

Aqua Terra Aeris (ATA) Law Group
MATTHEW C. MACLEAR, SBN 209228
ANTHONY M. BARNES, SBN 199048
828 San Pablo Avenue, Suite 115B
Albany, CA 94706
Telephone: (415) 568 5200
E-mail: mcm@atalawgroup.com

Attorneys for Plaintiff

Center for Advanced Public Awareness, Inc. ("CAPA")

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

**CENTER FOR ADVANCED PUBLIC
AWARENESS, INC.**, a California
nonprofit corporation,

Plaintiff,

vs.

**C9 ALLIANCE COOPERATIVE, INC.,
doing business as CLOUD 9; and DOES
1-25**, inclusive,

Defendants.

No. 34-2017-00214464-CU-TT-GDS

[STIPULATED] CONSENT JUDGMENT

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

1. INTRODUCTION

1.1 On June 21, 2017, Plaintiff, CENTER FOR ADVANCED PUBLIC AWARENESS, INC. ("CAPA"), a non-profit corporation, in the public interest as a private enforcer, commenced this action by filing a Complaint for Permanent Injunction, Civil Penalties and Other Relief (the "Complaint") pursuant to the provisions of California Health and Safety Code, section 25249.5 *et seq.* ("Proposition 65"), against C9 Alliance Cooperative, Inc., doing business as Cloud 9 ("Defendant") in Sacramento County Superior Court Case 34-17-00214464-CU-TT-GDS ("Action"). In this action, CAPA alleges that Defendant produced, processed, marketed, offered to sell, sold, and/or distributed for sale in the State of California marijuana intended for smoking, the consumption and use of which results in the generation of marijuana smoke, without first providing the clear and

CASE NO. 34-2017-00214464-CU-TT-GDS

CAPA V. C9 ALLIANCE COOPERATIVE, INC.
CONSENT JUDGMENT

1 reasonable exposure warning required by Proposition 65. Marijuana smoke is listed pursuant to
2 Proposition 65 as a chemical that is known to the State of California to cause cancer. These products,
3 including flowers, leaves, stems, and other organic parts of marijuana plants, are cannabis or
4 marijuana intended for combustion via smoking and inhalation (“Subject Products”). The intended
5 and foreseeable consumption and use (inhalation) of the Subject Products that are produced,
6 processed, marketed, distributed, offered for sale and/or sold by Defendant in California allegedly
7 results in exposures to marijuana smoke. Plaintiff alleges such exposures require a clear and
8 reasonable Proposition 65 warning, but no such warning was given. Defendant disputes this and other
9 of Plaintiff’s allegations.

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

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

16 **1.4** Defendant is a California non-profit corporation that, among other purposes and causes
17 it is dedicated to, provides medical cannabis to ill Californians pursuant to the laws of the State of
18 California and the laws of the City of Sacramento. Defendant is a collective and only provides
19 products to its registered patient members.

20 **1.5** For purposes of this Consent Judgment, the Parties agree that Defendant is a business
21 entity that has employed ten or more persons for the alleged violation period, and qualifies as a
22 “person in the course of doing business” within the meaning of Proposition 65. Defendant provides
23 the Subject Products to registered members.

24 **1.6** The Complaint is based on allegations contained in CAPA’s Notice of Violation, dated
25 January 20, 2017, that was served on the California Attorney General, other public enforcers, and
26 Defendant (“Notice of Violation” or “NOV”). More than 60 days, plus five (5) days for mailing, have
27 passed since the NOV was mailed and uploaded to the Attorney General’s website, and no designated
28

1 governmental entity has diligently prosecuted this matter.

2 **1.7** CAPA’s NOV and Complaint allege that use of the Subject Products exposes persons
3 in California to marijuana smoke without first providing clear and reasonable warnings in violation
4 of California Health and Safety Code, section 25249.6. Defendant denies all material allegations
5 contained in the Notice and Complaint.

6 **1.8** The Parties have entered into this Consent Judgment in order to settle, compromise
7 and resolve disputed claims and thus avoid prolonged and costly litigation. Except for the
8 representations made above, nothing in this Consent Judgment shall constitute or be construed as an
9 admission by any of the Parties, or by any of their respective officers, directors, shareholders,
10 employees, agents, parent companies, or its subsidiaries or divisions, of any fact, issue of law, or
11 violation of law, nor shall compliance with this Consent Judgment be construed as an admission by
12 the Parties 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, nothing in this Consent Judgment shall prejudice,
14 waive, or impair any right, remedy, argument, or defense the Parties have in any other or future legal
15 proceeding unrelated to these proceedings.

