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6	Attorneys for Plaintiff ENVIRONMENTAL RESEARCH CENTER, INC.				
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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA				
9	COUNTY OF ALAMEDA				
10	ENVIRONMENTAL RESEARCH CENTER,	CASE NO. <b>RG18916713</b>			
11	INC., a non-profit California corporation,	STIPULATED CONSENT JUDGMENT			
12	Plaintiff,	Health & Safety Code § 25249.5 et seq.			
13	VS.	Action Filed: August 15, 2018			
14	NUTRITIONAL FRONTIERS, LLC, a Pennsylvania limited liability company, and Trial Date: None set				
15	DOES 1-25,				
16	Defendants.				
17					
18	1. INTRODUCTION				
19	1.1 On August 15, 2018, Plaintiff Environmental Research Center, Inc. ("ERC"),				
20	a non-profit corporation, as a private enforcer and in the public interest, initiated this action by				
21	filing a Complaint for Permanent Injunction, Civil Penalties, and Other Relief (the "Complaint")				
22	pursuant to the provisions of California Health and Safety Code section 25249.5 et seq.				
23	("Proposition 65"), against NUTRITIONAL FRONTIERS, LLC ("NUTRITIONAL				
24	FRONTIERS") and DOES 1-25. In this action, ERC alleges that a number of products				
25	manufactured, distributed, or sold by NUTRITIONAL FRONTIERS contain lead, a chemical				
26	listed under Proposition 65 as a carcinogen and reproductive toxin, and expose consumers to this				
27	chemical at a level requiring a Proposition 65 warning. These products (referred to hereinafter				
28	individually as a "Covered Product" or collectively as "Covered Products") are:				
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STIPULATED CONSENT JUDGMENT

of California Health and Safety Code section 25249.6. NUTRITIONAL FRONTIERS denies all material allegations contained in the Notice and Complaint.

- 1.7 The Parties have entered into this Consent Judgment in order to settle, compromise, and resolve disputed claims and thus avoid prolonged and costly litigation.

  Nothing in this Consent Judgment nor compliance with this Consent Judgment shall constitute or be construed as an admission by any of the Parties or by any of their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, issue of law, or violation of law.
- 1.8 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 current or future legal proceeding unrelated to these proceedings.
- 1.9 The Effective Date of this Consent Judgment is the date on which it is entered as a Judgment by this Court.

#### 2. JURISDICTION AND VENUE

For purposes of this Consent Judgment and any further court action that may become necessary to enforce this Consent Judgment, the Parties stipulate that this Court has subject matter jurisdiction over the allegations of violations contained in the Complaint, personal jurisdiction over NUTRITIONAL FRONTIERS as to the acts alleged in the Complaint, that venue is proper in Alameda County, and that this Court has jurisdiction to enter this Consent Judgment as a full and final resolution of all claims up through and including the Effective Date which were or could have been asserted in this action based on the facts alleged in the Notice and Complaint.

#### 3. INJUNCTIVE RELIEF, REFORMULATION, TESTING AND WARNINGS

3.1 Beginning on the Effective Date, NUTRITIONAL FRONTIERS shall be permanently enjoined from manufacturing for sale in the State of California, "Distributing into the State of California," or directly selling in the State of California, any Covered Products which expose a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day unless it meets the warning requirements under Section 3.2.

- 3.1.1 As used in this Consent Judgment, the term "Distributing into the State of California" shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that NUTRITIONAL FRONTIERS knows or has reason to know will sell the Covered Product in California.
- 3.1.2 For purposes of this Consent Judgment, the "Daily Lead Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of recommended daily servings appearing on the label), which equals micrograms of lead exposure per day. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one.

#### 3.2 Clear and Reasonable Warnings

If NUTRITIONAL FRONTIERS is required to provide a warning pursuant to Section 3.1, the following warning must be utilized ("Warning"):

**WARNING:** Consuming this product can expose you to chemicals including lead which is [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.

