1 2 3 4 5 6	Andre A. Khansari, Esq. (SBN 223528) andre@khansarilaw.com KHANSARI LAW CORPORATION 16133 Ventura Blvd., Suite 1200 Encino, California 91364 Tel: (818) 650-6444 Fax: (818) 650-6445 Attorneys for Plaintiff, THE CHEMICAL TOXIN WORKING GROUP, II	NC.
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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
9	COUNTY OF ALAMEDA	
10		
11	THE CHEMICAL TOXIN WORKING	Case No.: RG19033249
12	GROUP, INC., a California non-profit corporation,	(Assigned for all purposes to:
13	Plaintiff,	Hon. Frank Roesch, Dept. 17)
1415	v.	[PROPOSED] STIPULATED CONSENT JUDGMENT; [PROPOSED] ORDER
16 17	PURCELL INTERNATIONAL; 99 CENTS ONLY STORES LLC; and DOES 1 to 50, inclusive,	[California Health & Safety Code, sections 25249.5 et seq.]
18	Defendants.	Complaint Filed: August 30, 2019 Trial Date: Not set
19		
20	1. INTRODUCTION	
21	1.1 <u>The Parties</u> . This stipulated consent judgment (this "Consent Judgment") is entered	
22	into by and between Plaintiff THE CHEMICAL TOXIN WORKING GROUP, INC. ("CTWG" or	
23	"Plaintiff"), on the one hand, and Defendant PURCELL INTERNATIONAL ("Purcell	
24	International") and Defendant 99 CENTS ONLY STORES LLC ("99 Cents" and together with	
25	Purcell International, collectively referred to as "Defendants"), on the other hand. CTWG, Purcell	
26	International and 99 Cents collectively referred to	as the "Parties" and each of them as a "Party."
27	1.1.1 CTWG is a California non	n-profit corporation dedicated to, among other

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causes, providing information to consumers regarding the hazards of toxins in products, protecting

public health and enforcing state and federal environmental laws and regulations through citizen suits.

1.1.2 Defendants are alleged to be corporations in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code ("HSC"), sections 25249.6 *et seq.*, and at all times relevant for purposes of this Consent Judgment employs ten or more persons.

1.2 **Notice of Violations.**

- 1.2.1 On or about December 28, 2017, CTWG served Purcell International and 99 Cents, and various public enforcement agencies with documents entitled "Notice of Violation of California Health & Safety Code, Section 25249.5 *et seq.* (Proposition 65)" pursuant to HSC § 25249.7(d) (the "Notice"), that provided the recipients with notice of alleged violations of HSC § 25249.6 for allegedly failing to warn individuals in California of exposures to lead and/or cadmium (the "Listed Chemicals") contained in two seafood products called "Island Sun Fancy Whole Smoked Baby Clams in Sunflower Oil", and "Island Sun Pieces Smoked Oysters in Sunflower Oil", both sold by Defendants in California. No public enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.
- 1.2.2 Thereafter, Purcell International caused Proposition 65 warnings to be placed on the products described in the Notice.
- 1.3 Action. On August 30, 2019, CTWG filed a Complaint against Purcell International and 99 Cents for civil penalties and injunctive relief (the "Complaint") in Alameda County Superior Court, pending as Case No. RG19033249 (the "Action").
- Allegations and Representations. CTWG brought the Action pursuant to "Proposition 65" (codified by HSC §§ 25249.6 et seq.), seeking injunctive relief, penalties, and reimbursement of its reasonable attorney's fees and costs. CTWG contends in the Complaint that Defendants knowingly and intentionally exposed California consumers to lead and/or cadmium, substances known to cause cancer and reproductive toxicity, through the sale of the "Covered Products" (as defined below). Plaintiff contends in the Complaint that Defendants did not provide clear and reasonable warnings required by Proposition 65, thereby causing consumers of the Covered Products to be involuntarily, unknowingly, and unwittingly exposed to substances known

to the State of California to cause cancer and reproductive toxicity.

- 1.5 <u>Consent to Jurisdiction</u>. For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendants as to the allegations contained in the Complaint, that venue is proper in the County of Alameda, and that this Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein and/or in the Notice.
- 1.6 **No Effect on Future Proceedings**. Except as expressly set forth herein, nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument or defense the Parties may have in any other or future legal proceedings which do not arise out of the Action.