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

18 **2. JURISDICTION AND VENUE**

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

25 **3. INJUNCTIVE RELIEF AND WARNINGS TO BE PROVIDED**

26 **3.1** Commencing on the Effective Date, pursuant to the provisions of California Health &
27 Safety Code, section 25249.7, subdivision (a), Defendant is enjoined and prohibited from violating
28

24249.6 *et seq.* with respect to alleged exposures to marijuana smoke from the Subject Products.

In-Store or Product Label Warnings.

Defendant shall either: (1) post in-store warning signs (“In-Store Warnings”) in accordance with Section 3.1.1 or (2) affix, in accordance with Section 3.1.1, a warning label to the packaging, labeling, or directly on each Subject Product (“Product Label Warning”) sold in its dispensary or through a delivery service, if any, in California.

3.1.1 In-Store Warnings: Warning signs shall be posted at two or more of the following locations in Defendant’s California stores where Subject Products are sold: (a) at or near each cash register in the store; (b) at or near each display case of Subject Products in the store; or (c) at or near the entrance to the store, which shall include the check-in window before entry to the product show room. The warnings shall be at least 8 inches by 10 inches, and posted at a height and location that will make it conspicuous and easy to read for the average person. The text of the warning shall be printed in black ink, in a font that is easy to read and legible, but in no case smaller than size 34 font. The signs shall provide a warning that is compliant with Title 27, California Code of Regulations, Section 25600 *et. seq.* that is in effect today or as amended and effective commencing August 2018, with the warning language to be substantially similar to one of the warnings set forth below. At Defendant’s sole discretion, Defendant can warn for birth defects or other reproductive harm by using the third and/or fourth warning set forth below, without further approval by the Court:

WARNING: Smoking marijuana products can expose you to chemicals known to the State of California to cause cancer.


Or

WARNING: Smoking marijuana products can expose you to chemicals, including marijuana smoke, which are known to the State of California to cause cancer.

Or

WARNING: Smoking [or consuming] marijuana products can expose you to chemicals known to the State of California to cause cancer [and birth defects or other reproductive harm].

1 Or

2  **WARNING:** Smoking or consuming marijuana products can expose you to
3 chemicals including marijuana smoke, which is known to the State of
4 California to cause cancer[, and _____, which is known to the State of
California to cause birth defects or other reproductive harm
and/toxicity]. For more information go to www.P65Warnings.ca.gov

5 **Product Label Warnings:** Product Label Warnings shall be affixed to the packaging,
6 labeling or directly on each Covered Product. The text of the warning shall be printed in black ink,
7 in a font that is easy to read and legible, in the same type size or larger than the Subject Product's
8 description text. Employees may not write over the text of the warning for any reason. Any Product
9 Label Warning must be compliant with Title 27, California Code of Regulations, Section 25600 et.
10 seq. that is in effect today or as amended and effective commencing August 2018, with the warning
11 language to be substantially similar to one of the warnings set forth below. At Defendant's sole
12 discretion, Defendant can warn for birth defects or other reproductive harm by using the third, fourth
13 and/or fifth warning set forth below, without further approval by the Court:

14 **WARNING:** This product contains marijuana. Smoking marijuana can expose you
15 to chemicals known to the State of California to cause cancer.


16 Or

17 **WARNING:** This product contains marijuana. Smoking marijuana can expose you
18 to chemicals, including marijuana smoke, which are known to the
19 State of California to cause cancer.

20 Or

21 **WARNING:** This product contains marijuana. Smoking [or consuming]marijuana
22 products can expose you to chemicals known to the State of
California to cause cancer[and birth defects or other reproductive
23 harm].

24 Or

25  **WARNING:** Smoking [or consuming] marijuana products can expose you to
26 chemicals including marijuana smoke, which is known to the State of
California to cause cancer[, and _____, which is known to the State of
California to cause birth defects or other reproductive harm]. For
27 more information go to www.P65Warnings.ca.gov.