NUTRITIONAL FRONTIERS shall use the phrase "cancer and" in the Warning if NUTRITIONAL FRONTIERS has reason to believe that the "Daily Lead Exposure Level" is greater than 15 micrograms of lead as determined pursuant to the quality control methodology set forth in Section 3.4 or if NUTRITIONAL FRONTIERS has reason to believe that another Proposition 65 chemical is present which may require a cancer warning.

The Warning shall be securely affixed to or printed upon the container or label of each Covered Product. If the Warning is provided on the label, it must be set off from other surrounding information and enclosed in a box. In addition, for any Covered Product sold over the internet, the Warning shall appear on the checkout page when a California delivery address is indicated for any purchase of any Covered Product. An asterisk or other identifying method must be utilized to identify which products on the checkout page are subject to the Warning. In no event shall any internet or website Warning be contained in or made through a link.

FRONTIERS shall test that Covere

The Warning shall be at least the same size as the largest of any other health or safety warnings also appearing on its website or on the label or container of NUTRITIONAL FRONTIERS' product packaging and the word "WARNING" shall be in all capital letters and in bold print. No statements intended to or likely to have the effect of diminishing the impact of, or reducing the clarity of, the Warning on the average lay person shall accompany the Warning. Further, no statements may accompany the Warning that state or imply that the source of the listed chemical has an impact on or results in a less harmful effect of the listed chemical.

NUTRITIONAL FRONTIERS must display the above Warning with such conspicuousness, as compared with other words, statements or designs on the label or container, or on its website, if applicable, to render the Warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product.

#### 3.3 Reformulated Covered Products

A Reformulated Covered Product is a Covered Product for which the "Daily Lead Exposure Level" is no greater than 0.5 micrograms of lead per day as determined by the quality control methodology described in Section 3.4.

### 3.4 Testing and Quality Control Methodology

3.4.1 Beginning within one year of the Effective Date, NUTRITIONAL FRONTIERS shall arrange for lead testing of the Covered Products at least once a year for a minimum of five consecutive years by arranging for testing of five randomly selected samples of each of the Covered Products, in the form intended for sale to the end-user, which NUTRITIONAL FRONTIERS intends to sell or is manufacturing for sale in California, directly selling to a consumer in California or "Distributing into the State of California." If tests conducted pursuant to this Section demonstrate that no Warning is required for a Covered Product during each of five consecutive years, then the testing requirements of this Section will no longer be required as to that Covered Product. However, if during or after the five-year testing period, NUTRITIONAL FRONTIERS changes ingredient suppliers for any of the Covered Products and/or reformulates any of the Covered Products, NUTRITIONAL FRONTIERS shall test that Covered Product annually for at least four (4) consecutive years

- 3.4.2 For purposes of measuring the "Daily Lead Exposure Level," the highest lead detection result of the five (5) randomly selected samples of the Covered Products will be
- 3.4.3 All testing 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, qualification, accuracy, and precision that 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.
- 3.4.4 All testing pursuant to this Consent Judgment shall be performed by an independent third party laboratory certified by the California Environmental Laboratory Accreditation Program or an independent third-party laboratory that is registered with the United States Food & Drug Administration.
- 3.4.5 Nothing in this Consent Judgment shall limit NUTRITIONAL FRONTIERS' ability to conduct, or require that others conduct, additional testing of the Covered Products, including the raw materials used in their manufacture.
- **3.4.6** Within thirty (30) days of ERC's written request, NUTRITIONAL FRONTIERS shall deliver lab reports obtained pursuant to Section 3.4 to ERC. NUTRITIONAL FRONTIERS shall retain all test results and documentation for a period of five years from the date of each test.