2. CERTAIN DEFINITIONS

- 2.1 <u>Covered Products</u>. The term "Covered Products" (and each a Covered Product) means the certain products: (i) Island Sun Fancy Whole Smoked Baby Clams in Sunflower Oil; and (ii) Island Sun Pieces Smoked Oysters in Sunflower Oil. The Covered Products were and/or are manufactured, distributed and/or offered for sale in California by Purcell International.
- 2.2 **Effective Date.** The term "Effective Date" means the date that notice of entry of this Consent Judgment is served on Defendants.

3. <u>INJUNCTIVE RELIEF: WEBSITE RESTRICTIONS, REFORMULATION AND WARNINGS</u>

- 3.1 <u>Website Restrictions</u>. Purcell International and any of its affiliates, shall remove from its websites (<u>www.purcell-intl.com</u>), and any other website it or its affiliates control, any and all references to oysters or clams, including the Covered Products.
- 3.2 <u>Threshold for Warnings</u>. After the Effective Date, Defendants shall <u>not</u> sell, offer for sale, distribute, nor manufacture for sale, in the State of California, any Covered Product which exposes a person to more than 0.50 micrograms of lead, nor more than 4.10 micrograms of cadmium, per day, based the 30-day average consumption of 2.48 grams per day of oysters, and/or

2.12 grams per day of clams (as determined in the National Health and Examination Survey ("NHANES") study published by Nature America, Inc. in the Journal of Exposure Science and Environmental Epidemiology (2013), p.128-136 (Table 7) (referred to as the "NHANES Study"), unless each such unit of Covered Product bears a warning meeting the warning requirements under Section 3.4 below. For the purposes of this Consent Judgment, the amount of lead or cadmium a person is exposed to from the Covered Products sold by Defendants shall be calculated using the following formula: micrograms of lead or cadmium per gram of product, multiplied by grams of product per day consumed (using the value of 2.48 grams per day for oysters, and/or 2.12 grams per day for clams, as applicable, per the NHANES Study or otherwise pursuant to this subsection), which equals micrograms of lead and/or cadmium exposure per day, as applicable.

- Product for which the average daily exposure level does not exceed 0.5 micrograms of lead per day and/or no more than 4.1 micrograms of cadmium per day as determined by the formula, testing and quality control methodology described in Section 3.5. As used in this Consent Judgment, "no more than 0.5 micrograms of lead per day" and "no more than 4.1 micrograms of cadmium per day" mean that the samples of the testing under Section 3.5 yield an average daily exposure of no more than 0.5 micrograms of lead and 4.1 micrograms of cadmium (with average daily exposure calculated pursuant to Section 3.5 of this Consent Judgment), respectively. For purposes of determining which warning, if any, is required pursuant to Section 3.4, the average concentration utilizing the arithmetic mean of lead or cadmium detection results of five (5) samples of these products, randomly selected by CTWG will be controlling. No Proposition 65 warning shall be required on a Reformulated Covered Product.
- 3.4 <u>Clear and Reasonable Warning</u>. For any Covered Product that requires a Proposition 65 warning under this Consent Judgment, Defendants shall utilize one of the following warning statements:

3.4.1 Option 1:

MARNING: This product can expose you to chemicals, including lead and/or cadmium, which are known to the State of California to cause cancer and birth

defects or other reproductive harm. For more information, go to www.P65Warnings.ca.gov/food.

3.4.2 Option 2:

MARNING: Consuming this product can expose you to lead and/or cadmium, both known to the State of California to cause cancer and birth defects or other reproductive harm. For more information, go to www.P65Warnings.ca.gov/food.

3.4.3 Option 3.

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MARNING: Cancer and Reproductive Harm – www.P65Warnings.ca.gov.

