1			
2			
3			
4			
5			
6			
7			
8	SUPERIOR COURT OF THE ST	TATE OF CALIFORNIA	
9	FOR THE COUNTY O	DF ALAMEDA	
10			
11			
12	CENTER FOR ENVIRONMENTAL HEALTH,)	Case No. RG 17- 872872	
13	Plaintiff,	[PROPOSED] CONSENT JUDGMENT AS TO DOLLAR ONLY WHOLESALE,	
14		LLC	
15	FANTASY COOKIE CORPORATION, et al.,		
16	Defendants.		
17))		
18			
19			
20			
21	1. DEFINITIONS		
22	1.1 The "Complaint" means the operative complaint in the above-captioned matter.		
23	1.2 "Covered Products" means animal crackers. An initial list of the Covered		
24	Products is attached hereto as Exhibit A.		
25	1.3 "Effective Date" means the date on which notice of entry of this Consent		
26	Judgment by the Court is served upon Settling Defendant.		
27			
28 Document Prepared	1		
ON RECYCLED PAPER	CONSENT JUDGMENT – DOLLAR ONLY WHOLESALE, LLC – CASE NO. RG 17-872872		

1

2.

INTRODUCTION

2 2.1 The Parties to this Consent Judgment are the Center for Environmental Health, a
 3 California non-profit corporation ("CEH") and Dollar Only Wholesale, LLC ("Settling
 4 Defendant"). CEH and Settling Defendant (the "Parties") enter into this Consent Judgment to
 5 settle certain claims asserted by CEH against Settling Defendant as set forth in the Complaint.

6 2.2 On or about April 24, 2017, CEH provided a 60-day Notice of Violation of
7 Proposition 65 to the California Attorney General, the District Attorneys of every county in
8 California, the City Attorneys of every California city with a population greater than 750,000,
9 and to Settling Defendant, alleging that Settling Defendant violated Proposition 65 by exposing
10 persons in California to acrylamide contained in Covered Products without first providing a clear
11 and reasonable Proposition 65 warning (the "Notice").

2.3 Settling Defendant is a corporation or other business entity that manufactures,
distributes, sells, or offers for sale Covered Products that are sold in the State of California or has
done so at times relevant to the Complaint.

15 2.4 On August 24, 2017, CEH filed the Complaint in the above-captioned matter,
16 naming Settling Defendant as an original defendant.

17 2.5 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
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.

24 2.6 Nothing in this Consent Judgment is or shall be construed as an admission against
25 interest by the Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall
26 compliance with the Consent Judgment constitute or be construed as an admission against interest
27 by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this

28

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.

5

3. INJUNCTIVE RELIEF

3.1 Reformulation of Covered Products. Commencing on the Effective Date,
Settling Defendant shall not purchase, manufacture, ship, sell, or offer for sale any Covered
Products that will be sold or offered for sale in California that exceed the following acrylamide
concentration limits, such concentration to be determined by use of a test performed by an
accredited laboratory using either GC/MS (Gas Chromatograph/Mass Spectrometry), LC-MS/MS
(Liquid Chromatograph-Mass Spectrometry), or any other testing method agreed upon by the
Parties:

3.1.1 The average acrylamide concentration shall not exceed 75 parts per
billion ("ppb") by weight (the "Average Level"). The Average Level is determined by randomly
selecting and testing at least 1 sample each from 5 different lots of Covered Products (or the
maximum number of lots available for testing if less than 5) during a testing period of at least 60
days.

3.1.2 The acrylamide concentration of any individual unit of Covered Products
shall not exceed 100 ppb by weight (the "Unit Level"), based on a representative composite
sample taken from the individual unit being tested.

21

4.

ENFORCEMENT

4.1 General Enforcement Provisions. CEH may, by motion or application for an
order to show cause before this Court, enforce the terms and conditions contained in this Consent
Judgment. Any action to enforce alleged violations of Section 3.1 by Settling Defendant shall be
brought exclusively pursuant to this Section 4, and be subject to the meet and confer requirement
of Section 4.2.4 if applicable.

27

1 2

4.2 Enforcement of Reformulation Commitment.

4.2.1 <u>Notice of Violation</u>. In the event that CEH purchases a Covered Product
in California that was sold or offered for sale by Settling Defendant with a best-by or sell-by (or
equivalent) date more than 6 months after the Effective Date, and for which CEH has laboratory
test results showing that the Covered Product exceeds the Unit Level, CEH may issue a Notice of
Violation pursuant to this Section.