#### SETTLEMENT PAYMENT

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- In full satisfaction of all potential civil penalties, additional settlement payments. attorney's fees, and costs, NUTRITIONAL FRONTIERS shall make a total payment of \$45,000.00 ("Total Settlement Amount") in two equal monthly payments, according to the following payment schedule ("Due Dates"):
  - Payment 1 -- \$22,500.00 within 5 days of the Effective Date
  - Payment 2 -- \$22,500.00 within 35 days of the Effective Date

NUTRITIONAL FRONTIERS shall make these payments by wire transfer to ERC's account,

for which ERC will give NUTRITIONAL FRONTIERS the necessary account information.

The Total Settlement Amount shall be apportioned as follows:

- 4.2 \$10,978.86 shall be considered a civil penalty pursuant to California Health and Safety Code section 25249.7(b)(1). ERC shall remit 75% (\$8,234.14) of the civil penalty to the Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety Code section 25249.12(c). ERC will retain the remaining 25% (\$2,744.72) of the civil penalty.
- **4.3** \$2,780.50 shall be distributed to ERC as reimbursement to ERC for reasonable costs incurred in bringing this action.
- 4.4 \$8,234.13 shall be distributed to ERC as an Additional Settlement Payment ("ASP"), pursuant to California Code of Regulations, title 11, sections 3203, subdivision (d) and 3204. ERC will utilize the ASP for activities that address the same public harm as allegedly caused by NUTRITIONAL FRONTIERS in this matter. These activities are detailed below and support ERC's overarching goal of reducing and/or eliminating hazardous and toxic chemicals in dietary supplement products in California. ERC's activities have had, and will continue to have, a direct and primary effect within the State of California because California consumers will be benefitted by the reduction and/or elimination of exposure to lead in dietary supplements and/or by providing clear and reasonable warnings to California consumers prior to ingestion of the products.

Based on a review of past years' actual budgets, ERC is providing the following list of activities ERC engages in to protect California consumers through Proposition 65 citizen enforcement, along with a breakdown of how ASP funds will be utilized to facilitate those activities: (1) ENFORCEMENT (65-80%): obtaining, shipping, analyzing, and testing dietary supplement products that may contain lead and are sold to California consumers. This work includes continued monitoring and enforcement of past consent judgments and settlements to ensure companies are in compliance with their obligations thereunder, with a specific focus on those judgments and settlements concerning lead. This work also includes investigation of new companies that ERC does not obtain any recovery through settlement or judgment; (2)

VOLUNTARY COMPLIANCE PROGRAM (10-20%): maintaining ERC's Voluntary

Compliance Program by acquiring products from companies, developing and maintaining a case

file, testing products from these companies, providing the test results and supporting

documentation to the companies, and offering guidance in warning or implementing a self-

testing program for lead in dietary supplement products; and (3) "GOT LEAD" PROGRAM (up

to 5%): maintaining ERC's "Got Lead?" Program which reduces the numbers of contaminated

products that reach California consumers by providing access to free testing for lead in dietary

supplement products (Products submitted to the program are screened for ingredients which are

suspected to be contaminated, and then may be purchased by ERC, catalogued, sent to a

qualified laboratory for testing, and the results shared with the consumer that submitted the

product).

ERC shall be fully accountable in that it will maintain adequate records to document and will be able to demonstrate how the ASP funds will be spent and can assure that the funds are being spent only for the proper, designated purposes described in this Consent Judgment. ERC shall provide the Attorney General, within thirty days of any request, copies of documentation demonstrating how such funds have been spent.

- 4.5 \$6,435.00 shall be distributed to Aqua Terra Aeris Law Group as reimbursement of ERC's attorney's fees, while \$16,571.51 shall be distributed to ERC for its in-house legal fees. Except as explicitly provided herein, each Party shall bear its own fees and costs.
- 4.6 In the event that NUTRITIONAL FRONTIERS fails to remit a payment pursuant to Section 4.1 on or before the respective Due Date, NUTRITIONAL FRONTIERS shall be deemed to be in material breach of its obligations under this Consent Judgment. ERC shall provide written notice of the delinquency to DEFENDANT via electronic mail. If NUTRITIONAL FRONTIERS fails to deliver the delinquent payment within five (5) days from the written notice, the Total Settlement Amount, less any amounts previously paid pursuant to Section 4.1, shall be immediately due and owing and shall accrue interest at the statutory judgment interest rate provided in the Code of Civil Procedure section 685.010. Additionally, NUTRITIONAL FRONTIERS agrees to pay ERC's reasonable attorney's fees

 and costs for any efforts to collect the payment due under this Consent Judgment.

