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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA				
9	FOR THE COUNTY OF ALAMEDA				
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12	CEN	NTER F	OR ENVIRONMENTAL HEALTH,	) Case No. RG 17-863369	
13	Plaintiff,  (IPROPOSED] CONSENT JUDGMENT  AS TO MUSCO OLIVE PRODUCTS,  V.  INC.				
14					
15	BELL-CARTER FOODS, LLC, et al.,				
16			Defendants.		
17				) )	
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21	1.	DEFI	INITIONS		
22		1.1	The "Complaint" means the operative	re complaint in the above-captioned matter.	
23		1.2	"Covered Products" means California	a-style black ripe olives.	
24		1.3	"Effective Date" means the date on	which notice of entry of this Consent	
25	Judgment by the Court is served upon Settling Defendant.				
26	2. INTRODUCTION				
27		2.1	The Parties to this Consent Judgmen	t are the Center for Environmental Health	
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("CEH"), a California non-profit corporation, and Musco Olive Products, Inc. ("Settling Defendant"). CEH and Settling Defendant (the "Parties") enter into this Consent Judgment to settle certain claims asserted by CEH against Settling Defendant as set forth in the Complaint.

- 2.2 On or about February 8, 2017, CEH provided a 60-day Notice of Violation of Proposition 65 to the California Attorney General, to the District Attorneys of every county in California, to the City Attorneys of every California city with a population greater than 750,000, and to Settling Defendant, alleging that Settling Defendant violated Proposition 65 by exposing persons in California to acrylamide contained in Covered Products without first providing a clear and reasonable Proposition 65 warning (the "Notice").
- 2.3 Settling Defendant is a corporation or other business entity that employs ten or more people and manufactures, distributes, sells, or offers for sale Covered Products that are sold in the State of California or has done so in the past.
- 2.4 On June 8, 2017, CEH filed the Complaint in the above-captioned matter, naming Settling Defendant as a defendant.
- 2.5 Settling Defendant has committed substantial resources to attempt to reduce the acrylamide levels in the Covered Products, including but not limited to employee time researching, developing, and testing acrylamide reduction efforts, capital expenditures on process and equipment changes, and money spent retaining independent contractors or funding university research to assist in Settling Defendant's endeavors. Among other efforts, Settling Defendant undertook a 2.5-year long research and development study analyzing the potential formation of acrylamide in California-style black ripe olives. Settling Defendant assessed methods for preventing and reducing the potential formation of acrylamide in California-style black ripe olives at every step in the production process, including storage, preparation, and thermal sterilization.
- 2.6 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Settling Defendant as to the acts alleged in the Complaint, that venue is proper

DOCUMENT PREPARED ON RECYCLED PAPER in the County of Alameda, and that this Court has jurisdiction to enter and enforce this Consent Judgment as a full and final resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein and in the Notice with respect to Covered Products manufactured, distributed, and/or sold by Settling Defendant.

2.7 Nothing in this Consent Judgment is or shall be construed as an admission against interest by the Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission against interest by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any other pending or future legal proceedings. This Consent Judgment is the product of negotiation and compromise and is accepted by the Parties solely for purposes of settling, compromising, and resolving issues disputed in this action.

#### 3. INJUNCTIVE RELIEF

- 3.1 **Reduction of Acrylamide to Lowest Level Feasible.** After the Effective Date, for any of its Covered Products that are offered for sale in California, Settling Defendant shall utilize quality control measures that reduce the formation of acrylamide to the lowest level currently feasible, consistent with 27 C.C.R. § 25506. These steps include:
- 3.1.1 Conducting an initial water wash of all Covered Products before any lye treatments take place, so as to reduce acrylamide precursors from unprocessed California-style black ripe olives prior to processing.
- 3.1.2 Conducting a final water wash prior to canning and sterilizing all Covered Products, so as to reduce acrylamide precursors that may be formed by the oxidization of California-style black ripe olives during processing.
- 3.2 **Further Acrylamide Reduction Efforts.** After the Effective Date, Settling Defendant shall continue to monitor research on acrylamide and to further refine its production processes if it determines there are commercially-available and commercially-feasible technologies or processes that could further reduce acrylamide formation in its Covered Products

without change to the U.S. Department of Agriculture's standard of identity and without material reduction in nutritional benefit or palatability to consumers from the Covered Products.

3.3 **Reporting.** One year after the Effective Date (and every year thereafter for four additional reports), Settling Defendant shall provide a written report to CEH regarding any efforts it has taken or the research it has considered during the intervening period to reduce the formation of acrylamide in the Covered Products to the lowest level currently feasible.

