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6

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA

8 COUNTY OF ALAMEDA

9 UNLIMITED CIVIL JURISDICTION  
10  
11

12 MICHAEL DIPIRRO,

13 Plaintiff,

14 v.

15 URBAN TREEZ; and, DOES 1-150,

16 Defendants.  
17

Case No. RG17886864

**[PROPOSED] CONSENT JUDGMENT**

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

1 **1. INTRODUCTION**

2 **1.1 Parties**

3 This Consent Judgment is entered into by and between plaintiff, Michael DiPirro (“DiPirro”),  
4 and URBAN TREEZ; (“Defendant” or “URBAN”), with DiPirro and Defendant individually referred  
5 to as a “Party” and collectively as the “Parties.”

6 **1.2 Plaintiff**

7 DiPirro is an individual residing in California who seeks to promote awareness of exposures  
8 to toxic chemicals and improve human health by reducing or eliminating hazardous substances  
9 contained in consumer products.

10 **1.3 Defendant**

11 Defendant employs ten or more persons and is a person in the course of doing business for  
12 purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code  
13 section 25249.6 *et seq.* (“Proposition 65”).

14 **1.4 General Allegations**

15 DiPirro alleges that Defendant sells, or distributes for sale in the state of California, marijuana  
16 intended for smoking and paraphernalia for smoking medical marijuana, the consumption and use of  
17 which results in the generation of marijuana smoke, without first providing the clear and reasonable  
18 exposure warning required by Proposition 65. Marijuana smoke is listed pursuant to Proposition 65  
19 as a chemical that is known to the state of California to cause cancer.

20 **1.5 Product Description**

21 The products covered by this Consent Judgment are cannabis or marijuana intended for  
22 smoking and paraphernalia for smoking marijuana, the consumption and use of which allegedly  
23 results in exposures to marijuana smoke, that are sold, or distributed for sale in California by  
24 Defendant, including, but not limited to, unprocessed marijuana intended to be heated until  
25 combustion, then inhaled (specifically, flowers, leaves, and other organic parts of marijuana plants  
26 such as kief), and paraphernalia for smoking marijuana, including, but not limited to, water bongs,  
27 smoking pipes, rolling papers, blunts and vaporizers that do not have digital heat control/cannot be  
28 definitively set at a temperature below combustion point (“Products”).

1           **1.6     Notice of Violation**

2           On or about April 20, 2017, DiPirro served Defendant and certain requisite public  
3 enforcement agencies with a “60-Day Notice of Violation” (“Notice”), a document that informed the  
4 recipients of DiPirro’s allegation that Defendant violated Proposition 65 by failing to warn its  
5 customers and consumers in California that the Products expose users to marijuana smoke. To the  
6 best of the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting the  
7 allegations set forth in the Notice.

8           **1.7     Complaint**

9           On or about December 21, 2017, DiPirro filed the instant action against Defendant for the  
10 alleged violations of Health & Safety Code § 25249.6 that are the subject of the Notice.

11          **1.8     No Admission**

12          Defendant denies the material, factual, and legal allegations contained in the Notice and  
13 contends that it provides medical marijuana to California residents in accordance with applicable  
14 state laws and requirements relating to medicinal use of marijuana. Nothing in this Consent  
15 Judgment shall be construed as an admission by Defendant of any fact, finding, conclusion of law,  
16 issue of law, or violation of law; nor shall compliance with this Consent Judgment constitute or be  
17 construed as an admission by Defendant of any fact, finding, conclusion of law, issue of law, or  
18 violation of law, the same being specifically denied by Defendant. This section shall not, however,  
19 diminish or otherwise affect Defendant’s obligations, responsibilities, and duties under this Consent  
20 Judgment.

21          **1.9     Consent to Jurisdiction**

22          For purposes of this Consent Judgment only, the Parties stipulate that this Court has  
23 jurisdiction over Defendant as to the allegations in the Complaint, that venue is proper in Alameda  
24 County, and that this Court has jurisdiction to enter and enforce the provisions of this Consent  
25 Judgment.

