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5 **Attorneys for Plaintiff**

6 *Center for Advanced Public Awareness, Inc. (“CAPA”)*

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA

8 COUNTY OF SANTA CLARA

9 UNLIMITED JURISDICTION

10 **CENTER FOR ADVANCED PUBLIC**  
11 **AWARENESS, INC.**, a California  
12 nonprofit corporation,  
13 Plaintiff,

14 vs.

15 **VMK, INC., doing business as PURPLE**  
16 **LOTUS PATIENT CENTER**, a  
California non-profit mutual benefit  
17 corporation; and **DOES 1-25**, inclusive,  
Defendant.

No. 17CV311444

**STIPULATED CONSENT JUDGMENT  
AND SETTLEMENT**

(Health & Safety Code § 25249.6 *et seq.*)

18  
19 **1. INTRODUCTION**

20 **1.1** On June 7, 2017, Plaintiff CENTER FOR ADVANCED PUBLIC AWARENESS,  
21 INC. (“CAPA”), a non-profit corporation, in the public interest as a private enforcer, commenced  
22 this action by filing a Complaint for Permanent Injunction, Civil Penalties and Other Relief (the  
23 “Complaint”) pursuant to the provisions of California Health and Safety Code, section 25249.5 *et*  
24 *seq.* (“Proposition 65”), against VMK, INC., doing business as PURPLE LOTUS PATIENT  
25 CENTER (“PURPLE LOTUS”). In this action, CAPA alleges that PURPLE LOTUS produces,  
26 processes, markets, offers to sell, sells, and/or distributes for sale in the State of California  
27 marijuana intended for, among other things, smoking, the consumption and use of which results in  
28

1 the generation of marijuana smoke, without first providing the clear and reasonable exposure  
2 warning required by Proposition 65. Marijuana smoke is listed pursuant to Proposition 65 as a  
3 chemical that is known to the State of California to cause cancer. These products, specifically,  
4 flowers, leaves, stems, and other parts of marijuana plants (referred to hereinafter individually as a  
5 “Subject Product” or collectively as “Subject Products”) are cannabis or marijuana intended for,  
6 among other things, combustion via smoking and then inhalation. The intended and foreseeable  
7 consumption and use (inhalation) of the Subject Products allegedly results in exposures to  
8 marijuana smoke, that are produced, processed, marketed, distributed, offered for sale and/or sold  
9 by PURPLE LOTUS in California without a clear and reasonable warning.

10 **1.2** CAPA and PURPLE LOTUS are hereinafter referred to individually as a “Party” or  
11 collectively as the “Parties.”

12 **1.3** CAPA contends that it is a California non-profit corporation that, among other  
13 purposes and causes it is dedicated to, provides information about the hazards of toxins in consumer  
14 products, protects the public health by preventing pollution and toxics from being discharged,  
15 released or emitted into the environment, and enforces state and federal laws in protection of  
16 consumers and the environment.

17 **1.4** For purposes of this Consent Judgment, the Parties agree that PURPLE LOTUS  
18 contends it is a non-profit corporation that has employed ten or more persons at all times relevant to  
19 this action, and qualifies as a “person in the course of doing business” within the meaning of  
20 Proposition 65. PURPLE LOTUS distributes and sells the Subject Products.

21 **1.5** The Complaint is based on allegations contained in CAPA’s Notice of Violation  
22 dated January 11, 2017, that was served on the California Attorney General, other public  
23 prosecutors, and PURPLE LOTUS (“Notice of Violation” or “NOV”). More than 60 days, plus 5  
24 days for mailing, have passed since the NOV was mailed and uploaded to the Attorney General’s  
25 website, and no designated governmental entity has diligently prosecuted this matter, as exemplified  
26 by the filing of the Complaint against PURPLE LOTUS with regard to the Subject Products or the  
27 alleged violations.

