETTLEMENT PAYMENT**

14           **4.1** In full satisfaction of all potential civil penalties, payment in lieu of civil  
15 penalties, attorney's fees, and costs, ARIIX shall make a total payment of \$230,000.00 ("Total  
16 Settlement Amount") which shall be made in three (3) payments according to the following  
17 schedule:

- 18           a. \$76,666.67 within 5 days of the Effective Date  
19           b. \$76,666.67 within 35 days of the Effective Date  
20           c. \$76,666.66 within 65 days of the Effective Date.

21 ARIIX shall make this payment by wire transfer to ERC's escrow account, for which ERC will  
22 give ARIIX the necessary account information. The Total Settlement Amount shall be  
23 apportioned as follows:

24           **4.2** \$79,796.75 shall be considered a civil penalty pursuant to California Health and  
25 Safety Code §25249.7(b)(1). ERC shall remit 75% (\$59,847.56) of the civil penalty to the  
26 Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe  
27 Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety  
28 Code §25249.12(c). ERC will retain the remaining 25% (\$19,949.19) of the civil penalty.

1           **4.3**     \$12,704.60 shall be distributed to ERC as reimbursement to ERC for reasonable  
2 costs incurred in bringing this action.

3           **4.4**     \$59,847.45 shall be distributed to ERC as an Additional Settlement Payment  
4 (“ASP”), pursuant to California Code of Regulations, title 27, sections 3203, subdivision (d) and  
5 3204. ERC agrees to utilize the ASP for activities that address the same public harm as allegedly  
6 caused by Defendant in this matter. These activities are detailed below and ERC contends that  
7 these activities support ERC’s overarching goal of reducing and/or eliminating hazardous and  
8 toxic chemicals in dietary supplement products in California. ERC contends that ERC’s  
9 activities have had, and will continue to have, a direct and primary effect within the State of  
10 California because California consumers will be benefitted by the reduction and/or elimination of  
11 exposure to lead in dietary supplements and/or by providing clear and reasonable warnings to  
12 California consumers prior to ingestion of the products.

13 Based on a review of past years’ actual budgets, ERC is providing the following list of activities  
14 ERC engages in to protect California consumers through Proposition 65 citizen enforcement,  
15 along with a breakdown of how ASP funds will be utilized to facilitate those activities: (1)  
16 ENFORCEMENT (55-70%): obtaining, shipping, analyzing, and testing dietary supplement  
17 products that may contain lead and are sold to California consumers; continued monitoring and  
18 enforcement of past consent judgments and settlements to ensure companies are in compliance  
19 with their obligations thereunder, with a specific focus on those judgments and settlements  
20 concerning lead (which necessarily includes additional work purchasing, processing, analyzing  
21 and testing consumer products; litigating matters that result in defaults, bankruptcies, or  
22 dismissals; (2) VOLUNTARY COMPLIANCE PROGRAM (10-20%): maintaining ERC’s  
23 Voluntary Compliance Program by acquiring products from companies, developing and  
24 maintaining a case file, testing products from these companies, providing the test results and  
25 supporting documentation to the companies, and offering guidance in implementing a self-testing  
26 program for lead in dietary supplement products; (3) “GOT LEAD” PROGRAM (up to 5%):  
27 maintaining ERC’s “Got Lead?” Program which reduces the numbers of contaminated products  
28 that reach California consumers by providing access to free testing for lead in dietary supplement



1 products (Products submitted to the program are screened for ingredients which are suspected to  
2 be contaminated, and then may be purchased by ERC, catalogued, sent to a qualified laboratory  
3 for testing, and the results shared with the consumer that submitted the product); (4)  
4 DONATION: from this settlement, a donation of \$2992.00 to As You Sow\_ will be provided to  
5 address reducing toxic chemical exposures in California and following up with the recipient to  
6 ensure the funds are utilized in a manner that is consistent with ERC's mission and stated  
7 purpose of the Donation; (5) PUBLIC OUTREACH (up to 5%): public outreach programs  
8 including maintaining ERC's blog, website, and social media accounts; (6) SPECIAL  
9 PROJECTS (10-20%): projects including obtaining expert and legal opinions not specific to any  
10 one case that are necessary to the continued private enforcement of Proposition 65 (7)  
11 SCHOLARSHIPS (up to 5%): scholarships for college students in California who have been or  
12 are currently diagnosed with cancer or who are pursuing an environmental health science major;  
13 and (8) PRODUCT DATABASE (up to 5%): maintaining a database with all products sold to  
14 California consumers that ERC has tested for lead, cadmium, or arsenic.