26          **1.10    Effective Date**

27          For purposes of this Consent Judgment, the term “Effective Date” shall mean June 1, 2018.  
28

1 **2. INJUNCTIVE RELIEF: WARNINGS**

2 **2.1 Proposition 65 Warnings**

3 Commencing on or before the Effective Date, Defendant shall provide clear and reasonable  
4 warnings as set forth below, for all Products sold or otherwise distributed in California. Each  
5 warning shall be prominently placed with such conspicuousness as compared with other words,  
6 statements, designs, or devices as to render it likely to be read and understood by an ordinary  
7 individual under customary conditions before purchase or use. Each warning shall be provided in a  
8 manner such that the consumer or user understands to which specific Product the warning applies, so  
9 as to minimize the risk of consumer confusion.  
10

11 (a) **Entry Door Warnings.** Between the Effective Date and July 31, 2018, on or adjacent  
12 to all entry doors of all California locations of Defendant’s store-front dispensaries, into any room in  
13 which a customer can purchase any Product from Defendant, and in the Lobby/waiting area, **if**  
14 **applicable**, Defendant shall post a sign bearing one of the specified warnings shown below, with the  
15 text in [brackets] being optional at the discretion of Defendant. The warning sign shall be at least 8  
16 1/2 inches by 11 inches, and posted at a height that will make it conspicuous and easy to read for the  
17 average person. The text of the warning shall be printed in black ink, in a font that is easy to read and  
18 legible, but in no case less than a size 36 font.  
19

20 **WARNING: Smoke from cannabis contains chemicals**  
21 **known to the State of California to cause**  
22 **cancer [and birth defects or other**  
**reproductive harm]. [Do not use near**  
**pregnant women, children or pets.]**

23 **OR**

24 **WARNING: Use of products sold here will expose you [and**  
25 **those in your immediate vicinity] to marijuana**  
26 **smoke, a chemical known to the State of**  
27 **California to cause cancer [and birth defects**  
28 **or other reproductive harm]. [Do not consume**  
**products that produce marijuana smoke near**  
**pregnant women, children or pets.]**

1 (b) **Internet Website or Telephone Order Warnings.** Between the Effective Date and  
2 July 31, 2018, for all Products that are purchased via orders placed on a website or by telephone, to  
3 be delivered directly to Defendant's members or other customers in California by Defendant or any  
4 of its affiliated or contracted companies, the website from which the order is placed shall either, at  
5 Defendant's option: a) provide a warning as shown below on the receipt; b) include in the delivery  
6 bag a warning as shown below, on an insert that is at least three inches by five inches; OR c) provide  
7 a warning as shown below, on the webpage/receipt displayed to a purchaser during the checkout  
8 process (if purchased via a website). The warning shall be provided as shown below, with the text in  
9 [brackets] being optional at the discretion of Defendant, with the warning text printed in black ink, in  
10 a font that is easy to read and legible, in a font size of at least 12 (or, in the case of a website-based  
11 warning, in a font size that is no smaller than the font size of the text in the product description), and  
12 set off from all other text.  
13  
14

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

17 **OR**

18 **WARNING: Use of this product will expose you [and those**  
19 **in your immediate vicinity] to marijuana**  
20 **smoke, a chemical known to the State of**  
21 **California to cause cancer [and birth defects**  
**or other reproductive harm]. [Do not consume**  
**products that produce marijuana smoke near**  
**pregnant women, children or pets.]**

22 (c) **Warning Sign at Festivals/Conferences.** Between the Effective Date and July 31,  
23 2018, for all festivals, conferences, and other public events that take place in California, in which  
24 either Defendant operates a booth or other space from which it sells any of the Products, Defendant  
25 shall post a sign with warning language as shown below, with the text in [brackets] being optional at  
26 the discretion of Defendant. The warning sign shall be at least 8 1/2 inches by 11 inches, and posted  
27 at a height and location that will make it conspicuous and easy to read for the average person. The  
28

1 text of the warning shall be printed in black ink, in a font that is easy to read and legible, but in no  
2 case less than a size 36 font.