#### 4. ENFORCEMENT

4.1 **General Enforcement Provisions**. CEH may, by motion, application for an order to show cause, or action filed in this Court, enforce the terms and conditions contained in this Consent Judgment. Any action to enforce alleged violations of Sections 3.1 or 3.2 by Settling Defendant shall be brought exclusively pursuant to Section 4.2. This Consent Judgment may only be enforced by the Parties.

## 4.2 Enforcement of Acrylamide Reduction Commitment.

4.2.1 In the event that CEH identifies any commercially-available and commercially-feasible acrylamide reduction measures not already implemented or evaluated by Settling Defendant that CEH believes in good faith could yield material reductions in acrylamide levels in Covered Products (without changing the standard of identity or materially reducing nutritional benefit or palatability to consumers), CEH shall send Settling Defendant a detailed description of such measures, including any supporting documentation regarding the feasibility and effectiveness of such measures for products similar to the Covered Products. These materials shall be sent to the person(s) identified in Section 8.2 to receive notices for Settling Defendant. Settling Defendant shall use reasonable commercial efforts to test or evaluate such measures to consider their use and effect, and shall advise CEH of its findings and conclusion within 180 days. No compensation shall be recoverable by either party if Settling Defendant implements such reduction measures without the need for motion practice or other related court filings.

4.2.2 In the event that CEH reasonably believes that Settling Defendant has not acted in good faith in performing such tests and evaluating outcomes, and has subsequently acted

in an unreasonable manner in electing not to implement such acrylamide reduction measures, CEH may elect to file a motion, application, or action in this Court to enforce the terms and conditions contained in this Consent Judgment. Prior to filing such motion, application, or action, the Parties shall meet and confer in a good faith attempt to resolve the dispute informally.

4.2.3 In any motion, application, or action to enforce the Consent Judgment, CEH may seek whatever fines, costs, penalties, attorneys' fees, or other remedies are provided by law for an alleged failure to comply with the Consent Judgment. Nothing in this Section 4.2.3 shall impact the Court's authority in an enforcement proceeding to impose appropriate remedies, including the provision of a clear and reasonable warning. In any enforcement proceeding regarding this Consent Judgment, Settling Defendant may assert any and all defenses that are available.

#### 5. PAYMENTS

- 5.1 **Payments by Settling Defendant.** Within ten (10) calendar days of the Effective Date, Settling Defendant shall pay the total sum of \$150,000 as a settlement payment as further set forth in this Section.
- 5.2 **Allocation of Payments.** The total settlement amount shall be paid in five (5) separate checks in the amounts specified below and delivered as set forth below. Any failure by Settling Defendant to comply with the payment terms herein shall be subject to a stipulated late fee to be paid by Settling Defendant to CEH in the amount of \$100 for each day the full payment is not received after the payment due date set forth in Section 5.1. The late fees required under this Section shall be recoverable, together with reasonable attorneys' fees, in an enforcement proceeding brought pursuant to Section 4 of this Consent Judgment. The funds paid by Settling Defendant shall be allocated as set forth below between the following categories and made payable as follows:
- 5.2.1 \$20,286 as a civil penalty pursuant to Health & Safety Code § 25249.7(b). The civil penalty payment shall be apportioned in accordance with Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of California's Office of Environmental Health

1	Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of the civil penalty
2	payment for \$15,214.50 shall be made payable to OEHHA and associated with taxpayer
3	identification number 68-0284486. This payment shall be delivered as follows:
4	For United States Postal Service Delivery:
5	Attn: Mike Gyurics
6	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment
7	P.O. Box 4010, MS #19B Sacramento, CA 95812-4010
8	For Non-United States Postal Service Delivery:
9	·
10 11	Attn: Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment
12	1001 I Street, MS #19B Sacramento, CA 95814
13	The CEH portion of the civil penalty payment for \$5,071.50 shall be made payable to the Center
14	for Environmental Health and associated with taxpayer identification number 94-3251981. This
15	payment shall be delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco,
16	CA 94117.
17	5.2.2 \$15,214 as an Additional Settlement Payment ("ASP") to CEH pursuant to
18	Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 3204. CEH
19	intends to restrict use of the ASPs received from this Consent Judgment to the following
20	purposes: the funds will be placed in CEH's Toxics in Food Fund and used to support CEH
21	programs and activities that seek to educate the public about acrylamide and other toxic
22	chemicals in food, to work with the food industry and agriculture interests to reduce exposure to
23	acrylamide and other toxic chemicals in food, and to thereby reduce the public health impacts and
24	risks of exposure to acrylamide and other toxic chemicals in food sold in California. CEH shall
25	obtain and maintain adequate records to document that ASPs are spent on these activities and
26	CEH agrees to provide such documentation to the Attorney General within thirty (30) days of any
27	request from the Attorney General. The payment pursuant to this Section shall be made payable
20	to the Center for Environmental Health and associated with taxpayer identification number 94-