7

4.2.2 <u>Service of Notice of Violation and Supporting Documentation</u>.

8 4.2.2.1 The Notice of Violation shall be sent to the person(s) identified in 9 Section 8.2 to receive notices for Settling Defendant, and must be served within sixty (60) days of 10 the later of the date the Covered Product at issue was purchased or otherwise acquired by CEH or 11 the date that CEH can reasonably determine that the Covered Product at issue was manufactured, 12 shipped, sold, or offered for sale by Settling Defendant, provided, however, that CEH may have 13 up to an additional sixty (60) days to send the Notice of Violation if, notwithstanding CEH's 14 good faith efforts, the test data required by Section 4.2.2.2 below cannot be obtained by CEH 15 from its laboratory before expiration of the initial sixty (60) day period.

4.2.2.2 16 The Notice of Violation shall, at a minimum, set forth: (a) the date 17 the Covered Product was purchased; (b) the location at which the Covered Product was 18 purchased; (c) a description of the Covered Product giving rise to the alleged violation, including 19 the name and address of the retail entity from which the sample was obtained and pictures of the 20 product packaging from all sides, which identifies the product lot; and (d) all test data obtained 21 by CEH regarding the Covered Product and supporting documentation sufficient for validation of 22 the test results, including any laboratory reports, quality assurance reports, and quality control 23 reports associated with testing of the Covered Product.

4.2.3 <u>Notice of Election of Response</u>. No more than thirty (30) days after
effectuation of service of a Notice of Violation, Settling Defendant shall provide written notice to
CEH whether it elects to contest the allegations contained in a Notice of Violation ("Notice of
Election"). Failure to provide a Notice of Election within thirty (30) days of effectuation of

service of a Notice of Violation shall be deemed an election to contest the Notice of Violation.
 Upon notice to CEH, Settling Defendant may have up to an additional sixty (60) days to elect if,
 notwithstanding Settling Defendant's good faith efforts, Settling Defendant is unable to verify the
 test data provided by CEH before expiration of the initial thirty (30) day period.

4.2.3.1 If a Notice of Violation is contested, the Notice of Election shall
include all documents upon which Settling Defendant is relying to contest the alleged violation,
including all available test data. If Settling Defendant or CEH later acquires additional test or
other data regarding the alleged violation during the meet and confer period described in Section
4.2.4, it shall notify the other Party and promptly provide all such data or information to the Party
unless either the Notice of Violation or Notice of Election has been withdrawn.

4.2.4 11 Meet and Confer. If a Notice of Violation is contested, CEH and Settling 12 Defendant shall meet and confer to attempt to resolve their dispute. Within thirty (30) days of 13 serving a Notice of Election contesting a Notice of Violation, Settling Defendant may withdraw 14 the original Notice of Election contesting the violation and serve a new Notice of Election to not 15 contest the violation, provided, however, that, in this circumstance, Settling Defendant shall pay 16 \$2,500 in addition to any other payment required under this Consent Judgment. At any time, 17 CEH may withdraw a Notice of Violation, in which case for purposes of this Section 4.2 the 18 result shall be as if CEH never issued any such Notice of Violation. If no informal resolution of a 19 Notice of Violation results within thirty (30) days of a Notice of Election to contest, CEH may 20 file an enforcement motion or application pursuant to Section 4.1. In any such proceeding, CEH 21 may seek whatever fines, costs, penalties, attorneys' fees, or other remedies are provided by law 22 for an alleged failure to comply with the Consent Judgment.

4.2.5 <u>Non-Contested Notices</u>. If Settling Defendant elects to not contest the
allegations in a Notice of Violation, it shall undertake corrective action(s) and make payments, if
any, as set forth below.