WARNING: Cancer [and Reproductive Harm]- www.P65Warnings.ca.gov.

3.1.2 Internet Website Warnings. For Subject Products that are offered for sale on Defendant's website or available for delivery directly to Defendant's dispensary members by ordering the Subject Products through Defendant's website, a warning must be provided on the website that complies with Title 27 California Code of Regulations Section 25602(b). Defendant may include supplemental information only as set forth in Title 27 of the California Code of Regulations Section 25601(e).

3.1.3 Membership Warning. Defendant shall provide a warning in its Membership Agreement which includes a warning as specified in Section 3.1.1. This warning shall be printed in black ink, in a font that is no smaller than the type on the rest of the page, and separated from surrounding text.

4. SETTLEMENT PAYMENT

4.1 In full satisfaction of all potential civil penalties, additional settlement payments, attorney's fees, and costs, Defendant shall pay **\$76,500.00** ("Total Settlement Payment"). One half of the Total Settlement Amount (**\$38,250.00**) shall be paid within five (5) business days of the Effective Date. The final half of the Total Settlement Amount (**\$38,250.00**) shall be paid within forty-five (45) days of the Effective Date. At its sole discretion, Defendant can make each one-half payment by cash. The Total Settlement Amount shall be apportioned as follows:

4.2 PENALTY AMOUNT \$24,993.00 shall be considered a civil penalty pursuant to California Health and Safety Code section 25249.7, subdivision (B)(1). CAPA shall remit 75% (**\$18,744.75**) of the total civil penalty to the Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety Code, section 25249.12, subdivision (c). CAPA will retain the remaining 25% (**\$6,248.25**) of the civil penalty.

4.3 COSTS \$1,474.83 shall be distributed to CAPA as reimbursement for reasonable costs incurred in bringing this action.

4.4 ATTORNEYS FEES AMOUNT. \$31,883.00 shall be distributed to Aqua Terra Aeris Law Group (“ATA”) for legal fees and costs incurred as a result of this matter, including investigating, bringing this matter to Defendant’s attention, litigating, and negotiating a settlement in the public interest.

4.5 In the event that Defendant fails to remit the Total Settlement Payment owed under Section 4 of this Consent Judgment on or before 30 days after the Effective Date, Defendant shall be deemed to be in material breach of its obligations under this Consent Judgment. CAPA shall provide written notice of the delinquency to Defendant's counsel via electronic mail. If Defendant fails to deliver the Total Settlement Payment within five (5) after the written notice, the Total Settlement Payment shall become immediately due and payable and shall accrue interest at the statutory judgment interest rate provided in the Code of Civil Procedure, section 685.010. Additionally, Defendant agrees to pay ATA's reasonable attorney fees and costs for reasonably necessary efforts to collect the payment due under this Consent Judgment.

4.6 ADDITIONAL SETTLEMENT PAYMENTS. \$18,149.17 shall be distributed to CAPA as an Additional Settlement Payment (“ASP”), pursuant to California Code of Regulations, title 27, sections 3203, subdivision (d), and 3204. CAPA will utilize the ASP for activities that address the same public harm as allegedly caused by Defendant in this matter. These activities are detailed below and support CAPA’s overarching goal of reducing use, misuse, and exposure to hazardous and toxic chemicals, fostering and increasing the public awareness of chemicals inherent in consumer products, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility. CAPA’s activities have had, and will continue to have, a direct and primary effect within the State of California because California consumers will be benefitted by the reduction of exposure to marijuana smoke and increase informed choices made by patients and consumers before exposure by providing clear and reasonable warnings to California consumers prior to exposure resulting from purchase of the products.

CAPA hereby provides the following list of activities CAPA engages in to protect California consumers through Proposition 65 citizen enforcement, along with a breakdown of how ASP funds

