1 2	Aqua Terra Aeris (ATA) Law Group MATTHEW C. MACLEAR, SBN 209228 ANTHONY M. BARNES, SBN 199048		
3	828 San Pablo Avenue, Suite 115B Albany, CA 94706		
4	Telephone: (415) 568 5200 E-mail: mcm@atalawgroup.com		
5	Attorneys for Plaintiff		
6	Center for Advanced Public Awareness, Inc. ("CAPA")		
7	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
8	COUNTY OF ALAMEDA		
9	CENTER FOR ADVANCED PUBLIC	No. RG17864604	
10	AWARENESS, INC., a California nonprofit corporation,	[STIPULATED] CONSENT JUDGMENT	
11	Plaintiff,	(Health & Safety Code § 25249.6 et seq.)	
12	VS.		
13	TELEGRAPH PATIENTS GROUP,		
14	INC., doing business as TELEGRAPH HEALTH CENTER; and DOES 1-25,		
15	inclusive,		
16	Defendants.		
17	1. INTRODUCTION		
18	1.1 On June 19, 2017, Plaintiff CF	ENTER FOR ADVANCED PUBLIC AWARENESS,	
19	INC. ("CAPA"), a non-profit corporation, in the	ne public interest as a private enforcer, commenced this	
20	action by filing a Complaint for Permanent Injunction, Civil Penalties and Other Relief (the		
21	"Complaint") pursuant to the provisions of California Health and Safety Code, section 25249.5 et		
22	seq. ("Proposition 65"), against Telegraph Patients Group, Inc., doing business as Telegraph Health		
23	Center ("Defendant") in Alameda County Superior Court Case RG17864604 ("Action"). In this		
24	action, CAPA alleges that Defendant produced, processed, marketed, offered to sell, sold, and/or		
25	stributed for sale in the State of California marijuana intended for smoking, the consumption as		
26	use of which results in the generation of ma	urijuana smoke, without first providing the clear and	

reasonable exposure warning required by Proposition 65. Marijuana smoke is listed pursuant to

CASE NO. RG17864604

Proposition 65 as a chemical that is known to the State of California to cause cancer. These products,

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governmental entity has diligently prosecuted this matter, as exemplified by the filing of the

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contained in the Notice and Complaint.

of law, or violation of law, at any time, for any purpose.

proceeding unrelated to these proceedings.

JURISDICTION AND VENUE

approves and enters the Judgment.

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3.1 Commencing on the Effective Date, pursuant to the provisions of California Health &

contained in the NOV and/or Complaint.

CASE NO. RG17864604

INJUNCTIVE RELIEF AND WARNINGS TO BE PROVIDED

Complaint against Defendant with regard to the Subject Products or the alleged violations.

in California to marijuana smoke without first providing clear and reasonable warnings in violation

of California Health and Safety Code, section 25249.6. Defendant denies all material allegations

and resolve disputed claims and thus avoid prolonged and costly litigation. Nothing in this Consent

Judgment shall constitute or be construed as an admission by any of the Parties, or by any of their

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

or divisions. Except for the representations made above, nothing in this Consent Judgment shall be

construed as an admission by the Parties of any fact, issue of law, or violation of law, nor shall

compliance with this Consent Judgment be construed as an admission by the Parties of any fact, issue

waive, or impair any right, remedy, argument, or defense the Parties have in any other or future legal

Alameda has subject matter jurisdiction over the matters alleged in this action and personal

jurisdiction over the Parties to this Final Judgment. The Parties further stipulate that venue is proper

in Alameda County, and that this Court has jurisdiction and authority to enter a full, final and binding

resolution of all claims, which were or could have been brought in this action based on the allegations

1.9 Except as expressly set forth herein, nothing in this Consent Judgment shall prejudice,

1.10 The "Effective Date" of this Consent Judgment is the date on which this Court

2.1 The Parties stipulate and agree that the Superior Court of California, County of

1.7 CAPA's NOV and Complaint allege that use of the Subject Products exposes persons

1.8 The Parties have entered into this Consent Judgment in order to settle, compromise

CAPA V. TELEGRAPH PATIENT'S GROUP, INC. CONSENT JUDGMENT

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Safety Code, section 25249.7, subdivision (a), Defendant is enjoined and prohibited from violating or threatening to violate 24249.6 *et seq.*, and its implementing regulations, California Code of Regulations, title 27, sections 25601 *et seq.* with respect to alleged exposures to marijuana smoke from the Subject Products.

3.2 Clear and Reasonable Warnings

3.2.1 In-Store or Product Label Warnings. Defendant shall either 1) post in-store warning signs ("In-Store Warnings") or 2) affix 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.

In-Store Warnings shall be provided at two or more of the following locations: a) at or near each cash register in the store; b) at or near each display case in the store; or c) at or near the entrance to the store. The warnings shall be 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 shall be smaller than size 34 font.