- 3.4.4 Option 4. Any warning authorized by any Proposition 65 law or regulation effective on or after the Effective Date, including, without limitation 27 Cal. Code Regs. § 25607.2.
- 3.4.5 <u>Pictograms Format</u>. The pictograms depicted in <u>Sections 3.4.1</u>, <u>3.4.2</u> and <u>3.4.3</u> shall be in yellow with a black exclamation mark; *provided however*, the pictogram may be in white instead of yellow if the Covered Product labels do not contain the color yellow.
- 3.4.6 <u>Text Format</u>. Respecting the warnings defined in <u>Sections 3.4.1</u>, <u>3.4.2</u>, and <u>3.4.3</u>, the warning must be in a type size no smaller than the largest type size used for other consumer information on the product. In no case shall the warning appear in a type size smaller than 6-point type. If the warning is printed on the label, the warning shall be set off from other surrounding information in the label and enclosed in a box.
- 3.4.7 <u>Internet Sales</u>. For internet/online sales, the warning on the internet page, or a hyperlink in bold capitalization stating "WARNING" which links to the warning statement, must be prominently displayed on either the product page(s), or at the checkout page, or both, applicable to purchasers with a California shipping address, prior to purchase. Option 3 of the warning statement in <u>Section 3.4.3</u> cannot be used for internet warnings unless Defendants include such warning on the label or packaging of the Covered Products. The Parties acknowledge that third parties are known to purchase products from various sources and resell them on the internet. The Parties agree that Defendants will not be in violation of this Consent Judgment if third parties

purchase Covered Products and resell them on the internet without conforming to the terms of the Consent Judgment.

3.4.8 <u>Compliance</u>. Notwithstanding anything to the contrary herein, CTWG hereby acknowledges and agrees that the warnings Defendants caused/causes to be placed on the Covered Product pursuant to this Consent Judgment complies with the requirements of this <u>Section</u> 3 and with Proposition 65.

3.5 Formula, Testing and Quality Control Methodology.

- 3.5.1 For purposes of this Consent Judgment, average daily exposure levels shall be measured in micrograms per day and shall be calculated using the following formula: the average concentration of lead or cadmium in the product, multiplied by grams of product per day consumed (using the value of 2.48 grams per day for oysters, and/or 2.12 grams per day for clams, as applicable, per the NHANES Study), which equals micrograms of lead and/or cadmium exposure per day, as applicable.
- 3.5.2 All testing performed pursuant to this Consent Judgment shall be performed using a laboratory method that complies with the performance and quality control factors appropriate for the method used, including limit of detection, limit of quantification, accuracy, and precision and meets the following criteria: Inductively Coupled Plasma-Mass Spectrometry (ICP-MS) achieving a limit of quantification of less than or equal to 0.010 mg/kg or any other testing method subsequently agreed upon in writing by the Parties.
- 3.5.3 All testing performed pursuant to this Consent Judgment shall be performed by an independent third-party laboratory certified by the California Environmental Laboratory Accreditation Program for the analysis of heavy metals or a laboratory that is approved by, accredited by, or registered with the United States Food & Drug Administration.

4. MONETARY TERMS

4.1 **Total Amount of Settlement.** In full satisfaction of all civil penalties, additional settlement payments, CTWG's attorney's fees, expert fees and all other costs and expenses incurred, including, without limitation, pursuant to California Code of Civil Procedure § 1021.5,

5. <u>RELEASE OF ALL CLAIMS</u>

5.1 <u>Release by CTWG Parties</u> . This Consent Judgment is a full, final, and binding
resolution between Plaintiff, acting on its own behalf of its past, present and future parents,
shareholders, members directors, officers, managers, employees, principals, representatives,
agents, trustees, beneficiaries, attorneys, divisions, subdivisions, subsidiaries, partners, sister
companies, affiliates, insurers, insureds, and their predecessors, successors and assigns
(collectively, "CTWG Parties"), and Purcell International and 99 Cents Only, and their past, present
and future parents, shareholders, members, directors, officers, managers, employees, principals,
representatives, agents, trustees, beneficiaries, attorneys, divisions, subdivisions, subsidiaries,
partners, sister companies, affiliates, insurers, insureds, and their predecessors, successors and
assigns (collectively, "Defendant Releasees"), and all entities from whom Defendant Releasees
obtain, or in the past have obtained, and to whom they directly or indirectly distribute or sell, or in
the past have directly or indirectly distributed or sold, Covered Products, including but not limited
to manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees retailers,
franchisees, and cooperative members, and each of their respective past, present and future parents,
shareholders, members, directors, officers, managers, employees, principals, representatives,
agents, trustees, beneficiaries, attorneys, divisions, subdivisions, subsidiaries, partners, sister
companies, affiliates, insurers, insureds, and their predecessors, successors and assigns
(collectively, "Upstream and Downstream Releasees") of all claims, demands, obligations, actions,
causes of action, suits, rights, damages, obligations, debts, contracts, agreements, promises,
liabilities, charges, losses, costs, expenses, attorney's fees, penalties, and compensation of any
nature whatsoever, whether based in statute, tort, contract or any other legal or equitable theory of
recovery, known or unknown, fixed or contingent, now or in the future, which in any way arise out
of or relate to the claims made in the Notice and in the Action, including, without limitation, for
alleged violations of Proposition 65 based on exposure to lead and cadmium in the Covered
Products ("Released Claims").