3251981. This payment shall be delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco, CA 94117.

5.2.3 \$114,500 as a reimbursement of a portion of CEH's reasonable attorneys' fees and costs (including but not limited to expert and investigative costs). The attorneys' fees and cost reimbursement shall be made in two separate checks as follows: (a) \$102,805 payable to the Lexington Law Group, LLP and associated with taxpayer identification number 88-4399775; and (b) \$11,695 payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. These payments shall be delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco, CA 94117.

### 6. MODIFICATION AND DISPUTE RESOLUTION

- 6.1 **Procedure for Modification.** This Consent Judgment may be modified from time to time by (1) express written agreement of the Parties, or (2) as provided in this Section 6. Any modification to the Consent Judgment requires the approval of the Court and prior notice to the Attorney General's Office. As applicable, any Party seeking to modify this Consent Judgment must notify the other Party in writing, and the Party receiving such notification shall not object nor oppose the modification except for good cause shown, and in such event the Parties shall thereafter attempt in good faith to meet and confer with the other Party prior to filing a motion to modify the Consent Judgment. If the Parties are unable to resolve their dispute informally within sixty (60) days after the date of the written notification, the Party that issued the written notification to seek the modification may bring a motion or proceeding to seek judicial relief as to the requested modification.
- 6.2 **Other CEH Settlements.** CEH has or may in the future enter into consent judgments with other entities that manufacture, distribute, and/or sell California-style black ripe olives. Should Settling Defendant determine that the injunctive relief set forth in any such consent judgment is less stringent (*e.g.*, permits higher acrylamide levels) than that standard set forth herein, it shall meet and confer with CEH. Thereafter, Settling Defendant may move for a modification of this Consent Judgment to substitute that less stringent injunctive relief standard,

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- 6.3 Court Decision Regarding California-Style Black Ripe Olives. If a court of competent jurisdiction renders a final judgment that one or more California-style black ripe olive products do not require a warning for acrylamide under Proposition 65, where such products contain levels of acrylamide at or above comparable acrylamide levels typically found in Settling Defendant's Covered Products, then Settling Defendant may move to modify this Consent Judgment to conform to such ruling, and CEH agrees not to oppose any such motion except for good cause shown.
- 6.4 Other Court Decisions. If a final decision of a court determines that warnings for acrylamide exposures or that enforcement of Proposition 65 claims/warnings for acrylamide exposures are preempted, violate the First Amendment, or otherwise are unlawful or unconstitutional with respect to dietary consumption of acrylamide, then Settling Defendant shall meet and confer with CEH about modifications to this Consent Judgment. Settling Defendant may thereafter move to modify this Consent Judgment to conform to such ruling, including potential invalidation of the injunctive terms herein. CEH agrees not to oppose any such motion except for good cause shown. CEH further agrees that it would not have good cause to oppose modification if a final judgment on the merits is entered in California Chamber of Commerce v. Bonta, 2:19-cv-DJC-JDP (E.D. Cal.), holding that all acrylamide Proposition 65 dietary consumption warnings for cancer violate the First Amendment.
- 6.5 **Change in Proposition 65.** If Proposition 65 or its implementing regulations (including but not limited to the "safe harbor no significant risk level" for acrylamide set forth at Cal. Code Regs., tit. 27, section 25705, subdivision (c)(2) or any "alternative risk level" adopted by regulation or court decision) are changed from their terms as they exist on the date of entry of this Consent Judgment in a manner that impacts the injunctive relief in this Consent Judgment, or if OEHHA takes some other final regulatory action for products similar to the Covered Product in a manner that impacts the injunctive relief in this Consent Judgment or that determines that warnings for acrylamide are not required for such products, then Settling Defendant may seek to

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modify this Consent Judgment.