1 will be utilized to facilitate those activities: (1) ENFORCEMENT (70%-80%): investigating,
2 obtaining, shipping, analyzing, and/or testing dispensaries or products that may contain carcinogenic
3 chemicals contained in marijuana smoke and are sold to and expose California consumers to
4 chemicals listed under Proposition 65; continued monitoring and enforcement of past consent
5 judgments and settlements to ensure companies are in compliance with their obligations thereunder,
6 with a specific focus on those judgments and settlements concerning chemicals of concern (which
7 necessarily includes additional work, investigating, purchasing, processing, analyzing and/or testing
8 consumer products; litigating matters that result in settlements, judgments, defaults, bankruptcies, or
9 dismissals); (2) PUBLIC OUTREACH (up to 5%): public outreach through CAPA's continuing
10 advocacy in regulatory proceedings and rulemakings related to sales and use of cannabis in California
11 to ensure the public receives information about the carcinogens contained in marijuana smoke; and
12 public service announcements about the risks associated with exposure to marijuana smoke; (3)
13 SPECIAL PROJECTS (up to 5%): projects involving expert, non-legal opinions not specific to any
14 one marijuana smoke case that are necessary to the continued private enforcement of Proposition 65
15 concerning exposure to marijuana smoke and related chemicals; assessing exposure scenarios and
16 types of products associated with marijuana smoke and related chemical exposures; and/or (4)
17 PRODUCT DATABASE (up to 5%): maintaining a database with all products sold to California
18 consumers that CAPA has obtained which could cause an exposure to marijuana smoke or other toxic,
19 carcinogenic or reproductive harms. CAPA will maintain adequate records to document that the funds
20 paid as an ASP are spent on the activities described herein. CAPA shall provide the Attorney General,
21 within thirty days of any request, copies of documentation demonstrating how such funds have been
22 spent.

23 **4.7** Defendant shall issue separate 1099 forms for each of its payments under this Consent
24 Judgment to the persons identified below:

- 25 (a) "Center for Advanced Public Awareness, Inc.," whose address and tax
26 identification number shall be furnished after this Consent Judgment has been fully
27 executed by the Parties.

(b) “Aqua Terra Aeris Law Group,” for attorneys’ fees and costs reimbursed pursuant to Section 4.4.

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

5. CLAIMS COVERED AND RELEASED

5.1 Plaintiff’s Public Binding Release of Proposition 65 Claims. This Consent Judgment is a full, final, and binding resolution between CAPA, acting on behalf of itself and in the public interest, and Defendant, and its parents, affiliates, shareholders, subsidiaries, directors, officers, employees, representatives, agents, attorneys, and for those affiliated entities under common ownership and their predecessors, successors and assigns (collectively, “Releasees”) related to any claims for violations of Proposition 65 that were or could have been asserted by CAPA, on behalf of itself and in the public interest, against Releasees for unwarned exposures to marijuana smoke, and for claims based on the NOV and/or Complaint, relating to the Subject Products produced, processed, marketed, offered for sale, sold or distributed for sale in California by Defendant prior to the Effective Date. This Consent Judgment shall have preclusive effect such that no others person or entity, whether purporting to act in his, her or its interests or in the public interest, shall be permitted to pursue and/or take action with respect to any claimed violation of Proposition 65 that was alleged in CAPA’s NOV or Complaint, or that could have been brought pursuant to CAPA’s NOV or Complaint against Defendant. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to the claims asserted in the NOV and exposures to marijuana smoke from the Products sold by or through Defendant after the Effective Date.

5.2 CAPA’s Individual Release of Claims. CAPA, on behalf of itself and its past and current agents, representatives, attorneys and successors and/or assigns, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Defendant from any and all actions, causes of action, obligations, costs, expenses, attorneys’ fees, damages, losses, claims, suits, obligations, debts, liabilities and demands of CAPA of any nature, character or kind, whether known or unknown, in law or equity, fixed or contingent, now or in the future, suspected or

1 unsuspected, arising out of alleged or actual exposures to marijuana smoke, and claims that were or
2 could have been asserted based on the NOV and/or Complaint relating to the Subject Products grown,
3 cultivated, processed, sold or distributed for sale by Defendant in California before the Effective Date.

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

11 **5.4 California Civil Code, Section 1542.** It is possible that other claims not known to the
12 Parties arising out of the facts alleged in the Notice and relating to the Subject Products will develop
13 or be discovered. CAPA on its behalf only, on one hand, and Defendant, on the other hand,
14 acknowledge that this Consent Judgment is expressly intended to cover and include all such claims
15 up through the Effective Date, including all rights of action therefor. CAPA and Defendant
16 acknowledge that the claims released in Sections 5.2 and 5.3 above may include unknown claims,
17 and nevertheless waive California Civil Code, section 1542 as to any such unknown claims. California
18 Civil Code, section 1542 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,**
WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY
AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

22 CAPA and Defendant each acknowledge and understand the significance and consequences
23 of this specific waiver of California Civil Code, section 1542.