28

1           **1.6**     CAPA’s NOV and Complaint allege that use of the Subject Products exposes  
2 persons in California to marijuana smoke without first providing clear and reasonable warnings in  
3 violation of California Health and Safety Code, section 25249.6. PURPLE LOTUS denies all  
4 material allegations contained in the Notice, Complaint or made herein.

5           **1.7**     The Parties have entered into this Consent Judgment in order to settle, compromise  
6 and resolve disputed claims and thus avoid prolonged and costly litigation. Nothing in this Consent  
7 Judgment shall constitute or be construed as an admission by any of the Parties, or by any of their  
8 respective officers, directors, shareholders, employees, agents, parent companies, members or its  
9 subsidiaries or divisions. Except for the representations made above, nothing in this Consent  
10 Judgment shall be construed as an admission by the Parties of any fact, issue of law, or violation of  
11 law, nor shall compliance with this Consent Judgment be construed as an admission by the Parties  
12 of any fact, issue of law, or violation of law, at any time, for any purpose.

13           **1.9**     Except as expressly set forth herein, this Consent Judgment shall not prejudice,  
14 waive, or impair any right, remedy, argument, or defense the Parties have in any other or future  
15 legal proceeding unrelated to these proceedings.

16           **1.10**    The “Effective Date” of this Consent Judgment is the date on which this Court enters  
17 the Judgment.

18           **2.     JURISDICTION AND VENUE**

19           **2.1**     The Parties stipulate and agree that the Superior Court of California, County of Santa  
20 Clara has subject matter jurisdiction over the matters alleged in this action and personal jurisdiction  
21 over the Parties to this Final Judgment. The Parties further stipulate that venue is proper in Santa  
22 Clara County, and that this court has jurisdiction and authority to enter a full and final resolution of  
23 all claims which were or could have been brought in this action based on the allegations contained  
24 in the NOV and Complaint.

25           **3.     INJUNCTIVE RELIEF AND WARNINGS**

26           **3.1**     Pursuant to the provisions of California Health & Safety Code, section 25249.7,  
27 subdivision (a), Defendant is enjoined and prohibited from violating or threatening to violate those  
28 sections of 24249.6 *et seq.*, and its implementing regulations California Code of Regulations, title

1 27, sections 25601 *et seq.* Nothing in this consent judgment shall prohibit Defendant from providing  
2 other Proposition 65 warnings as it deems necessary, provided such warnings are consistent with  
3 California Code of Regulations, title 27, section 25601 *et seq.*, as may be amended.

4 **3.2 Clear and Reasonable Warnings**

5 **3.2.1 Product Labeling.** PURPLE LOTUS shall affix a warning to the  
6 packaging, labeling, or directly on each Subject Product sold in retail store(s) or through delivery  
7 services in California by PURPLE LOTUS. Either warning text shall be printed in black ink, in a  
8 font that is easy to read and legible, in the same type size or larger than the Product’s description  
9 text. The Warning shall be securely affixed to or printed upon the container, packaging provided  
10 prior to purchase, label, or labeling of each Subject Product sold in its retail store or through any  
11 delivery service. Employees may not write over the text of the warning for any reason. The  
12 warning must be substantially similar to the following and may also include a warning concerning  
13 birth defects or other reproductive harm (bracketed [ ] language below may be added at the sole  
14 discretion of Defendant):

15 **WARNING: Marijuana Smoke contains chemicals known to the State of**  
16 **California to cause cancer [and birth defects or other**  
**reproductive harm].**

17 **or**

18 **⚠ WARNING: Use of this product can expose you to chemicals including**  
19 **Marijuana Smoke, which is known to the state of**  
20 **California to cause cancer [and other chemicals that**  
**may cause birth defects or other reproductive harm].**  
21 **For more information, go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).**

22 **or**

23 **⚠ WARNING: Cancer [and Reproductive Harm]- [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)**

24 If a label warning is not utilized at PURPLE LOTUS’S sole discretion, then the following  
25 combination of warnings must instead be utilized:

26 **3.2.2 Internet Website Warning.** For all Subject Products that are advertised on a  
27 website as offered for sale at PURPLE LOTUS’ dispensary or available for delivery directly to  
28 PURPLE LOTUS’ dispensary members, either of the following warnings must be provided by

1 including either the warning or a clearly marked hyperlink using the word “WARNING” on the  
2 Subject Product display page, or by otherwise prominently displaying the warning to the purchaser  
3 prior to completing the purchase of a Subject Product. If an on-product warning is provided as set  
4 forth above, the warning provided on the website may use the same content as the on-product  
5 warning as stated in Section 3.2.1. No statements, whether intended or reasonably likely to have the  
6 effect of diminishing the meaning or impact of, or decreasing the clarity or conspicuousness of,  
7 shall accompany the Warning such that it may affect how the Warning is understood by a lay  
8 consumer/patient.

9           **WARNING:**           **Marijuana smoke contains chemicals known to the State of**  
10                                   **California to cause cancer [and birth defects or other**  
11                                   **reproductive harm].**

11           **or**

12           **⚠ WARNING:**           **Use of this product can expose you to chemicals including**  
13                                   **Marijuana Smoke, which is known to the state of**  
14                                   **California to cause cancer [and other chemicals that**  
15                                   **may cause birth defects or other reproductive harm].**  
16                                   **For more information, go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).**

15           **or**

16           **⚠ WARNING:** Cancer [and Reproductive Harm]- [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)

17           **3.2.3 Warnings for Deliveries.** In the event PURPLE LOTUS engages in sales of  
18 the Subject Products that are purchased via orders placed remotely (i.e. via telephonic  
19 communications or the internet), to be delivered by or through PURPLE LOTUS to the purchaser  
20 from PURPLE LOTUS’s dispensary, PURPLE LOTUS shall provide either of the specified  
21 warnings shown below:

22           **WARNING:**           **Marijuana smoke contains chemicals known to the State of**  
23                                   **California to cause cancer [and other chemicals that may**  
24                                   **cause birth defects or other reproductive harm].**

24           **or**

25           **⚠ WARNING:**           **Use of this product can expose you to chemicals including**  
26                                   **Marijuana Smoke, which is known to the state of**  
27                                   **California to cause cancer [and other chemicals that**  
28                                   **may cause birth defects or other reproductive harm].**  
                                 **For more information, go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).**

**or**

1 **⚠ WARNING:** Cancer [and Reproductive Harm]- [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)

2  
3 In each case, the Warning shall be provided as shown above, with the Warning text printed  
4 in black ink, in a font that is easy to read and legible, in a font size that is the same size of any other  
5 accompanying warning. PURPLE LOTUS must provide notice to any purchaser, consumer, or  
6 patient prior to purchasing Subject Products through a delivery service associated or affiliated with  
7 PURPLE LOTUS.

8 **3.2.4 Warning Sign(s) at Festivals/Conventions.** For all festivals, conventions,  
9 and other public events that take place in California, in which PURPLE LOTUS operates a booth or  
10 other space from which it markets, offers to sell, or sells any of the Subject Products, PURPLE  
11 LOTUS shall post a sign with either warning language as shown below. The Warning shall be at  
12 least 8 ½ inches by 11 inches, and posted at a height and location that will make it conspicuous and  
13 easy to read for the average person. The text of the warning shall be printed in black ink, in a font  
14 that is easy to read and legible, but in no case less than a size 32 Font.

15 **WARNING:** Use of cannabis products sold or distributed here can  
16 expose you to Marijuana Smoke, a chemical known to the  
17 State of California to cause cancer [and other chemicals  
that may cause birth defects or other reproductive harm].