- 6.6 **Scientific Studies**. If an agency of the federal government, including, but not limited to the U.S. Food and Drug Administration, states through any guidance, regulation, or other legally binding act, following a review of scientific studies and following public notice and comment, a cancer potency estimate for acrylamide that equates to a no significant risk level higher than 0.2 micrograms per day, then Settling Defendant shall be entitled to seek a modification of this Consent Judgment to be relieved of its obligations to meet any requirements of this Consent Judgment that are inconsistent with such a change.
- 6.7 **Federal Agency Action and Preemption.** If a court of competent jurisdiction or an agency of the federal government, including, but not limited to the U.S. Food and Drug Administration, states through any guidance, regulation, or other legally binding act that federal law has preemptive effect on any of the requirements of this Consent Judgment, then this Consent Judgment may be modified in accordance with the procedure for noticed motions set forth in Section 6.1 to bring it into compliance with or avoid conflict with federal law. Any such modification shall be limited to those changes that are necessary to bring this Consent Judgment into compliance with or avoid conflict with federal law.

#### 7. CLAIMS COVERED AND RELEASE

7.1 Provided that Settling Defendant complies in full with its obligations under Section 5 hereof, this Consent Judgment is a full, final, and binding resolution between CEH on behalf of itself and the public interest and Settling Defendant and Settling Defendant's parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, agents, shareholders, successors, assigns, and attorneys ("Defendant Releasees"), and all entities to which Settling Defendant directly or indirectly distributes or sells Covered Products, including but not limited to all distributors, wholesalers, customers, retailers, including, but not limited to Target Corporation, Smart & Final Stores, Inc., Smart & Final Stores LLC, and Amerifoods Trading Company LLC, franchisees, licensors, and licensees ("Downstream Defendant Releasees"), of any violation of Proposition 65 based on failure to warn about alleged exposure to

such motion, application, or action upon a finding by the Court that CEH's prosecution of the motion, application, or action lacked substantial justification. For purposes of the Consent Judgment, the term "substantial justification" shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure §§ 2016, *et seq*.

- 11.2 Except as otherwise provided in this Consent Judgment, each Party shall bear its own attorneys' fees and costs.
- 11.3 Nothing in this Section 11 shall preclude a Party from seeking an award of sanctions pursuant to law.

#### 12. ENTIRE AGREEMENT

12.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto only to the extent that they are expressly incorporated herein. No supplementation, modification, waiver, or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

## 13. RETENTION OF JURISDICTION

13.1 This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment. Notwithstanding the provisions of Section 6, nothing in this Consent

1	Judgment limits or affects the Court's authority to modify this Consent Judgment as provided by			
2	law.			
3	14. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT			
4	14.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized			
5	by the Party he or she represents to stipulate to this Consent Judgment and to enter into and			
6	execute the Consent Judgment on behalf of the Party represented and legally to bind that Party.			
7	15. APPLICATION OF CONSENT JUDGMENT			
8	15.1 This Consent Judgment shall apply to and be binding upon CEH and Settling			
9	Defendant, and their respective divisions, subdivisions, and subsidiaries, and the successors or			
10	assigns of any of them.			
11	16. NO EFFECT ON OTHER SETTLEMENTS			
12	16.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim			
13	against an entity other than Settling Defendant on terms that are different from those contained in			
14	this Consent Judgment.			
15	17. COMPLIANCE WITH REPORTING REQUIREMENTS			
16	17.1 CEH agrees to comply with the reporting form requirements referenced in Health			
17	and Safety Code section 25249.7(f).			
18	18. EXECUTION IN COUNTERPARTS			
19	18.1 The stipulations to this Consent Judgment may be executed in counterparts and by			
20	means of facsimile or portable document format (pdf), which taken together shall be deemed to			
21	constitute one document.			
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23	IT IS SO ORDERED, ADJUDGED,			
24	AND DECREED			
25	Dated:			
26	Judge of the Superior Court			
27				
28 PARED	13			

# IT IS SO STIPULATED:

Dated: November 30, 2023 CENTER FOR ENVIRONMENTAL HEALTH Signature Kizzy Charles-Guzman Printed Name CEO Title Dated: \_\_\_\_\_, 2023 MUSCO OLIVE PRODUCTS, INC. Signature Printed Name Title 

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# IT IS SO STIPULATED: Dated: , 2023 CENTER FOR ENVIRONMENTAL HEALTH Signature Printed Name Title Dated: November 21, 2023 MUSCO OLIVE PRODUCTS, INC. Signature DOCUMENT PREPARED ON RECYCLED PAPER CONSENT JUDGMENT - MUSCO OLIVE PRODUCTS - CASE NO. RG 17-863369