4.2.5.1 Settling Defendant shall include in its Notice of Election a detailed
description with supporting documentation of the corrective action(s) that it has undertaken or

1 proposes to undertake to address the alleged violation. Any such correction shall, at a minimum, 2 provide reasonable assurance that all Covered Products having the same lot number as that of the 3 Covered Product identified in CEH's Notice of Violation (the "Noticed Covered Products") will 4 not be thereafter sold in California or offered for sale to California customers by Settling 5 Defendant, and that Settling Defendant has sent instructions to any retailers or customers that 6 offer the Noticed Covered Products for sale to cease offering the Noticed Covered Products for 7 sale to California consumers and to return all such Noticed Covered Products to Settling 8 Defendant. Settling Defendant shall keep for a period of one year and make available to CEH 9 upon reasonable notice (which shall not exceed more than one request per year) for inspection 10 and copying records of any correspondence regarding the foregoing. If there is a dispute over the corrective action, Settling Defendant and CEH shall meet and confer before seeking any remedy 11 12 in court. In no case shall CEH issue more than one Notice of Violation per manufacturing lot of a 13 type of Covered Product, nor shall CEH issue more than two Notices of Violation in the first 14 calendar year following the Effective Date. 15 4.2.5.2 If the Notice of Violation is the first, second, third, or fourth Notice

16 of Violation received by Settling Defendant under Section 4.2.1 that was not successfully 17 contested or withdrawn, then Settling Defendant shall pay \$15,000 for each Notice of Violation. 18 If Settling Defendant has received more than four (4) Notices of Violation under Section 4.2.1 19 that were not successfully contested or withdrawn, then Settling Defendant shall pay \$25,000 for 20 each Notice of Violation. If Settling Defendant produces with its Notice of Election test data for 21 the Covered Product that: (i) was conducted prior to the date CEH gave Notice of Violation; 22 (ii) was conducted on the same type of Covered Product; and (iii) demonstrates acrylamide levels 23 below the Unit Level, then any payment under this Section shall be reduced by 100 percent 24 (100%) for the first Notice of Violation, by seventy-five percent (75%) for the second Notice of 25 Violation, and by fifty percent (50%) for any subsequent Notice of Violation. In no case shall 26 Settling Defendant be obligated to pay more than \$100,000 for all Notices of Violation not

successfully contested or withdrawn in any calendar year irrespective of the total number of
 Notices of Violation issued.

4.2.6 <u>Payments</u>. Any payments under Section 4.2 shall be made by check
payable to the "Lexington Law Group" and shall be paid within thirty (30) days of service of a
Notice of Election triggering a payment and shall be used as reimbursement for costs for
investigating, preparing, sending, and prosecuting Notices of Violation, and to reimburse
attorneys' fees and costs incurred in connection with these activities.

4.3 Repeat Violations. If Settling Defendant has received four (4) or more Notices of
Violation concerning the same type of Covered Product that were not successfully contested or
withdrawn in any two (2) year period then, at CEH's option, CEH may seek whatever fines,
costs, penalties, attorneys' fees, or other remedies that are provided by law for failure to comply
with the Consent Judgment. Prior to seeking such relief, CEH shall meet and confer with Settling
Defendant for at least thirty (30) days to determine if Settling Defendant and CEH can agree on
measures that Settling Defendant can undertake to prevent future alleged violations.

- 15 **5**.
 - 5.

PAYMENTS

5.1 Payments by Settling Defendant. Settling Defendant shall pay the total sum of
\$30,000 as a settlement payment as further set forth in this Section according to the following
schedule: (a) on or before May 15, 2018: \$15,000; and (b) on or before June 30, 2018: \$15,000.

19 5.2 Allocation of Payments. The total settlement amount shall be paid in the 20 amounts specified below and delivered as set forth below. Any failure by Settling Defendant to 21 comply with the payment terms herein shall be subject to a stipulated late fee to be paid by 22 Settling Defendant to CEH in the amount of \$100 for each day the full payment is not received 23 after the payment due date set forth in Section 5.1. The late fees required under this Section shall 24 be recoverable, together with reasonable attorneys' fees, in an enforcement proceeding brought 25 pursuant to Section 4 of this Consent Judgment. The funds paid by Settling Defendant shall be 26 allocated as set forth below between the following categories and made payable as follows:

28 Document Prepared on Recycled Paper

27

5.2.1 \$3,830 as a civil penalty pursuant to Health & Safety Code § 25249.7(b).