18 or

19 **⚠ WARNING:** Use of cannabis products sold or distributed here can  
20 expose you to chemicals including Marijuana Smoke,  
21 which is known to the state of California to cause cancer  
[and other chemicals that  
22 may cause birth defects or other reproductive harm].  
For more information, go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

23 or

24 **⚠ WARNING:** Cancer [and Reproductive Harm]- [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)

25 **3.2.5 In-Store Warnings.** In-Store Warnings shall be provided at two or more of  
26 the following locations: (a) at or near the location of the cash registers in the store; (b) at or near  
27 each large display case in the store; or (c) at or near the entrance to the store. The warning sign  
28

1 should be at least 8 ½ inches by 11 inches, and posted at a height that will make it conspicuous and  
2 easy to read for the average person. The text of the warning shall be printed in black ink, in a font  
3 that is easy to read and legible, but in no case less than a size 32 Font.

4           **WARNING:**           **Marijuana smoke contains chemicals known to the State of  
5   California to cause cancer.**

6           **or**

7           **⚠ WARNING:**           **Use of this product can expose you to chemicals including  
8   Marijuana Smoke, which is known to the state of  
9   California to cause cancer [and other chemicals that  
10    may cause birth defects or other reproductive harm].  
11    For more information, go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).**

12           **or**

13           **⚠ WARNING:** Cancer [and Reproductive Harm]- [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)

14           **3.2.6 Membership Agreement.** Defendant shall provide a warning in its  
15 Membership Agreement which includes a warning as specified in Section 3.2.1. This Warning shall  
16 be printed in black ink, in a font that is no smaller than the type on the rest of the page, and  
17 separated from surrounding text.

#### 18 **4. SETTLEMENT PAYMENT**

19           **4.1** In full satisfaction of all potential civil penalties, additional settlement payments,  
20 attorney’s fees, and costs, PURPLE LOTUS shall make a total payment of \$75,000.00 (“Total  
21 Settlement Amount”). The Total Settlement Amount shall be paid and due five (5) days after the  
22 Effective Date. The Total Settlement Amount shall be apportioned as follows:

23           **4.2** \$21,700.00 shall be considered a civil penalty pursuant to California Health and  
24 Safety Code section 25249.7, subdivision (B)(1). CAPA shall remit 75% or \$16,275.00 of the civil  
25 penalty to the Office of Environmental Health Hazard Assessment (“OEHHA”) for deposit in the  
26 Safe Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety  
27 Code, section 25249.12, subdivision (c). CAPA will retain the remaining 25%, or \$5,425.00 of the  
28 civil penalty.

1           **4.3**     \$2,317.45 shall be distributed to CAPA as reimbursement for reasonable costs  
2 incurred in bringing this action.

3           **4.4**     \$34,712.55 shall be distributed to Aqua Terra Aeris Law Group (“ATA”) for legal  
4 fees and costs incurred as a result of this matter, including investigating, bringing this matter to  
5 PURPLE LOTUS’ attention in the NOV, litigating and negotiating a settlement in the public  
6 interest. PURPLE LOTUS shall make the two payments by either check or by wire transfer to  
7 ATA’s escrow account, for which ATA will give PURPLE LOTUS the necessary account  
8 information, within timeline described in Section 4.1.

9           **4.5**     \$16,270.00 shall be distributed to CAPA as an Additional Settlement Payment  
10 (“ASP”), pursuant to California Code of Regulations, title 27, sections 3203, subdivision (d), and  
11 3204. CAPA will utilize the ASP for activities that address the same public harm as allegedly  
12 caused by PURPLE LOTUS in this matter. These activities are detailed below and support CAPA’s  
13 overarching goal of reducing use, misuse and exposure to hazardous and toxic chemicals, fostering  
14 and increasing the public awareness of chemicals inherent in consumer products, facilitating a safe  
15 environment for consumers and employees, and encouraging corporate responsibility. CAPA’s  
16 activities have had, and will continue to have, a direct and primary effect within the State of  
17 California because California consumers will be benefitted by the reduction of exposure to  
18 marijuana smoke and increase informed choices made by patients and consumers before exposure  
19 by providing clear and reasonable warnings to California consumers prior to inhalation of the  
20 products.