5.2 In addition to the foregoing, CTWG, on its own behalf and on behalf of the CTWG Parties, and *not* in its representative capacity, hereby waives all rights to institute or participate in,

directly or indirectly, any form of legal action against Defendants, Defendant Releasees and Upstream and Downstream Releases, and further completely and forever releases and discharges Defendants, Defendant Releasees, and Downstream Releasees from any and all Released Claims With respect to the foregoing waivers and releases in this paragraph, CTWG on its own behalf and on behalf of the CTWG Parties, acknowledging and understanding the significance and consequences of such waiver, hereby specifically waives any and all rights and benefits which it now has, or in the future may have, conferred by virtue of the provisions of section 1542 of the California Civil Code, which provides as follows:

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

- 5.3 <u>Release in the Public Interest.</u> The CTWG Parties, on their own behalf and in the public interest, release Purcell International, 99 Cents, Defendant Releasees and Downstream Releasees from all claims for violations of Proposition 65 up through the Effective Date based on exposure to lead or cadmium from the Covered Products as set forth in the Notice. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to either lead or cadmium from the Covered Products as set forth in the Notice.
- 5.4 Defendants each waive any and all claims against Plaintiff, its attorneys, and representatives, for any and all actions taken, or statements made (or those that could have been taken or made) by Plaintiff and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 arising out of or related to the Notice and/or the Action.

6. INTEGRATION

6.1 This Consent Judgment contains the sole and entire agreement of the Parties and any and all prior oral and/or written negotiations and understandings related hereto shall be deemed

1	to have been merged within it. No representations or terms of agreement other than those contained	
2	herein exist or have been made by any Party with respect to the other Party or the subject matter	
3	hereof.	
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5	7. GOVERNING LAW	
6	7.1 The terms of this Consent Judgment shall be governed by the laws of the State of	
7	California and apply within the State of California. In the event that Proposition 65 is repealed or	
8	is otherwise rendered inapplicable by reason of law generally, or as to Covered Products, then	
9	Defendants shall have no further obligations pursuant to this Consent Judgment with respect to,	
10	and to the extent that, Covered Products are so affected.	
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12	8. <u>NOTICES</u>	
13	8.1 Unless otherwise specified herein, all notices required to be given to Plaintiff or	
14	Defendants by the other shall be in writing and sent to the following agents listed below by email	
15	and by either (a) first-class, registered, or certified mail; (b) overnight courier; or (c) personal	
16	delivery.	
17	For <u>Purcell International</u> :	
18	P.O. Box 5043	
19	2499 N. Main Street, #200 Walnut Creek, CA 94596	
20	E-mail: <u>bill@purcell-intl.com</u>	
21	With a copy to:	
22	George Salmas The Food Lawyers®	
23	1880 Century Park East Suite 611	
24	Los Angeles, CA 90067 E-mail: George.Salmas@TheFoodLawyers.com	
25		
26		
27	For <u>CTWG</u> :	
28	David Steinman The Chemical Toxin Working Group, Inc.	
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1801 Chart Trail Topanga, CA 90290

With a copy to:

Andre A. Khansari, Esq. Khansari Law Corporation 16133 Encino Blvd., Suite 1200 Encino, CA 91364

Email: andre@khansarilaw.com

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

9. COUNTERPARTS; FACSIMILE SIGNATURES

9.1 This Consent Judgment may be executed in counterparts, which taken together shall be deemed to constitute one document. A facsimile or .pdf signature shall be construed as valid as the original signature.