1	The civil penalty payment shall be apportioned in accordance with Health & Safety Code §	
2	25249.12 (25% to CEH and 75% to the State of California's Office of Environmental Health	
3	Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of the civil penalty	
4	payment for \$2,872.50 shall be made payable to OEHHA and associated with taxpayer	
5	identification number 68-0284486. This total amount shall be made in two payments of	
6	\$1,436.25 each payable on or before May 15, 2018 and on or before June 30, 2018 and delivered	
7	as follows:	
8	For United States Postal Service Delivery:	
9	Attn: Mike Gyurics	
10	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment	
11	P.O. Box 4010, MS #19B Sacramento, CA 95812-4010	
12	For Non-United States Postal Service Delivery:	
13	Attn: Mike Gyurics	
14	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment	
15	1001 I Street, MS #19B Sacramento, CA 95814	
16		
17	The CEH portion of the civil penalty payment for \$957.50 shall be made	
18	payable to the Center for Environmental Health and associated with taxpayer identification	
19	number 94-3251981. This total amount shall be made in two payments of \$478.75 each payable	
20	on or before May 15, 2018 and on or before June 30, 2018, each of which payments shall be	
21	delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.	
22	5.2.2 \$2,870 as an Additional Settlement Payment ("ASP") to CEH pursuant to	
23	Health & Safety Code § 25249.7(b), and California Code of Regulations, Title 11, § 3204. CEH	
24	intends to restrict use of the ASPs received from this Consent Judgment to the following	
25	purposes: the funds will be placed in CEH's Toxics in Food Fund and used to support CEH	
26	programs and activities that seek to educate the public about acrylamide and other toxic	
27	chemicals in food, to work with the food industry and agriculture interests to reduce exposure to	
28 EPARED	8	

1 acrylamide and other toxic chemicals in food, and to thereby reduce the public health impacts and 2 risks of exposure to acrylamide and other toxic chemicals in food sold in California. CEH shall 3 obtain and maintain adequate records to document that ASPs are spent on these activities and 4 CEH agrees to provide such documentation to the Attorney General within thirty (30) days of any 5 request from the Attorney General. The payment pursuant to this Section shall be made payable 6 to the Center for Environmental Health and associated with taxpayer identification number 94-7 3251981. The total amount under this section shall be made in two payments of \$1,435 each 8 payable on or before May 15, 2018 and on or before June 30, 2018, each of which payments shall 9 be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

10 5.2.3 \$23,300 as a reimbursement of a portion of CEH's reasonable attorneys' 11 fees and costs. The attorneys' fees and cost reimbursement shall be allocated as follows: (a) 12 \$19,865 payable to the Lexington Law Group and associated with taxpayer identification number 13 94-3317175; and (b) \$3,435 payable to the Center for Environmental Health and associated with 14 taxpayer identification number 94-3251981. The total amounts due under this section shall be 15 made in four payments delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, 16 CA 94117 as follows: (a) \$9,932.50 payable to the Lexington Law Group on or before May 15, 17 2018; (b) \$1,717.50 payable to the Center For Environmental Health on or before May 15, 2018; 18 (c) \$9,932.50 payable to the Lexington Law Group on or before June 30, 2018; and (d) \$1,717.50 19 payable to the Center For Environmental Health on or before June 30, 2018.

20

6.

MODIFICATION AND DISPUTE RESOLUTION

6.1 Modification. This Consent Judgment may be modified from time to time by
express written agreement of the Parties, with the approval of the Court, or by an order of this
Court upon motion and in accordance with law.

6.2 Notice; Meet and Confer. Any Party seeking to modify this Consent Judgment
shall attempt in good faith to meet and confer with the other Party prior to filing a motion to
modify the Consent Judgment.

1

7.

CLAIMS COVERED AND RELEASE

2 7.1 Provided that Settling Defendant complies in full with its obligations under 3 Section 5 hereof, this Consent Judgment is a full, final and binding resolution between CEH on 4 behalf of itself and the public interest and Settling Defendant and its parents, subsidiaries, 5 affiliated entities that are under common ownership, directors, officers, employees, agents, 6 shareholders, successors, assigns, and attorneys ("Defendant Releasees"), and all entities to 7 which Settling Defendant directly or indirectly distribute or sell Covered Products, including but 8 not limited to distributors, wholesalers, customers, retailers, franchisees, licensors, and licensees 9 ("Downstream Defendant Releasees"), of any violation of Proposition 65 based on failure to warn 10 about alleged exposure to acrylamide contained in Covered Products that were sold, distributed, 11 or offered for sale by Settling Defendant prior to the Effective Date.