21           CAPA hereby provides the following list of activities CAPA engages in to protect California  
22 consumers through Proposition 65 citizen enforcement, along with a breakdown of how ASP funds  
23 will be utilized to facilitate those activities: (1) ENFORCEMENT (70%-80%): investigating,  
24 obtaining, shipping, analyzing, and/or testing dispensaries or products that may contain  
25 carcinogenic chemicals contained in marijuana smoke and are sold to and expose California  
26 consumers to chemicals listed under Proposition 65; continued monitoring and enforcement of past  
27 consent judgments and settlements to ensure companies are in compliance with their obligations  
28 thereunder, with a specific focus on those judgments and settlements concerning chemicals of



1 concern (which necessarily includes additional work, investigating, purchasing, processing,  
2 analyzing and/or testing consumer products; litigating matters that result in settlements, judgments,  
3 defaults, bankruptcies, or dismissals); (2) PUBLIC OUTREACH (up to 5-10%): public outreach  
4 through CAPA's continuing advocacy in regulatory proceedings and rulemakings related to sales  
5 and use of cannabis in California to ensure the public receives information about the carcinogens  
6 contained in marijuana smoke; and public service announcements about the risks associated with  
7 exposure to marijuana smoke; (3) SPECIAL PROJECTS (up to 5%): projects involving expert, non-  
8 legal opinions not specific to any one marijuana smoke case that are necessary to the continued  
9 private enforcement of Proposition 65 concerning exposure to marijuana smoke and related  
10 chemicals; assessing exposure scenarios and types of products associated with marijuana smoke and  
11 related chemical exposures; and/or (4) PRODUCT DATABASE (up to 5%): maintaining a database  
12 with all products sold to California consumers that CAPA has obtained which could cause an  
13 exposure to marijuana smoke or other toxic, carcinogenic or reproductive harms.

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

17 **4.6** In the event that PURPLE LOTUS fails to remit the Total Settlement Payment owed  
18 under Section 4 of this Consent Judgment, PURPLE LOTUS shall be deemed to be in material  
19 breach of its obligations under this Consent Judgment. CAPA shall provide written notice of the  
20 delinquency to Defendant's counsel and PURPLE LOTUS via electronic mail and voicemail. If  
21 PURPLE LOTUS fails to deliver the Total Settlement Payment within five (5) days from the written  
22 notice, the Total Settlement Payment shall become immediately due and payable and shall accrue  
23 interest at the statutory judgment interest rate provided in the Code of Civil Procedure, section  
24 685.010. Additionally, CAPA retains the right to seek reasonable attorney fees and costs for any  
25 efforts to collect the Total Settlement Amount due under this Consent Judgment.

26 **4.7** PURPLE LOTUS shall provide CAPA's counsel with separate 1099 forms for each  
27 of its payments under this Consent Judgment to:  
28

- 1 (a) "Office of Environmental Health Hazard Assessment," P.O. Box 4010,  
2 Sacramento, CA 95814 (EIN: 68-0284486) for civil penalties paid;
- 3 (b) "Center for Advanced Public Awareness, Inc.," whose address and tax  
4 identification number shall be furnished upon request after this Consent  
5 Judgment has been fully executed by the Parties.
- 6 (5) "Aqua Terra Aeris Law Group," for attorneys' fees and costs reimbursed  
7 pursuant to Section 4.4, whose address and tax identification number shall be  
8 furnished upon request after this Consent Judgment has been fully executed  
9 by the Parties.

10 For any payment that is returned for insufficient funds, payment must be made by a  
11 cashier's check within ten (10) calendar days of notification of insufficient funds.

