State of California - Department of Justice - Attorney General's Office - Proposition 65 Enforcement Reporting

FORM JUS 1501 (03-01) Attention: Prop 65 Coordinator, 1515 Clay Street, Suite 2000, Oakland, CA 94612

PRIVATE ENFORCEMENT FILING - Health and Safety Code section 25249.7(e) and (f)

REPORT OF SETTLEMENT

Please	e print or type required information	plemental Filing		
Г	PLAINTIFF(S)			
	TAMAR KALOUSTIAN, in the public i	interest,		
N				
	DEFENDANT(S) INVOLVED IN SETTLEMENT			
욛	NAVITAS LLC, a Delaware limited liability company			
PARTIES TO THE ACTION		·		
1	COURT DOCKET NUMBER CGC-16-553700	COURTNAME		
CASE	SHORT CASE NAME	CIVIC CENTER COURTH	UUSE	
<i></i>	KALOUSTIAN V. NAVITAS LLC			
	INJUNCTIVE RELIEF Please see attached			
INFO	PAYMENT: CIVIL PENALTY PAYMENT: ATTORNEYS FEES	PAYMENT: OTHER		
	7500 52500	LUMEAT OTTEN	yjuC	
JRT	WILL SETTLEMENT BE IF YES, AFTER ENTRY OF JUDGMENT BY	DATE SETTLEMENT SIGNED		
	SUBMITTED TO COURT? COURT, REPORT OF ENTRY OF JUDGMENT MUST BE SUBMITTED TO ATTORNEY GENE		ma 	
œ			For internal Use Only	
	NAME OF CONTACT VACHE THOMASSIAN, ESQ.			
_	ORGANIZATION		TELEPHONE NUMBER	
FILER	KJT LAW GROUP, LLP		((818)) 507-8525	
ਛਵੰ	ADDRESS 230 N. Maryland Ave. Suite 306		FAX NUMBER ((818)) 507-8588	
ŀ	CITY STATE ZIP	E-MAIL ADDRESS	((0±0) 301-8388	
l	Glendale CA 91206-4	1	p.com	
			-	

FILING INSTRUCTIONS: This form can be completed online and printed. If electronic filing is not available, mail the completed form with a copy of the settlement to the attention of the Prop 65 Coordinator at the address shown above. If you need additional space to complete this form please use an attachment.

Injunctive Relief:

The proposed Consent Judgment at paragraph 3.1 permanently enjoins Defendant from offering for sale to a consumer in California, directly selling to a consumer in California, or distributing into California the Subject Product with levels of lead in excess of the MADL established by regulation, without first providing a warning.

EXHIBIT A

1 2 3 4 5 6 7 8 9	Caspar Jivalagian (SBN 282818) Vache Thomassian (SBN 289053) KJT LAW GROUP, LLP 230 No. Maryland Ave., Ste. 306 Glendale, California 92106 Tel: (818) 507-8525/Fax: (808) 507-8588 Email: vache@kjtlawgroup.com Attorneys for Plaintiff TAMAR KALOUSTIAN Howard A. Slavitt (SBN 172840) COBLENTZ PATCH DUFFY & BASS LLP One Montgomery Street, Suite 3000 San Francisco, CA 94104 Tel: (415) 391-4800/Fax: (415) 989-1663 Email: hslavitt@cpdb.com		
10	Attorneys for Defendant NAVITAS LLC		
12			
13	SUPERIOR COURT	OF CALIFORNIA	
14			
15	0001111 01 511	· Trulicipeo	
16	TAMAR KALOUSTIAN, in the public interest,)	CIVIL ACTION NO. CGC-16-553700	
17	Plaintiff,	[PROPOSED] STIPULATED CONSENT	
18	v.)	JUDGMENT; [PROPOSED] ORDER	
19	NAVITAS LLC, a Delaware limited liability company; and DOES 1 through 100, inclusive,	[Cal. Health and Safety Code Sec. 25249.6, et seq.]	
20	Defendants.		
21	}	,	
22			
23			
24			
25			
25 26			