12 7.2 Provided that Settling Defendant complies in full with its obligations under 13 Section 5 hereof, CEH, for itself, its agents, successors and assigns, releases, waives, and forever discharges any and all claims against Settling Defendant, Defendant Releasees, and Downstream 14 15 Defendant Releasees arising from any violation of Proposition 65 or any other statutory or 16 common law claims that have been or could have been asserted by CEH individually or in the 17 public interest regarding the failure to warn about exposure to acrylamide arising in connection 18 with Covered Products manufactured, distributed or sold by Settling Defendant prior to the 19 Effective Date.

7.3 Provided that Settling Defendant complies in full with its obligations under
Section 5 hereof, compliance with the terms of this Consent Judgment by Settling Defendant
shall constitute compliance with Proposition 65 by Settling Defendant, Defendant Releasees and
Downstream Defendant Releasees with respect to any alleged failure to warn about acrylamide in
Covered Products manufactured, distributed, or sold by Settling Defendant after the Effective
Date.

28 Document Prepared on Recycled Paper

27

1	8. PROVISION OF NOTICE		
2	8.1 When CEH is entitled to receive any notice under this Consent Judgment, the		
3	notice shall be sent by first class and electronic mail to:		
4	Howard Hirsch		
5	Lexington Law Group 503 Divisadero Street		
6	San Francisco, CA 94117 hhirsch@lexlawgroup.com		
7	8.2 When Settling Defendant is entitled to receive any notice under this Consent		
8	Judgment, the notice shall be sent by first class and electronic mail to:		
9	Philip C. Zvonicek		
10 11	Gibbs Giden Locher Turner Senet & Wittbrodt LLP 1880 Century Park East, 12th Floor		
11	Los Angeles, California 90067 pzvonicek@gibbsgiden.com		
12	Any Party may modify the person and/or address to whom the notice is to be sent		
13	by sending the other Party notice by first class and electronic mail.		
15	9. COURT APPROVAL		
16	9.1 This Consent Judgment shall become effective upon the date signed by CEH and		
17	Settling Defendant, whichever is later, provided however, that CEH shall prepare and file a		
18	Motion for Approval of this Consent Judgment and Settling Defendant shall support entry of this		
19	Consent Judgment by the Court.		
20	9.2 If this Consent Judgment is not entered by the Court, it shall be of no force or		
21	effect and shall not be introduced into evidence or otherwise used in any proceeding for any		
22	purpose other than to allow the Court to determine if there was a material breach of Section		
23	Error! Reference source not found		
24	10. GOVERNING LAW AND CONSTRUCTION		
25	10.1 The terms of this Consent Judgment shall be governed by the laws of the State of		
26	California.		
27	11. ATTORNEYS' FEES		
28	11.1 A Party who unsuccessfully brings or contests an action, motion, or application 11		
DOCUMENT PREPARED ON RECYCLED PAPER			

arising out of this Consent Judgment shall be required to pay the prevailing Party's reasonable
 attorneys' fees and costs.

3 11.2 Nothing in this Section 11 shall preclude a party from seeking an award of
4 sanctions pursuant to law.

5

12. ENTIRE AGREEMENT

6 12.1 This Consent Judgment contains the sole and entire agreement and understanding 7 of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, 8 negotiations, commitments, or understandings related thereto, if any, are hereby merged herein 9 and therein. There are no warranties, representations, or other agreements between the Parties 10 except as expressly set forth herein. No representations, oral or otherwise, express or implied, 11 other than those specifically referred to in this Consent Judgment have been made by any Party 12 hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, 13 shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically 14 contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the 15 Parties hereto only to the extent that they are expressly incorporated herein. No supplementation, 16 modification, waiver, or termination of this Consent Judgment shall be binding unless executed in 17 writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent 18 Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof 19 whether or not similar, nor shall such waiver constitute a continuing waiver.

20

13. RETENTION OF JURISDICTION

21 13.1 This Court shall retain jurisdiction of this matter to implement or modify the
22 Consent Judgment.