24 **6. COURT APPROVAL**

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

1 **7. SEVERABILITY**

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

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

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

23 **9. NOTICES**

24 Unless specified herein, all correspondence and notices required to be provided pursuant to
25 this Consent Judgment shall be in writing and sent by the following methods, with additional copy to
26 counsel via electronic mail: (i) personal delivery; (ii) first-class mail, registered or certified, with
27 return receipt requested; or (iii) a recognized overnight courier on any party by the other party at the

1 following addresses:

2 **For Defendant:**

3 C9 Alliance Cooperative, Inc.
4 ATTN: Gevorg George Kadzhikyan
5 5711 Florin-Perkins Road #A
6 Sacramento, CA 95828

7 With a copy to:
8 Brad Hirsch
9 The Law Offices of Bradley L. Hirsch
10 1013 Galleria Blvd. Suite 290
11 Roseville, CA 95678
12 Bhirsch08@gmail.com

13 **For CAPA:**

14 Executive Director
15 Center for Advanced Public Awareness, Inc.
16 180 Promenade Cir.
17 Sacramento, CA 95834

18 With a copy to:
19 Aqua Terra Aeris Law Group
20 c/o Matthew Maclear
21 828 San Pablo Avenue, Suite 115B
22 Albany, CA 94706
23 mcm@atalawgroup.com

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

29 **10. COUNTERPARTS; FACSIMILE SIGNATURES**

30 This Consent Judgment may be executed in counterparts, and by facsimile or portable
31 document format (PDF) signature, each of which shall be deemed an original, and all of which, when

1 taken together, shall constitute one and the same document.

2 **11. POST EXECUTION ACTIVITIES**

3 CAPA agrees to comply with the reporting form requirements referenced in Health & Safety
4 Code, section 25249.7, subdivision (f). The Parties further acknowledge that, pursuant to Health &
5 Safety Code, section 25249.7, subdivision (f), a noticed motion is required to obtain judicial approval
6 of the settlement. In furtherance of obtaining such approval, CAPA and Defendant agree to mutually
7 employ their best efforts, and that of their counsel, to support the entry of this agreement as a Consent
8 Judgment, and to obtain judicial approval of the settlement in a timely manner. If the Attorney General
9 objects to any term in this Consent Judgment, the Parties shall use their best individual and collective
10 efforts to resolve the concern in a timely manner, and if possible in advance of the hearing on the
11 motion to approve settlement. If the Court does not approve of the Stipulated Consent Judgment, it
12 shall be void or voided and have no force or effect.

13 **12. MODIFICATION**

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

17 **13. AUTHORIZATION**

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

21 **14. DRAFTING**

22 It shall be conclusively presumed that the Parties participated equally in the drafting of this
23 Consent Judgment. The Parties discussed each and every term and provision, and the meaning thereof,
24 in advance of executing this stipulation. Each Party has had an opportunity to fully discuss the terms
25 and conditions with legal counsel.

26 **15. ENFORCEMENT**

27 If a dispute arises with respect to either Party's compliance with the terms of this Consent
28

Judgment entered by the Court, the Parties shall meet and confer in person, in writing or via telephone to attempt to resolve the dispute in an amicable and amenable fashion. No action or motion may be filed unless such a good faith attempt to resolve the dispute occurs before such a filing.