10. <u>COMPLIANCE WITH HEALTH & SAFETY CODE SECTION 25249.7(f)/COURT APPROVAL.</u>

- 10.1 Plaintiff agrees to comply with the requirements set forth in HSC § 25249.7(f) and to promptly bring a Motion for Approval of this Consent Judgment. Defendants agree they shall not oppose such Motion.
- 10.2 This Consent Judgment shall not be effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved by the Court. In such case, the Parties agree to meet and confer on how to proceed and if such agreement is not reached within thirty (30) days, the case shall proceed on its normal course.
- 10.3 If the Court approves this Consent Judgment and is reversed or vacated by an appellate court, the Parties shall meet and confer as to whether to modify the terms of this Consent Judgment. If the Parties do not jointly agree on a course of action to take, the case shall proceed on its normal course on the trial court's calendar.

11. **DRAFTING.** The terms of this Consent Judgment have been reviewed by the respective counsel for each Party to this settlement prior to its signing, and each Party has had an opportunity to fully discuss the terms with counsel. The Parties agree that, in any subsequent interpretation and construction of this Consent Judgment entered thereon, the terms and provisions shall not be construed against any Party.

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12. MODIFICATION

12.1 This Consent Judgment may be modified only by further written stipulation of the Parties and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

13. **ATTORNEY'S FEES**

- Except as explicitly provided herein each Party is to bear its own fees and costs with respect to the Action. A Party, however, who unsuccessfully brings or contests an action or proceeding arising out of this Consent Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs.
- 13.2 Nothing in this Section 13 shall preclude a Party from seeking an award of sanctions pursuant to law.
- 13.3 A Prohibited Sale or sale in violation of the warning or reformulation terms in this Consent Judgment shall each be a separate violation of this Consent Judgment and Proposition 65, as applicable.

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14. RETENTION OF JURISDICTION; ENFORCEMENT OF CONSENT JUDGMENT

- 14.1 This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment.
- 14.2 Only after it complies with Section 14.4 below may any Party, by motion or application for an order to show cause filed with this Court, enforce the terms and conditions contained in this Consent Judgment.

14.3 If Defendants distribute for sale in the State of California, or directly sells in the State of California a Covered Product without a Proposition 65 warning in the future, and subsequently CTWG alleges that any such product fails to qualify as a Reformulated Covered Product (for which CTWG alleges that no warning has been provided), then CTWG shall inform Purcell International in a reasonably prompt manner of CTWG's test results. Purcell International shall, within thirty (30) days following such notice, provide CTWG with testing information, from an independent third-party laboratory meeting the requirements of Sections 3.5.2 and 3.5.3, demonstrating Purcell International's compliance with the Consent Judgment. The Parties shall first attempt to resolve the matter prior to taking any further legal action with the Court.

14.4 Good Faith Attempt to Resolve Disputes. If a dispute arises with respect to any Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet in person or by telephone and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand. In the event an action or motion is filed, however, the prevailing party may seek to recover costs and reasonable attorneys' fees for each violation. As used in the preceding sentence, the term "prevailing party" means a party who is successful in obtaining relief more favorable to it than the relief that the other party was amenable to providing during the parties' good faith attempt to resolve the dispute that is the subject of the Action.

15. **AUTHORIZATION**

15.1 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 document and certify that he or she is fully authorized by the Party he or she represents to execute the Consent Judgment on behalf of the Party represented and legally bind that Party.

IT IS SO STIPULATED:

[Signatures Appear on the Following Page]

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1	Dated: 12(10, 2021 THE CHEMICAL TOXIN WORKING GROUP, INC.	
2	GROOT, INC.	
3	(By: Jennan)	
4	David Steinman, Director	
5		
6	Dated: 12 10, 2021 PURCELL INTERNATIONAL	
7	By: WZ1	
8	Name: William Purcell	
9	Its: President	
10	S	
11	Dated:December 7, 2021	
12	By: Mosh.K	
13	Name: Mary M. Kasper	
14	Its: Chief Legal Officer, General Counsel & Secretary	
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16		
17	*	
18	ORDER AND JUDGMENT	
19	Based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is approved, and Judgment is hereby entered according to its terms.	
20	approved, and sudgment is hereby entered according to its terms.	
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22	.•	
23	Dated: Judge of the Superior Court	
24	stage of the Superior Court	
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27	•	
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