1. INTRODUCTION

- 1.1 This Action arises out of the alleged violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et seq. (also known as and hereinafter referred to as "Proposition 65") regarding the following product (hereinafter collectively the "Covered Product"): Navitas Naturals Organic Mulberry Berries.
- 1.2 Plaintiff TAMAR KALOUSTIAN ("KALOUSTIAN") is a California resident acting as a private enforcer of Proposition 65. KALOUSTIAN brings this Action in the public interest pursuant to California Health and Safety Code Section 25249. KALOUSTIAN asserts that she is 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.
- 1.3 Defendant Navitas, LLC is a Delaware limited liability company, and is referred to hereinafter as "NAVITAS."
 - 1.4 NAVITAS distributes and sells the Covered Product.
- 1.5 KALOUSTIAN and NAVITAS are hereinafter sometimes referred to individually as a "Party" or collectively as the "Parties."
- 1.6 On or about May 24, 2016, pursuant to California Health and Safety Code Section 25249.7(d)(1), KALOUSTIAN served a 60-Day Notice of Violations of Proposition 65 ("Notice of Violations") on the California Attorney General, other public enforcers, and NAVITAS. A true and correct copy of the Notice of Violations is attached hereto as Exhibit A.
- 1.7 After more than sixty (60) days passed since service of the Notice of Violations, and no designated governmental agency filed a complaint against NAVITAS with regard to the

Covered Product or the alleged violations, KALOUSTIAN filed a complaint (the "Complaint") for injunctive relief and civil penalties. The Complaint is based on the allegations in the Notice of Violations.

- 1.8 The Complaint and the Notice of Violations each allege that NAVITAS manufactured, distributed, and/or sold in California the Covered Product, which contains lead, a chemical listed under Proposition 65 as a carcinogen and a reproductive or developmental toxin, and exposed consumers at a level requiring a Proposition 65 warning. Further, the Complaint and Notice of Violations allege that use of the Covered Product exposes persons in California to lead without first providing clear and reasonable warnings, in violation of California Health and Safety Code Section 25249.6. NAVITAS generally denies all material and factual allegations of the Notice of Violation and the Complaint, filed an answer asserting various affirmative defenses, and specifically denies that the Plaintiff or California consumers have been harmed or damaged by its conduct. NAVITAS and KALOUSTIAN each reserve all rights to allege additional facts, claims, and affirmative defenses if the Court does not approve this Consent Judgment.
- 1.9 The Parties enter into this Consent Judgment in order to settle, compromise and resolve disputed claims and avoid prolonged and costly litigation. Nothing in this Consent Judgment, nor compliance with its terms, 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, suppliers, franchisees, licensees, distributors, wholesalers, or retailers, of any fact, conclusion of law, issue of law, violation of law, fault, wrongdoing, or liability, including without limitation, any admission concerning any alleged violation of Proposition 65. 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. Provided, however, nothing in this Section shall affect the enforceability of this Consent Judgment.

1.10 The "Effective Date" of this Consent Judgment shall be the date this Consent Judgment is entered as a Judgment.

2. JURISDICTION AND VENUE

The Parties stipulate that this Court has jurisdiction over the subject matter of this Action and personal jurisdiction over the Parties, that venue is proper in this Court, and that this Court has jurisdiction to enter this Consent Judgment pursuant to the terms set forth herein.

3. INJUNCTIVE RELIEF, REFORMULATION, TESTING, AND WARNINGS

3.1 Beginning on the Effective Date, NAVITAS shall be permanently enjoined from offering for sale to a consumer in California, directly selling to a consumer in California, or "Distributing into California" any of the Covered Product for which the serving size suggested on the label contains more than 0.5 micrograms of lead per day unless the label of the Covered Product contains a Proposition 65 compliant warning, consistent with Section 3.4, below. "Distributing into California" means to ship any of the Covered Product to California for sale or to sell any of the Covered Product to a distributor that NAVITAS knows or has reason to know will sell the Covered Product in California. Provided, however, that NAVITAS may manufacture or package and sell Covered Product for which the maximum daily serving recommended on the label contains more than 0.5 micrograms of lead per day without providing a Proposition 65 compliant warning so long as such products are only for sale to consumers located outside of California and NAVITAS does not distribute them into California.