15 ERC will maintain adequate records to document that the funds paid as an ASP are spent on the  
16 activities described herein. ERC shall provide the Attorney General, within thirty days of any  
17 request, copies of documentation demonstrating how such funds have been spent.

18 **4.5** \$30,902.00 shall be distributed to Lozeau Drury LLP as reimbursement of  
19 ERC's attorney's fees, while \$46,749.20 shall be distributed to ERC for its in-house legal fees.

20 **4.6** In the event that ARIIX fails to remit the Total Settlement Payment owed under  
21 Section 4 of this Consent Judgment on or before the Due Date, ARIIX shall be deemed to be in  
22 material breach of its obligations under this Consent Judgment. ERC shall provide written  
23 notice of the delinquency to ARIIX via electronic mail. If ARIIX fails to deliver the  
24 outstanding settlement payment within five (5) business days from the written notice, the Total  
25 Settlement Payment shall become immediately due and payable and shall accrue interest at the  
26 statutory judgment interest rate provided in the Code of Civil Procedure section 685.010.  
27 Additionally, ARIIX agrees to pay ERC's reasonable attorney's fees and costs for any efforts to  
28 collect the payment due under this Consent Judgment.

1     **5.     MODIFICATION OF CONSENT JUDGMENT**

2             **5.1**     This Consent Judgment may be modified only (i) by written stipulation of the  
3 Parties or pursuant to Section 5.4 and (ii) upon entry by the Court of a modified consent  
4 judgment.

5             **5.2**     If ARIIX seeks to modify this Consent Judgment under Section 5.1, then ARIIX  
6 must provide written notice to ERC of its intent ("Notice of Intent"). If ERC seeks to meet and  
7 confer regarding the proposed modification in the Notice of Intent, then ERC must provide  
8 written notice to ARIIX within thirty days of receiving the Notice of Intent. If ERC notifies  
9 ARIIX in a timely manner of ERC's intent to meet and confer, then the Parties shall meet and  
10 confer in good faith as required in this Section. The Parties shall meet in person or via  
11 telephone within thirty (30) days of ERC's notification of its intent to meet and confer. Within  
12 thirty days of such meeting, if ERC disputes the proposed modification, ERC shall provide to  
13 ARIIX a written basis for its position. The Parties shall continue to meet and confer for an  
14 additional thirty (30) days in an effort to resolve any remaining disputes. Should it become  
15 necessary, the Parties may agree in writing to different deadlines for the meet-and-confer  
16 period.

17             **5.3**     In the event that ARIIX initiates or otherwise requests a modification under  
18 Section 5.1, and the meet and confer process leads to a joint motion or application of the  
19 Consent Judgment, ARIIX shall reimburse ERC its costs and reasonable attorney's fees for the  
20 time spent in the meet-and-confer process and filing and arguing the motion or application.

21             **5.4**     Where the meet-and-confer process does not lead to a joint motion or  
22 application in support of a modification of the Consent Judgment, then either Party may seek  
23 judicial relief on its own.

24     **6.     RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT**  
25             **JUDGMENT**

26             **6.1**     This Court shall retain jurisdiction of this matter to enforce, modify or terminate  
27 this Consent Judgment.