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

6 (d) **Warnings After July 31, 2018**

7 For all warnings provided by Defendant pursuant to this Agreement after July 31, 2018,  
8 Defendant shall use the warning language as set forth below, which shall include a symbol consisting  
9 of a black exclamation point in a yellow equilateral triangle with a bold black outline as shown below  
10 (the symbol may be black on white if the color yellow is otherwise not used on the Product's  
11 packaging), with the text in [brackets] being optional at the discretion of Defendant.



12 **WARNING: Use of this [cannabis] product will expose you [and**  
13 **those in your immediate vicinity] to chemicals including**  
14 **marijuana smoke, which are known to the State of**  
15 **California to cause cancer. [Do not consume products**  
16 **that produce marijuana smoke near pregnant women,**  
**children or pets.] For more information go to**  
**www.P65Warnings.ca.gov.**

17 **3. MONETARY PAYMENTS**

18 **3.1 Civil Penalty.** Defendant shall pay a civil penalty in the amount of \$1,500.00 within  
19 two (2) business days of Court approval of this Consent Judgment. The penalty payment will be  
20 allocated by DiPirro's counsel in accordance with California Health & Safety Code § 25249.12(c)(1)  
21 & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard  
22 Assessment ("OEHHA") and the remaining 25% of the penalty remitted to DiPirro. The penalty  
23 payment shall be delivered to the address listed in Section 3.3 below.

24 **3.3 Payments Held in Trust.** Payments shall be delivered to the offices of Bush &  
25 Henry, Attorneys at Law, PC, 6761 Sebastopol Avenue, Suite 111, Sebastopol, CA 95472, within  
26 two (2) business days of Court approval of this Consent Judgment, and shall be in the form of three  
27 checks for the following amounts made payable to:

28 (a) "Bush & Henry, Attorneys at Law" in the amount of \$1,125.00 for payment

1 to OEHHA. Bush & Henry agree to forward such funds to OEHHA in a  
2 timely manner. Alternatively, at Defendant's option, it can choose to deliver  
3 to the offices of Bush & Henry a certified or cashier's check made payable to  
4 "Office of Environmental Health Hazard Assessment."

5 (b) "Bush & Henry, Attorneys at Law" in the amount of \$375.00 as payment to  
6 Michael DiPirro. Bush & Henry agree to forward such funds in a timely  
7 manner. Alternatively, at Defendant's option, it can choose to deliver to the  
8 offices of Bush & Henry a certified or cashier's check made payable to  
9 "Michael DiPirro."

10 (c) "Bush & Henry, Attorneys at Law, PC" in the amount of \$13,500.00 as  
11 payment for attorneys' fees and costs pursuant to Section 4 below.

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

14 Any payment that is not actually received by the due date will also be subject to a 10% fee.

15 **3.4 Issuance of 1099 Forms.** Defendant shall provide DiPirro's counsel with a separate  
16 1099 form for each of its payments under this Agreement as follows:

17 (a) "Office of Environmental Health Hazard Assessment", P.O. Box 4010,  
18 Sacramento, CA 95814 (EIN: 68-0284486) for civil penalties paid;

19 (b) "Michael DiPirro," whose address and tax identification number shall be  
20 furnished upon request after this Agreement has been fully executed by the  
21 Parties for his portion of the civil penalties paid; and

22 (c) "Bush & Henry, Attorneys at Law, PC," for fees and costs reimbursed  
23 pursuant to Section 4.

24 **4. REIMBURSEMENT OF FEES AND COSTS**

25 The parties acknowledge that DiPirro and his counsel offered to resolve this dispute without  
26 reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee  
27 issue to be resolved after the material terms of the agreement had been settled. Defendant then  
28 expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been

1 finalized. The parties then attempted to (and did) reach an accord on the compensation due to  
2 OEHHA, DiPirro and his counsel under general contract principles and the private attorney general  
3 doctrine codified at California Code of Civil Procedure § 1021.5, for all work performed through the  
4 mutual execution of this agreement. Defendant shall pay \$13,500 for fees and costs incurred as a  
5 result of investigating, bringing this matter to Defendant's attention, and negotiating a settlement in  
6 the public interest. Defendant shall issue a separate 1099 for fees and costs (EIN: 81-1257634), shall  
7 make the check payable to "Bush & Henry, Attorneys at Law, PC" and shall deliver payment within  
8 three (3) business days of Court approval of this Consent Judgment to the address listed in Section  
9 3.3 above.