- 3.2 All Covered Product that have been or will have been distributed, shipped, or sold, or otherwise placed in the stream of commerce through and including the Effective Date of this Consent Judgment are exempt from the provisions of Sections 3.1, and 3.3 through 3.4 and are included within the release in Sections 8.1 through 8.4. On the Effective Date, NAVITAS shall provide Plaintiff with the last lot number and expiration date for the Covered Product in the stream of commerce through the Effective Date.
- 3.3 For a period of three (3) years from the Effective Date, any batch or lot number of the Covered Product offered for sale to any consumer in California without a Proposition 65compliant warning as provided in Section 3.4 shall be tested for lead contamination utilizing inductively coupled plasma-mass spectrometry. All tests shall be conducted at the expense of NAVITAS. NAVITAS shall provide the verified results of all tests to counsel for KALOUSTIAN, via regular U.S. Mail, within five (5) days of receipt of such results by NAVITAS. All test results shall be provided to counsel for KALOUSTIAN prior to the Covered Product being offered for sale to any consumer in California. For purposes of this Consent Judgment, daily lead exposure levels shall be measured in micrograms and shall be calculated using the following formula: Micrograms of lead per gram of product, multiplied by grams per serving of the product, multiplied by servings of the product per day (if no number of servings per day is provided, then one serving per day will be assumed), which equals micrograms of lead exposure per day. NAVITAS will determine grams per serving of the product based on the largest serving size appearing on the product label; provided, however, that, if the serving size is reduced to less than 28 grams, exposure will be based on a 28 gram serving size, unless NAVITAS first seeks Court modification of this Consent Judgment.

3.4 Clear and Reasonable Warnings

For the Covered Product that is subject to the warning requirement of Section 3.1, NAVITAS shall provide the following warning ("Warning") as specified below:

[California Proposition 65] WARNING: This product contains [lead,] a chemical known to the State of California to cause birth defects or other reproductive harm.

The text in brackets in the warnings above is optional.

The Warning shall be permanently affixed to or printed on (at the point of manufacture, prior to shipment to California, or prior to distribution within California) the outside packaging or container of each unit of the Covered Product. The Warning shall be displayed with such conspicuousness, as compared with other words, statements designs or devices on the outside packaging or labeling, as to render it likely to be read and understood by an ordinary individual prior to use. The word "WARNING" shall be in all capital letters and in bold print. If printed on the labeling itself, the Warning shall be contained in the same section of the labeling that states other safety warnings concerning the use of the Covered Product, if any.

Providing any of the forms of Warning that are attached as Exhibit B hereto on the outside packaging or container of each unit of the Covered Product is deemed to be a clear and reasonable warning under, and to fully comply with, Health & Safety Section 25249.6 and the implementing regulations at Title 27 California Code of Regulations Sections 25601 through 25605.2. NAVITAS may comply with this Section 3.4 by either using a Warning that is in Exhibit B or another form of Warning that complies with the requirements of this Section 3.4.

4. SETTLEMENT PAYMENT

4.1 NAVITAS shall make a total payment of \$60,000 within ten days of the Effective Date, which shall be in full and final satisfaction of any and all civil penalties, payment in lieu of civil penalties, and attorneys' fees and costs.

4.2 The payment will be in the form of separate checks sent to counsel for KALOUSTIAN, Vache Thomassian, KJT LAW GROUP, LLP, 230 No. Maryland Ave., Ste. 306, Glendale, California 92106. The checks shall be payable to the following parties and the payment shall be apportioned as follows:

- 4.3 \$7,500 (seven thousand five hundred dollars) as civil penalties pursuant to California Health and Safety Code Section 25249.7(b)(1). Of this amount, \$5,625 (five thousand six hundred twenty-five dollars) shall be payable to the Office of Environmental Health Hazard Assessment ("OEHHA"), and \$1,875 (one thousand eight hundred seventy-five dollars) shall be payable to KALOUSTIAN. (Cal. Health & Safety Code § 25249.12(c)(1) & (d)). KALOUSTIAN's counsel will forward the civil penalty to OEHHA.
- 4.4 \$52,500 (fifty-two thousand five hundred dollars) payable to KJT LAW GROUP, LLP, as reimbursement of KALOUSTIAN's attorneys' fees, costs, investigation and litigation expenses ("Attorney's Fees and Costs").
- 4.5 Any failure by NAVITAS to remit payment on or before its due date shall be deemed a material breach of this Agreement.