## 12 **5. CLAIMS COVERED AND RELEASE**

13 **5.1 Plaintiff's Public Binding Release of Proposition 65 Claims.** This Consent  
14 Judgment is a full, final, and binding resolution between CAPA, acting on behalf of itself and in  
15 the public interest, and PURPLE LOTUS, and its parents, subsidiaries, directors, officers,  
16 employees, attorneys, members, owners, and for those affiliated entities under common  
17 ownership who were disclosed prior to the full execution of this Consent Judgment by the  
18 Parties (collectively, "Releasees") related to any violation of Proposition 65 that was or could  
19 have been asserted by CAPA, on behalf of itself, against Releasees for unwarned exposures  
20 from the Subject Products produced, processed, marketed, offered for sale, sold or distributed  
21 for sale in California by PURPLE LOTUS prior to the Effective Date. Compliance with the  
22 terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to  
23 exposures to marijuana smoke from the Products sold by or through PURPLE LOTUS after the  
24 Effective Date.

25 **5.2 CAPA's Individual Release of Claims.** CAPA, on its own behalf, also provides  
26 a release herein which shall be effective as a full and final accord and satisfaction, as a bar to all  
27 actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims,  
28 liabilities and demands of CAPA of any nature, character or kind, whether known or unknown,

1 suspected or unsuspected, arising out of alleged or actual exposures in the Subject Products  
2 grown, cultivated, processed or sold or distributed for sale by PURPLE LOTUS in California  
3 before the Effective Date.

4 **5.3 PURPLE LOTUS' Release of CAPA.** PURPLE LOTUS, on its own behalf and  
5 on behalf of its past and current agents, representatives, attorneys, successors, and assignees,  
6 hereby waives any and all claims that it may have against CAPA and its attorneys and other  
7 representatives, for any and all actions taken or statements made (or those that could have been  
8 taken or made) by CAPA and its attorneys and other representatives, whether in the course of  
9 investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter.

10 **5.4 California Civil Code, Section 1542.** It is possible that other claims not known  
11 to the Parties arising out of the facts alleged in the NOV and relating to the Subject Products  
12 will develop or be discovered. CAPA on its behalf only, on the one hand, and PURPLE  
13 LOTUS, on its behalf only, on the other hand, acknowledge that this Consent Judgment is  
14 expressly intended to cover and include all such claims up through the Effective Date, including  
15 all rights of action therefor. CAPA and PURPLE LOTUS acknowledge that the claims released  
16 in Sections 5.2 and 5.3 above may include unknown claims, and nevertheless waive California  
17 Civil Code, section 1542 as to any such unknown claims. California Civil Code, section 1542  
18 reads as follows:

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

24 CAPA and PURPLE LOTUS each acknowledge and understand the significance and  
25 consequences of this specific waiver of California Civil Code, section 1542.

26 **6. COURT APPROVAL**  
27  
28

1 This Consent Judgment has no force or effect until it is approved and entered by the  
2 Court and shall be null and void if, for any reason, it is not approved and entered by the Court  
3 within one year after it has been fully executed by all Parties.

4 **7. SEVERABILITY**

5 If, subsequent to the execution of this Consent Judgment, any provision of this Consent  
6 Judgment is held by a court to be unenforceable, the validity of the remaining provisions shall  
7 not be adversely affected.