Before moving to enforce the terms and conditions of this Consent Judgment with respect to Defendant's sale of Subject Products without the issuance of warnings set forth in Section 3 of this Consent Judgment, CAPA shall notify Defendant, in writing, of such alleged violation (Probationary Notice of Default). In such Probationary Notice of Default, CAPA shall identify: (1) the nature of the alleged violation and the facts supporting that allegation, (2) the Covered Product(s) for which warnings were not allegedly given and (3) the date(s) that such violations allegedly occurred. If Defendant does not notify CAPA, within thirty (30) days of its receipt of the Probationary Notice of Default of its intent to contest said Probationary Notice of Default, then Defendant shall pay CAPA, as a stipulated penalty, the sum of \$5,000. In the event Defendant wishes to contest the Probationary Notice of Default, Defendant shall provide CAPA, no later than thirty (30) days of its receipt of the Probationary Notice of Default, of its intent to contest said Probationary Notice of Default and with the facts that support Defendant's position. If CAPA agrees with Defendant, then CAPA shall take no further action. Should the Parties be unable to resolve their dispute, CAPA may seek to enforce, pursuant to Code of Civil Procedure Section 664.6, the terms of this Consent Judgment by motion or order to show cause, by contempt or by bringing a new enforcement action. Defendant may avail itself of the stipulated penalty option discussed above at least two times and only thereafter with CAPA's consent. After the assessment of the first two stipulated penalties under this Section, and absent other consent by CAPA, the amount of any subsequent penalty assessment will be negotiated by the Parties or resolved by the Court or an agreed upon arbitrator.

16. ENTIRE AGREEMENT

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

1 allegations made in this action.

2 **17. STIPULATED REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT AND**
3 **ENTRY OF CONSENT JUDGMENT**


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

- 7 (1) Find the terms and provisions of this Consent Judgment represent a fair and equitable
8 settlement of all matters raised by the allegations of the Complaint, that the matter has
9 been diligently prosecuted and that the public interest is served by such settlement;
10 and
11 (2) Make the statutory findings required pursuant to Health and Safety Code section
12 25249.7, subdivision (1)(4), approve the settlement and approve this Consent
13 Judgment.

14 **IT IS SO STIPULATED.**

15
16 CENTER FOR ADVANCED PUBLIC
17 AWARENESS, INC.

18 DATED: 11/20/17

19 BY: 
20 Clifford Brechner
21 Executive Director

22 C9 ALLIANCE COOPERATIVE, INC., doing
23 business as CLOUD 9

24 DATED: _____

25 BY: _____
26 Name:
27 Title:

1 **17. STIPULATED REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT AND**
2 **ENTRY OF CONSENT JUDGMENT**

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

- 6 (1) Find the terms and provisions of this Consent Judgment represent a fair and equitable
7 settlement of all matters raised by the allegations of the Complaint, that the matter has
8 been diligently prosecuted and that the public interest is served by such settlement;
9 and
10 (2) Make the statutory findings required pursuant to Health and Safety Code section
11 25249.7, subdivision (f)(4), approve the settlement and approve this Consent
12 Judgment.

13 **IT IS SO STIPULATED.**

14
15 CENTER FOR ADVANCED PUBLIC
16 AWARENESS, INC.

17 DATED: _____

18 BY: _____
19 Clifford Brechner
20 Executive Director

21 C9 ALLIANCE COOPERATIVE, INC., doing
22 business as CLOUD 9

23 DATED: 11/21/2017

24 BY: _____
25 Gevorg Kadzhikyan
26 Director

1
2
3 **APPROVED AS TO FORM:**

4 AQUA TERRA AERIS LAW GROUP, LLP

5
6 DATED: November 20, 2017

7 BY: 

8 Matthew Maclear
9 Attorney for Plaintiff, Center for
10 Advanced Public Awareness, Inc.

11 LAW OFFICE OF BRADLEY HIRSCH

12
13 DATED: _____

14 BY: _____

15 Brad Hirsch
16 Attorney for Defendant, C9 Alliance
17 Cooperative, doing business as Cloud 9

18
19
20
21 **ORDER AND JUDGMENT**

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

24 **IT IS SO ORDERED, ADJUDGED AND DECREED.**

25
26 Date: _____

27 _____
28 Judge of the Superior Court

1
2 **APPROVED AS TO FORM:**

3 AQUA TERRA AERIS LAW GROUP, LLP

4
5
6 DATED: _____

BY: _____

Matthew Maclear
Attorney for Plaintiff, Center for
Advanced Public Awareness, Inc.

9
10 LAW OFFICE OF BRADLEY HIRSCH

11
12 DATED: 11-21-17

BY: 

Brad Hirsch
Attorney for Defendant, C9 Alliance
Cooperative, doing business as Cloud 9

13
14
15
16
17
18
19
20 **ORDER AND JUDGMENT**

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

23 **IT IS SO ORDERED, ADJUDGED AND DECREED.**

24
25 Date: _____

Judge of the Superior Court