5. MODIFICATION OF CONSENT JUDGMENT

5.1 This Consent Judgment may be modified only by: (i) Written agreement and stipulation of the Parties and upon having such stipulation entered as a modified Consent Judgment by the Court; or (ii) Upon entry of a modified Judgment by the Court pursuant to a motion by one of the Parties after exhausting the meet and confer process set forth as follows. If either Party requests or initiates a modification, then it shall meet and confer with the other Party in good faith before filing a motion with the Court seeking to modify it. KALOUSTIAN is entitled to

reimbursement of all reasonable attorneys' fees and costs regarding the Parties' meet and confer efforts for any modification requested or initiated by NAVITAS. Similarly, NAVITAS is entitled to reimbursement of all reasonable attorney's fees and costs regarding the Parties' meet and confer efforts for any modification requested or initiated by KALOUSTIAN. If, despite their meet and confer efforts, the Parties are unable to reach agreement on any proposed modification the party seeking the modification may file the appropriate motion and the prevailing party on such motion shall be entitled recover its reasonable fees and costs associated with such motion. One basis, but not the exclusive basis, for NAVITAS to seek a modification of this Consent Judgment is if Proposition 65 is changed, narrowed, limited, or otherwise rendered inapplicable in whole or in part to the Covered Product or lead due to legislative change, a change in the implementing regulations, court decisions, or other legal basis.

6. 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 Subject to Section 6.3, any Party may, by motion or application for an order to show cause filed with this Court, enforce the terms and conditions contained in this Consent Judgment. The prevailing party in any such motion or application may request that the Court award its reasonable attorneys' fees and costs associated with such motion or application.
- 6.3 Before filing a motion or application for an order to show cause, KALOUSTIAN shall provide NAVITAS with 30 (thirty) days written notice of any alleged violations of the terms and conditions contained in this Consent Judgment. As long as NAVITAS cures any such alleged violations within the 30 (thirty) day period (or if any such violation cannot practicably be cured

within 30 days, it expeditiously initiates a cure within 30 days and completes it as soon as practicable) and NAVITAS provides proof to Kaloustian that the alleged violation(s) was the result of good faith mistake or accident, then NAVITAS shall not be in violation of the Consent Judgment. NAVITAS shall have the ability to avail itself of the benefits of this Section two (2) times per three year period following the Effective Date.

7. APPLICATION OF CONSENT JUDGMENT

This Consent Judgment shall apply to and be binding upon the Parties and their respective officers, directors, successors and assigns, and it shall benefit the Parties and their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers (including "Co-Brand" customers; excluding only "Private Labeler" customers), distributors, wholesalers, retailers, predecessors, successors, and assigns. "Private Labelers" excluded from the benefits of this Consent Judgment are companies who rebrand and offer NAVITAS manufactured or distributed products under their own brand, not under the NAVITAS brand. "Co-Brand" customers who shall benefit from this Consent Judgment are companies who offer NAVITAS manufactured or distributed products with their own brand and the NAVITAS brand both displayed on the product packaging.

8. BINDING EFFECT, CLAIMS COVERED AND RELEASED

8.1 This Consent Judgment is a full, final, and binding resolution between KALOUSTIAN, on behalf of herself and in the public interest, and NAVITAS, of any and all direct or derivative violations (or claimed violations) 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 Product 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 Product regarding lead. KALOUSTIAN, on behalf of herself and in the public interest, hereby forever releases and discharges, NAVITAS and its past and present officers, directors, owners, shareholders, employees, agents, attorneys, parent companies, subsidiaries, divisions, affiliates, suppliers, franchisees, licensees, customers (including "Co-Brand" customers; excluding only "Private Labeler" customers), distributors, wholesalers, retailers, and all other upstream and downstream entities and persons 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 and causes of action and obligations to pay damages, restitution, fines, civil penalties, payment in lieu of civil penalties and expenses (including but not limited to expert analysis fees, expert fees, attorney's fees and costs) (collectively, "Claims") arising under, based on, or derivative of Proposition 65 or its implementing regulations up through the Effective Date based on exposure to lead from the Covered Product and/or failure to warn about lead, as set forth in the Notice of Violations and the Complaint.

- 8.2 Compliance with the terms of this Consent Judgment shall be deemed to constitute compliance by any Released Party with Proposition 65 regarding alleged exposures to lead from the Covered Product as set forth in the Notice of Violations and the Complaint.
- 8.3 It is possible that other Claims not known to KALOUSTIAN arising out of the facts alleged in the Notice of Violations or the Complaint and relating to lead in the Covered Product that were manufactured, sold or Distributed into California before the Effective Date will develop or be discovered. KALOUSTIAN, on behalf of herself only, acknowledges that the Claims

12 13

14 15

16

17 18

19

20

21

2223

24

2526

released herein include all known and unknown Claims and waives 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."