The text of Product Label Warnings shall be printed in black ink, in a font that is easy to read and legible, in the same type size or larger than the Subject Product's description text. The warning shall be securely affixed to (via a label) or printed upon the container, label, or labeling of each Subject Product. Employees may not write over the text of the warning for any reason.

Nothing in this Consent Judgment shall be interpreted to prohibit Defendant from modifying the warning text to also reference reproductive harm in compliance with California Code of Regulations, title 27, sections 25601 *et seq.*, as may be amended. If Defendant provides a warning for reproductive harm, Defendant may use the bracketed language set forth below, without further approval by the Court. The warning must be substantially similar to the following and may also include a warning concerning birth defects or other reproductive harm (bracketed [] language below may be added at the sole discretion of Defendant):

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

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Or

WARNING:

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

Or the following short form warning as follows:

Smoking [or consuming] marijuana products can expose you to

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 more information go to www.P65Warnings.ca.gov.

3.2.2 Internet Website Warning. For all Subject Products that are advertised on a website as offered for sale at Defendant's dispensary or available for delivery directly to Defendant's dispensary members, a warning that complies with the content requirements of section 25603, subdivision (a) and Section 3.2.1 above must also be provided by including either the warning or a clearly marked hyperlink using the word "WARNING" on the Subject Product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase. If a short-form warning is provided as set forth above, the warning provided on the website may use the same content as the on-product warning. Defendant may include supplemental information only as set forth in California Code of Regulations, title 27, Section 25601, subdivision (e).

3.2.3 Membership Warning. Defendant shall provide a warning in its Membership Agreement which includes a warning as specified in Section 3.2.1. 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 \$85,000.00 ("Total Settlement Payment"). One half of the Total Settlement Amount (\$42,500.00) shall be paid within seven (7) days of the Effective Date. The final half of the Total Settlement Amount (\$42,500.00) shall be paid on or before December 10,

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2017, provided that the Consent Judgment has been approved and entered by the Court, but if not then within three (3) weeks of the Effective Date. Defendant shall make each one-half payment by wire transfer to ATA's escrow account, for which ATA will give Defendant the necessary account information, or other reasonable commercial method including by cash. The Total Settlement Amount shall be apportioned as follows:

4.2 PENALTY AMOUNT \$29,278.60 shall be considered a civil penalty pursuant to California Health and Safety Code section 25249.7, subdivision (B)(1). CAPA shall remit 75% (\$21,958.95) 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% (\$7,319.65) of the civil penalty.

4.3 <u>COSTS</u> \$2,674.70 shall be distributed to CAPA as reimbursement for reasonable costs incurred in bringing this action.

4.4 ATTORNEYS FEES AMOUNT. \$34,371.70 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 December 10, 2017, 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. \$18,675.00 shall be distributed to

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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 will be utilized to facilitate those activities: (1) ENFORCEMENT (70%-80%): investigating, obtaining, shipping, analyzing, and/or testing dispensaries or products that may contain carcinogenic chemicals contained in marijuana smoke and are sold to and expose California consumers to chemicals listed under Proposition 65; continued monitoring and enforcement of past consent judgments and settlements to ensure companies are in compliance with their obligations thereunder, with a specific focus on those judgments and settlements concerning chemicals of concern (which necessarily includes additional work, investigating, purchasing, processing, analyzing and/or testing consumer products; litigating matters that result in settlements, judgments, defaults, bankruptcies, or dismissals); (2) PUBLIC OUTREACH (up to 5%): public outreach programs including maintaining CAPA's blog, website, and social media accounts; (3) SPECIAL PROJECTS (up to 5%): projects including obtaining expert and legal opinions not specific to any one case that are necessary to the continued private enforcement of Proposition 65; and/or (4) PRODUCT DATABASE (up to 5%): maintaining a database with all products sold to California consumers that CAPA has obtained which could cause an exposure to marijuana smoke or other toxic, carcinogenic or reproductive

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

- **4.7** Defendant shall issue separate 1099 forms for each of its payments under this Consent Judgment to the persons identified below:
 - (a) "Center for Advanced Public Awareness, Inc.," whose address and tax identification number shall be furnished after this Consent Judgment has been fully 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, subsidiaries, directors, officers, employees, attorneys, and for those affiliated entities under common ownership (collectively, "Releasees") related to any violation of Proposition 65 that was 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. 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 Subject Products sold by or through Defendant after the Effective Date.