## 10 **5. CLAIMS COVERED AND RELEASED**

### 11 **5.1 DiPirro's Public Release of Proposition 65 Claims**

12 DiPirro, acting on his own behalf and in the public interest, releases Defendant, its officers,  
13 directors, attorneys, representatives, shareholders, subsidiaries, affiliates, divisions and retailers,  
14 from all claims for violations of Proposition 65 up through the Effective Date based on exposures to  
15 marijuana smoke from the use of the Products, as set forth in the Notice and the Complaint.  
16 Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65  
17 with respect to exposures to marijuana smoke from the use of the Products sold by Defendant after  
18 the Effective Date, as set forth in the Notice.

### 19 **5.2 DiPirro's Individual Release of Claims**

20 DiPirro, in his individual capacity only and *not* in his representative capacity, also provides a  
21 release herein which shall be effective as a full and final accord and satisfaction, as a bar to all  
22 actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims,  
23 liabilities and demands of DiPirro of any nature, character or kind, whether known or unknown,  
24 suspected or unsuspected, arising out of alleged or actual exposures to marijuana smoke from the use  
25 of the Products sold or distributed for sale by Defendant in the State of California before the Effective  
26 Date.

### 27 **5.3 Defendant's Release of DiPirro**

28 Defendant, on its own behalf and on behalf of its past and current agents, representatives, 7



1 attorneys, successors, and assignees, hereby waives any and all claims that it may have against  
2 DiPirro and his attorneys and other representatives, for any and all actions taken or statements made  
3 (or those that could have been taken or made) by DiPirro and his attorneys and other  
4 representatives, whether in the course of investigating claims, otherwise seeking to enforce  
5 Proposition 65 against it in this matter, or with respect to the Products.

6 **6. COURT APPROVAL**

7 This Consent Judgment is not effective until it is approved and entered by the Court and shall  
8 be null and void if, for any reason, it is not approved and entered by the Court within one year after it  
9 has been fully executed by all Parties.

10 **7. SEVERABILITY**

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

14 **8. GOVERNING LAW**

15 The terms of this Consent Judgment shall be governed by the laws of the state of California  
16 and apply within the state of California. In the event that Proposition 65 is repealed or is otherwise  
17 rendered inapplicable by reason of law generally, or as to the Products, then Defendant may provide  
18 written notice to DiPirro of any asserted change in the law, and have no further obligations pursuant  
19 to this Consent Judgment, with respect to, and to the extent that, the Products are so affected.  
20 Nothing in this Consent Judgment shall be interpreted to relieve Defendant from any obligation to  
21 comply with any pertinent state or federal toxics control laws.

22 **9. NOTICES**

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

27 For Defendant URBAN:

28 Steven W. Burt, Esq.

1 Law Office of Steven W. Burt  
2 5042 Wilshire Blvd., #39194  
3 Los Angeles, CA 90036

4 For DiPirro:

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

8 Any party may, from time to time, specify in writing to the other party a change of address to which  
9 all notices and other communications shall be sent.

10 **10. COUNTERPARTS; FACSIMILE SIGNATURES**

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

14 **11. POST EXECUTION ACTIVITIES**

15 DiPirro agrees to comply with the reporting form requirements referenced in Health & Safety  
16 Code § 25249.7(f). The Parties further acknowledge that, pursuant to Health & Safety Code  
17 § 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement. In furtherance  
18 of obtaining such approval, DiPirro and Defendant agree to mutually employ their best efforts, and  
19 that of their counsel, to support the entry of this agreement as a Consent Judgment, and to obtain  
20 judicial approval of the settlement in a timely manner.

21 **12. MODIFICATION**

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

25 ///

26 ///

1 **13. AUTHORIZATION**


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


5  
6 **AGREED TO:**

**AGREED TO:**

7 Date: 5/18/18

Date: 5/11/18

8  
9 By:   
10 Michael DiPirro

By:   
11 Mark Brown, President  
12 URBAN TREEZ