28             **6.2**     If ERC alleges that any Covered Product fails to qualify as a Reformulated

1 Covered Product (for which ERC alleges that no warning has been provided), then ERC shall  
2 inform ARIIX in a reasonably prompt manner of its test results, including information  
3 sufficient to permit ARIIX to identify the Covered Products at issue. ARIIX shall, within thirty  
4 (30) days following such notice, provide ERC with testing information, from an independent  
5 third-party laboratory meeting the requirements of Sections 3.4.3 and 3.4.4, demonstrating  
6 ARIIX's compliance with the Consent Judgment, if warranted. The Parties shall first attempt  
7 in good faith to resolve the matter prior to ERC taking any further legal action.

#### 8 **7. APPLICATION OF CONSENT JUDGMENT**

9 This Consent Judgment may apply to, be binding upon, and benefit the Parties and their  
10 respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries,  
11 divisions, affiliates, franchisees, licensees, customers (excluding private labelers), distributors,  
12 wholesalers, retailers, predecessors, successors, and assigns. This Consent Judgment shall have no  
13 application to Covered Products which are distributed or sold exclusively outside the State of  
14 California and which are not used by California consumers.

#### 15 **8. BINDING EFFECT, CLAIMS COVERED AND RELEASED**

16 **8.1** This Consent Judgment is a full, final, and binding resolution between ERC,  
17 on behalf of itself and in the public interest, and ARIIX and its respective officers, directors,  
18 shareholders, employees, agents, parent companies, subsidiaries, divisions, suppliers,  
19 franchisees, licensees, customers (not including private label customers of ARIIX), distributors,  
20 wholesalers, retailers, and all other upstream and downstream entities in the distribution chain  
21 of any Covered Product, and the predecessors, successors and assigns of any of them  
22 (collectively, "Released Parties"). ERC on behalf of itself and the public interest hereby fully  
23 releases and discharges the Released Parties from any and all claims, actions, causes of action,  
24 suits, demands, liabilities, damages, penalties, fees, costs and expenses asserted, or that could  
25 have been asserted from the handling, use, or consumption of the Covered Products, as to any  
26 alleged violation of Proposition 65 or its implementing regulations arising from the failure to  
27 provide Proposition 65 warnings on the Covered Products regarding lead up to and including  
28 the Compliance Date.

1           **8.2**       ERC on its own behalf only, on one hand, and ARIIX on its own behalf  
2 only, on the other, further waive and release any and all claims they may have against each  
3 other for all actions or statements made or undertaken in the course of seeking or opposing  
4 enforcement of Proposition 65 in connection with the Notices or Amended Complaint up  
5 through and including the Compliance Date, provided, however, that nothing in Section 8 shall  
6 affect or limit any Party's right to seek to enforce the terms of this Consent Judgment.

7           **8.3**       It is possible that other claims not known to the Parties arising out of the facts  
8 alleged in the Notices or the Amended Complaint and relating to the Covered Products will  
9 develop or be discovered. ERC on behalf of itself only, on one hand, and ARIIX, on the other  
10 hand, acknowledge that this Consent Judgment is expressly intended to cover and include all  
11 such claims up through the Compliance Date, including all rights of action therefore. ERC and  
12 ARIIX acknowledge that the claims released in Sections 8.1 and 8.2 above may include  
13 unknown claims, and nevertheless waive California Civil Code section 1542 as to any such  
14 unknown claims. California Civil Code section 1542 reads as follows:

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

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

23           **8.4**       Compliance with the terms of this Consent Judgment shall be deemed to  
24 constitute compliance with Proposition 65 by any releasee regarding alleged exposures to lead  
25 in the Covered Products as set forth in the Notices and the Amended Complaint.

26           **8.5**       Nothing in this Consent Judgment is intended to apply to any occupational or  
27 environmental exposures arising under Proposition 65, nor shall it apply to any of ARIIX's  
28 products other than the Covered Products.

## 29       **9. SEVERABILITY OF UNENFORCEABLE PROVISIONS**

30       In the event that any of the provisions of this Consent Judgment are held by a court to be

unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.

## **10. GOVERNING LAW**

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

## **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 via first-class mail. Courtesy copies via email may also be sent.