5.2 CAPA's Individual Release of Claims. CAPA, on its own behalf, also provides a release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and

demands of CAPA of any nature, character or kind, whether known or unknown, suspected or
unsuspected, arising out of alleged or actual exposures to marijuana smoke, and claims that were or
could have been asserted based on the NOV and/or complaint relating to the Subject Products grown
cultivated, processed, sold or distributed for sale by Defendant in California before the Effective Date

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

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

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

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

6. COURT APPROVAL

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

7. SEVERABILITY

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

8. GOVERNING LAW AND CONTINUING JURISDICTION

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

9. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and sent by the following methods, with additional copy to counsel via electronic mail: (i) personal delivery; (ii) first-class mail, registered or certified, with 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	Telegraph Patients Group, Inc.				
4	ATTN: William Lucas Koziol, President 3003 Telegraph Avenue				
5	Oakland, CA 94609				
6	With a copy to:				
7	Barry Himmelstein Himmelstein Law Network				
8	2000 Powell Street, Suite 1605 Emeryville, CA 94608				
9	barry@himmellaw.com				
10	For CAPA:				
	Executive Director				
11	Center for Advanced Public Awareness, Inc.				
12	180 Promenade Cir.				
13	Sacramento, CA 95834				
14	With a copy to:				
15	Aqua Terra Aeris Law Group c/o Matthew Maclear				
	828 San Pablo Avenue, Suite 115B				
16	Albany, CA 94706 mcm@atalawgroup.com				
17	mem@atatawgroup.com				
18	Any Party may change its notice name and address by informing the other party in writing,				
19	but no change is effective until proof of receipt is confirmed. All notices and other communications				
20	required or permitted under this Final Judgment that are properly addressed as provided in this				
21	paragraph are effective upon delivery if delivered personally or by overnight mail, or are effective				
22	five (5) days following deposit in the United States mail, postage prepaid, if delivered by First Class				
23	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, when				
27	taken together, shall constitute one and the same document.				
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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 judicial approval of the settlement. In furtherance of obtaining such approval, CAPA and Defendant agree to mutually employ their best efforts, and that of their counsel, to support the entry of this agreement as a Consent Judgment, and to obtain judicial approval of the settlement in a timely manner. If the Attorney General objects to any term in this Consent Judgment, the Parties shall use their best individual and collective efforts to resolve the concern in a timely manner, and if possible in advance of the hearing on the motion to approve settlement. If the Court does not approve of the Stipulated Consent Judgment, it shall be void or voided and have no force or effect.

12. MODIFICATION

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

13. AUTHORIZATION

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

14. DRAFTING

It shall be conclusively presumed that the Parties participated equally in the drafting of this Consent Judgment. Each Party has had an opportunity to fully discuss the terms and conditions with legal counsel.

15. ENFORCEMENT

If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet 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.

CAPA may, by motion or order to show cause before this Court, seek to enforce the terms and conditions contained in this Consent Judgment. CAPA may seek whatever penalties/fines, costs, fees or other remedies are provided for in the Consent Judgment or allowed by law for failure to comply with the Consent Judgment, pursuant to Code of Civil Procedure 664.6. To the extent that the alleged failure to comply with the Consent Judgment constitutes a violation of Proposition 65 or other laws, CAPA shall not be limited to enforcement of this Consent Judgment and may seek, in a separately filed action, whatever penalties/fines, costs, fees or other remedies as provided for by law for failure to comply with Proposition 65 or other law(s).

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 allegations made in this action.

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

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

(1) Find the terms and provisions of this Consent Judgment represent a fair and equitable 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

1	(2) Make the statutory findings required pursuant to Health and Safety Code section		
2		25249.7, subdivision (f)(4), app	prove the settlement and approve this Consent
3		Judgment.	
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5	IT IS SO	STIPULATED.	
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7			CENTER FOR ADVANCED PUBLIC AWARENESS, INC.
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9	DATED:	10/17/17	BY: ufflither
10		. /	Clifford Brechner Executive Director
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12			TELEGRAPH PATIENTS GROUP, INC.,
13			doing business as TELEGRAPH HEALTH CENTER
14		1.111.	1./11 1/
15	DATED:	10/6/17	William Lucas Koziol
16			President
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19	APPRO	VED AS TO FORM:	COLLA TERRA A ERICA ANY CIRCUID LA R
20			AQUA TERRA AERIS LAW GROUP, LLP
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22			
23	DATED:		BY: Matthew Maclear
24			Attorney for Plaintiff, Center for Advanced Public Awareness, Inc.
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			4 - CASE NO. RG17864604
	CAPA v. Telegraph Patient's Group, Inc. Consent Judgment		

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2	HIMMELSTEIN LAW NETWORK		
3			
4	DATED: 10/6/17 BY:		
5	DATED: BY: Barry Himmelstein		
6	Attorney for Defendant, Telegraph Patients Group, Inc., doing business as		
7	Telegraph Health Center		
8			
9	ORDER AND JUDGMENT		
10	Based upon the Parties' stipulation, and good cause appearing therefor, this Consent Judgment		
11	is approved and Judgment is hereby entered according to its terms.		
12	IT IS SO ORDERED, ADJUDGED AND DECREED.		
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14	Date: Judge of the Superior Court		
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- 1	CADA V. TELEGRADU DATIENT'S GROUD INC		

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CONSENT JUDGMENT