8 **8. GOVERNING LAW AND CONTINUING JURISDICTION**

9 The terms of this Consent Judgment shall be governed by the laws of the state of  
10 California and apply within the state of California. Pursuant to Code of Civil Procedure section  
11 664.6, the Court retains jurisdiction over this matter and terms of the Judgment contained  
12 herein. In the event Proposition 65 is repealed or is otherwise rendered inapplicable by reason  
13 of law generally, or as to the Subject Products, then PURPLE LOTUS will no longer have any  
14 further obligations pursuant to this Consent Judgment, with respect to, and to the extent that, the  
15 Subject Products are so affected. Nothing in this Consent Judgment shall be interpreted to  
16 relieve PURPLE LOTUS from any obligation to comply with any pertinent state or federal laws  
17 concerning labeling, warning of toxics in consumer products. If the California Office of  
18 Environmental Health Hazard Assessment or other governmental body with authority  
19 promulgates regulations setting forth warning text and/or methods of transmission required or  
20 permitted to be used under Proposition 65 for exposures to marijuana smoke in the Subject  
21 Products as defined herein, then at its sole discretion PURPLE LOTUS may use such other  
22 warning text and/or method of transmission, without being deemed in breach of this Agreement,  
23 provided that Defendant sends written notice of this warning to CAPA sixty (60) days in  
24 advance of implementing any such changes so that CAPA can provide comments regarding the  
25 proposed changes before they are fully implemented.

26 **9. NOTICES**

27 Unless specified herein, all correspondence and notices required to be provided pursuant  
28 to this Consent Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class

1 mail, registered or certified, with return receipt requested; or (iii) a recognized overnight courier  
2 on any party by the other party at the following addresses:

3  
4 For PURPLE LOTUS:

5 Bush & Henry, Attorneys at Law, PC  
6 6761 Sebastopol Avenue, Suite 111  
7 Sebastopol, CA 95472

8 For CAPA:

9 Executive Director  
10 Center for Advanced Public Awareness, Inc.  
11 180 Promenade Cir.  
12 Sacramento, CA 95834

13 With a copy to:  
14 Aqua Terra Aeris Law Group  
15 c/o Matthew Maclear  
16 828 San Pablo Avenue, Suite 115B  
17 Albany, CA 94706

18 Any Party may change its notice name and address by informing the other party in  
19 writing, but no change is effective until proof of receipt of such writing is confirmed. All notices  
20 and other communications required or permitted under this Final Judgment that are properly  
21 addressed as provided in this paragraph are effective upon delivery if delivered personally or by  
22 overnight mail, or are effective five (5) days following deposit in the United States mail, postage  
23 prepaid, if delivered by First Class mail.

#### 24 **10. COUNTERPARTS; FACSIMILE SIGNATURES**

25 This Consent Judgment may be executed in counterparts, and by facsimile or portable  
26 document format (PDF) signature, each of which shall be deemed an original, and all of which,  
27 when taken together, shall constitute one and the same document.

#### 28 **11. POST EXECUTION ACTIVITIES**

CAPA agrees to comply with the reporting form requirements referenced in Health &  
Safety Code, section 25249.7, subdivision (f). The Parties further acknowledge that, pursuant to  
Health & Safety Code, section 25249.7, subdivision (f), a noticed motion is required to obtain

1 judicial approval of the settlement. In furtherance of obtaining such approval, CAPA and  
2 PURPLE LOTUS agree to mutually employ their best efforts, and that of their counsel, to  
3 support the entry of this agreement as a Consent Judgment, and to obtain judicial approval of the  
4 settlement in a timely manner. If the Attorney General objects to any term in this Consent  
5 Judgment, the Parties shall use their best individual and collective efforts to resolve the concern  
6 in a timely manner, and if possible in advance of the hearing on the motion to approve  
7 settlement. If the Court does not approve of the Stipulated Consent Judgment, it shall be void or  
8 voided and have no force or effect.

9 **12. MODIFICATION**

10 This Consent Judgment may be modified only by: (i) a written agreement of the Parties  
11 and upon entry of a modified consent judgment by the Court thereon; or (ii) upon successful  
12 motion or application of any Party and the entry of a modified consent judgment by the Court.

13 **13. AUTHORIZATION**

14 The undersigned are authorized to execute this Consent Judgment on behalf of their  
15 respective Parties and have read, understood and agree to all of the terms and conditions of this  
16 Consent Judgment.