KALOUSTIAN, on behalf of herself only, acknowledges and understands the significance and consequences of this specific waiver of California Civil Code section 1542.

8.4 KALOUSTIAN, on one hand, and NAVITAS, on the other hand, each release and waive all Claims they may have against each other for any statements or actions made or undertaken by them in connection with the Notice of Violations or the Complaint. However, this shall not affect or limit any Party's right to seek to enforce the terms of this Consent Judgment.

9. CONSTRUCTION AND SEVERABILITY

- 9.1 The terms and conditions of this Consent Judgment have been reviewed by the respective counsel for the Parties prior to its signing, and each Party has had an opportunity to fully discuss the terms and conditions with its counsel. In any subsequent interpretation or construction of this Consent Judgment, the terms and conditions shall not be construed against any Party.
- 9.2 In the event that any of the provisions of this Consent Judgment is held by a court to be unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.
- 9.3 The terms and conditions of this Consent Judgment shall be governed by and construed in accordance with the laws of the State of California.

10. 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, (b) certified mail, (b) overnight courier, or (c) personal delivery to the following:

For Tamar Kaloustian:

Caspar Jivalagian Vache Thomassian KJT LAW GROUP, LLP 230 No. Maryland Ave., Ste. 306 Glendale, California 92106

For Navitas, LLC:

Howard Slavitt Coblentz Patch Duffy & Bass LLP One Montgomery Street, Suite 3000 San Francisco, CA 94104

11. COURT APPROVAL

- 11.1 Upon execution of this Consent Judgment by the Parties, KALOUSTIAN shall notice a Motion for Court Approval. The Parties shall use their best efforts to support entry of this Consent Judgment.
- 11.2 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.
- 11.3 If, despite the Parties' best efforts, the Court does not approve this Stipulated Consent Judgment, it shall be null and void and have no force or effect.

12. EXECUTION AND COUNTERPARTS

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

13. ENTIRE AGREEMENT, AUTHORIZATION

- 13.1 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.
- 13.2 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.

14. REQUEST FOR FINDINGS AND FOR APPROVAL

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

 The parties request the Court to fully review this Consent Judgment and, being fully informed regarding the matters which are the subject of this action, to:
- (a) Find that the terms and provisions of this Consent Judgment represent a good faith settlement of all matters raised by the allegations of the Complaint, that the matter has been diligently prosecuted, and that the public interest is served by such settlement; and
- (b) Make the findings pursuant to California Health and Safety Code Section 25249.7(f)(4), and approve the Settlement, and this Consent Judgment.

1	IT IS SO STIPULATED.	
2		
3	Dated:	·
4	-	Tamar Kaloustian
5		
6	Dated: November 30, 2016	Navitas LLC
7	4	Name: Katlahu
8		Title: Chief Operating Officer
9		
10		
11		
12		
13	APPROVED AS TO FORM:	
14	•	
15	Dated: November, 2016	KJT LAW GROUP, LLP
16		
17		Ву:
18		Vache Thomassian Attorneys for Plaintiff TAMAR KALOUSTIAN
19		TAMAR KALOUSTIAN
20	Dated: November 2016	COBLENTZ, PATCH, DUFFY & BASS, LLP
21		
22		Bu Mint
23		Howard Slavitt
24	•	Attorneys for Defendant NAVITAS, LLC
25		
26		

14993,004 3568982v2

	IT IS SO STIPULATED.	
	2 3 Dated: -30-	Tamar Kaloustian
•	6 Dated:	Navitas LLC
•	7	Name:
	8	Title:
10		
11		
12 13	APPROVED AS TO FORM:	
14	61	
15 16	Dated: November 302016	KJT LAW GROUP, LLP
17 18 19		By: Vache Thomassian Attorneys for Plaintiff TAMAR KALOUSTIAN
20 21	Dated: November 2016	COBLENTZ, PATCH, DUFFY & BASS, LLP
22		
23		By: Howard Slavitt Attorneys for Defendant NAVITAS, LLC
25 26		WAVIIAO, LLC
	14993.004 3868982+2	
	PROPOSEDJ STIL Kelon	Pillated Consent Judgment; proposed] order sign v. Navims LLC, Case No. CGC-14-541238
		Page 14
,		

. ..•

ORDER AND JUDGMENT

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

IT IS SO ORDERED, ADJUDGED AND DECREED.

Dated:	
······	Judge of the Superior Court

14993.004 3568982v2