23

14. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT

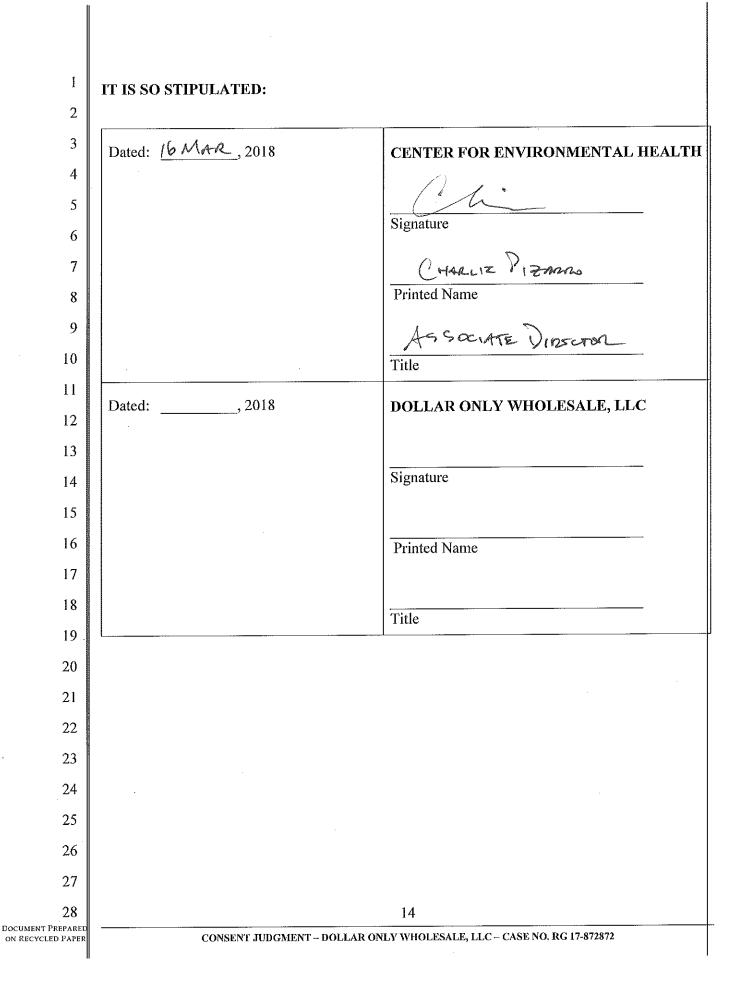
14.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized
by the Party he or she represents to stipulate to this Consent Judgment and to enter into and
execute the Consent Judgment on behalf of the Party represented and legally to bind that Party.

1	
_	

15.

NO EFFECT ON OTHER SETTLEMENTS

2 15.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim 3 against an entity other than Settling Defendant on terms that are different than those contained in 4 this Consent Judgment. Settling Defendant may move to modify this Consent Judgment 5 pursuant to Section 6 to substitute a higher Reformulation Level that CEH agrees to in a future 6 consent judgment applicable to products identical to the Covered Products, and CEH agrees not 7 to oppose any such motion except for good cause shown 8 16. **EXECUTION IN COUNTERPARTS** 9 16.1 The stipulations to this Consent Judgment may be executed in counterparts and by 10 means of facsimile or portable document format (pdf), which taken together shall be deemed to 11 constitute one document. 12 13 IT IS SO ORDERED, ADJUDGED, 14 **AND DECREED** 15 Dated: 16 Judge of the Superior Court 17 18 19 20 21 22 23 24 25 26 27 28 13 DOCUMENT PREPARED ON RECYCLED PAPER CONSENT JUDGMENT - DOLLAR ONLY WHOLESALE, LLC - CASE NO. RG 17-872872



1 2	IT IS SO STIPULATED:	
3	Dated:, 2018	CENTER FOR ENVIRONMENTAL HEALTH
4 5 6		Signature
7 8 9		Printed Name
10		Title
11 12	Dated: March 12, 2018	DOLLAR ONLY WHOLESALE, LLC
13		Richard Ennen Signature
14		Signature
15		Richard ENNON
16 17		Printed Name
17		Prosidont Coc Title
19		Title
20		
21		
22		
23		
24		
25		
26 27		
27	14	
DOCUMENT PREPARED ON RECYCLED PAPER	CONSENT JUDGMENT DOLLAR ONLY WHOLESALE, LLC CASE NO. RG 17-872872	

EXHIBIT A

Global Brands Animal Crackers, SKU No. 8-76274-00209-1