17 **14. DRAFTING**

18 The Parties agree, should this Consent Judgment be subsequently analyzed for  
19 interpretation or construction, no inference, presumption or assumption shall be drawn nor shall  
20 any provision be construct against any Party, based on the fact that one of the Parties or their  
21 counsel prepared and/or drafted all or any portion of the Consent Judgment.

22 **15. ENFORCEMENT**

23 If a dispute arises with respect to either Party's compliance with the terms of this  
24 Consent Judgment entered by the Court, the Parties shall meet and confer in person, in writing  
25 or via telephone to attempt to resolve the dispute in an amicable and amenable fashion. No  
26 action or motion may be filed unless such a good faith attempt to resolve the dispute occurs  
27 before such a filing.  
28

1 CAPA may, by motion or order to show cause before this Court, seek to enforce the  
2 terms and conditions contained in this Consent Judgment. CAPA may seek whatever  
3 penalties/fines, costs, fees or other remedies are provided for in the Consent Judgment or  
4 allowed by law for failure to comply with the Consent Judgment. To the extent that the alleged  
5 failure to comply with the Consent Judgment constitutes a violation of Proposition 65 or other  
6 laws, CAPA shall not be limited to enforcement of this Consent Judgment and may seek, in a  
7 separately filed action, whatever penalties/fines, costs, fees or other remedies as provided for by  
8 law for failure to comply with Proposition 65 or other law(s).

9 **16. ENTIRE AGREEMENT**

10 This Consent Judgment contains the sole and entire agreement and understanding of the  
11 Parties with regard to this matter, including any and all prior discussions, negotiations,  
12 commitments or understanding related thereto. No representations, oral, written or otherwise,  
13 express or implied, unless specifically referred to herein shall be deemed to exist or to bind any  
14 Party as it relates to the allegations made in this action.

15 **17. STIPULATED REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT**  
16 **AND ENTRY OF CONSENT JUDGMENT**

17 This Consent Judgment has come before the Court upon request of the Parties for the  
18 Court to fully review its terms and to be fully informed regarding the matters which are the  
19 subject of this action, and to:

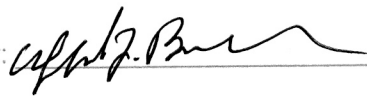
- 20 (1) Find the terms and provisions of this Consent Judgment represent a fair and  
21 equitable settlement of all matters raised by the allegations of the Complaint, that the  
22 matter has been diligently prosecuted and that the public interest is served by such  
23 settlement; and  
24 (2) Make the statutory findings required pursuant to Health and Safety Code section  
25 25249.7, subdivision (f)(4), approve the settlement and approve this Consent  
26 Judgment.

27 **IT IS SO STIPULATED.**


28 Date: January 30, 2018

CENTER FOR ADVANCED PUBLIC  
AWARENESS, INC.

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By:   
Executive Director

Date: ~~October~~ <sup>Dec.</sup> 12, 2017

PURPLE LOTUS COLLECTIVE, INC.  
By:   
President

**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.**

Date: \_\_\_\_\_  
\_\_\_\_\_  
Judge of the Superior Court



**EXHIBIT A TO CONSENT JUDGMENT**

Center For Advanced Public Awareness, Inc.

v.

VMK, Inc., dba Purple Lotus Patient Center  
Santa Clara County Court Case No. 17CV311444

VMK shall pay to CAPA the Total Settlement Amount of \$75,000 in six equal monthly payments at 10% per annum interest of \$12,851.18, (totaling \$77,107.07), with the first payment due on or before April 1, 2018, and each payment due the first of the month through September 2018, as set forth below:

The payment schedule shall be:

<b><u>Payment #</u></b>	<b><u>Due On Or Before</u></b>	<b><u>Amount</u></b>
1	April 1, 2018	\$12,851.18
2	May 1, 2018	\$12,851.18
3	June 1, 2018	\$12,851.18
4	July 1, 2018	\$12,851.18
5	August 1, 2018	\$12,851.18
6	September 1, 2018	\$12,851.18