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

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:

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### **ARIIX LLC dba ARIIX ARIIX Holdings, LLC dba ARIIX**

Tyler JonesARIIX. LLC  
563 West 500 South, Suite 300  
Bountiful, UT 84010

With a copy to:

MELISSA A. JONES  
STOEL RIVES LLP  
500 Capitol Mall, Suite 1600  
Sacramento, CA 95814  
Melissa.jones@stoel.com  
Telephone: (916) 447-0700

1     **12. COURT APPROVAL**

2             **12.1** Upon execution of this Consent Judgment by the Parties, ERC shall notice a  
3 Motion for Court Approval. The Parties shall use their best efforts to support entry of this  
4 Consent Judgment.

5             **12.2** If the California Attorney General objects to any term in this Consent Judgment,  
6 the Parties shall use their best efforts to resolve the concern in a timely manner, and if possible  
7 prior to the hearing on the motion.

8             **12.3** If this Stipulated Consent Judgment is not approved by the Court, it shall be  
9 void and have no force or effect.

10    **13. EXECUTION AND COUNTERPARTS**

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

14    **14. DRAFTING**

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

23    **15. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES**

24             If a dispute arises with respect to either Party's compliance with the terms of this Consent  
25 Judgment entered by the Court, the Parties shall meet and confer in person, by telephone, and/or in  
26 writing and endeavor to resolve the dispute in an amicable manner. No action or motion may be  
27 filed in the absence of such a good faith attempt to resolve the dispute beforehand.  
28



1     **16. ENFORCEMENT**

2           ERC may, by motion or order to show cause before the Superior Court of Alameda  
3 County, enforce the terms and conditions contained in this Consent Judgment. In any action  
4 brought by ERC to enforce this Consent Judgment, ERC may seek whatever fines, costs,  
5 penalties, or remedies as are provided by law for failure to comply with the Consent Judgment.  
6 To the extent the failure to comply with the Consent Judgment constitutes a violation of  
7 Proposition 65 or other laws, ERC shall not be limited to enforcement of this Consent  
8 Judgment, but may seek in another action whatever fines, costs, penalties, or remedies as are  
9 provided by law for failure to comply with Proposition 65 or other laws.

10    **17. ENTIRE AGREEMENT, AUTHORIZATION**

11           **17.1** This Consent Judgment contains the sole and entire agreement and  
12 understanding of the Parties with respect to the entire subject matter herein, and any and all  
13 prior discussions, negotiations, commitments and understandings related hereto. No  
14 representations, oral or otherwise, express or implied, other than those contained herein have  
15 been made by any Party. No other agreements, oral or otherwise, unless specifically referred to  
16 herein, shall be deemed to exist or to bind any Party.

17           **17.2** Each signatory to this Consent Judgment certifies that he or she is fully  
18 authorized by the Party he or she represents to stipulate to this Consent Judgment. Except as  
19 explicitly provided herein, each Party shall bear its own fees and costs.

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

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

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

28           (2) Make the findings pursuant to California Health and Safety Code section

1 25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.

2 **IT IS SO STIPULATED:**

3 Dated: 11/13/, 2016

ENVIRONMENTAL RESEARCH  
CENTER, INC.

By: 

Chris Henthall, Executive Director

8 Dated: 11/22, 2016

ARIIX LLC dba ARIIX



By: JEFF YATES

Its: CFO

14 Dated: 11/22, 2016

ARIIX HOLDINGS, LLC dba ARIIX



By: JEFF YATES

Its: CFO

18 **APPROVED AS TO FORM:**

19 Dated: \_\_\_\_\_, 2016

LOZEAU | DRURY LLP

By: \_\_\_\_\_


Richard T. Drury

Rebecca L. Davis

Attorneys for Plaintiff Environmental  
Research Center, Inc.

1 Dated: November 22, 2016

STOEL RIVES LLP

2   
3 By: \_\_\_\_\_  
4 Melissa A. Jones  
5 Attorney for Defendants ARIIX LLC dba  
6 ARIIX and ARIIX Holdings, LLC dba  
7 ARIIX

8 **ORDER AND JUDGMENT**

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

11 IT IS SO ORDERED, ADJUDGED AND DECREED.

12  
13 Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Judge of the Superior Court