#### 5. MODIFICATION OF CONSENT JUDGMENT

- 5.1 This Consent Judgment may be modified only as to injunctive terms (i) by written stipulation of the Parties and upon entry by the Court of a modified consent judgment or (ii) by motion of either Party pursuant to Section 5.3 or 5.4 and upon entry by the Court of a modified consent judgment.
- Section 5.1, then NUTRITIONAL FRONTIERS must provide written notice to ERC of its intent ("Notice of Intent"). If ERC seeks to meet and confer regarding the proposed modification in the Notice of Intent, then ERC must provide written notice to NUTRITIONAL FRONTIERS within thirty (30) days of receiving the Notice of Intent. If ERC notifies NUTRITIONAL FRONTIERS in a timely manner of ERC's intent to meet and confer, then the Parties shall meet and confer in good faith as required in this Section. The Parties shall meet in person or via telephone within thirty (30) days of ERC's notification of its intent to meet and confer. Within thirty (30) days of such meeting, if ERC disputes the proposed modification, ERC shall provide to NUTRITIONAL FRONTIERS a written basis for its position. The Parties shall continue to meet and confer for an additional thirty (30) days in an effort to resolve any remaining disputes. Should it become necessary, the Parties may agree in writing to different deadlines for the meet-and-confer period.
- 5.3 In the event that NUTRITIONAL FRONTIERS initiates or otherwise requests a modification under Section 5.1, and the meet and confer process leads to a joint motion or application for a modification of the Consent Judgment, NUTRITIONAL FRONTIERS shall reimburse ERC its costs and reasonable attorney's fees for the time spent in the meet-and-confer process and filing and arguing the motion or application.
- 5.4 Where the meet-and-confer process does not lead to a joint motion or application in support of a modification of the Consent Judgment, then either Party may seek judicial relief on its own. In any such contested court proceeding, ERC may seek costs and any attorney's fees incurred in opposing the motion pursuant to California Code of Civil Procedure

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section 1021.5.

## 6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT JUDGMENT

- 6.1 This Court shall retain jurisdiction of this matter to enforce, modify, or terminate this Consent Judgment.
- 6.2 If ERC alleges that any Covered Product fails to qualify as a Reformulated Covered Product (for which ERC alleges that no Warning has been provided), then ERC shall inform NUTRITIONAL FRONTIERS in a reasonably prompt manner of its test results, including information sufficient to permit NUTRITIONAL FRONTIERS to identify the Covered Products at issue. NUTRITIONAL FRONTIERS shall, within thirty (30) days following such notice, provide ERC with testing information, from an independent third-party laboratory meeting the requirements of Sections 3.4.3 and 3.4.4, demonstrating NUTRITIONAL FRONTIERS' compliance with the Consent Judgment, if warranted. The Parties shall first attempt to resolve the matter prior to ERC taking any further legal action.

#### 7. APPLICATION OF CONSENT JUDGMENT

This Consent Judgment may apply to, be binding upon, and benefit the Parties and their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, franchisees, licensees, customers (excluding private labelers), distributors, wholesalers, retailers, predecessors, successors, and assigns. This Consent Judgment shall have no application to any Covered Product which is distributed or sold exclusively outside the State of California and which is not used by California consumers.

#### 8. BINDING EFFECT, CLAIMS COVERED AND RELEASED

8.1 This Consent Judgment is a full, final, and binding resolution between ERC, on behalf of itself and in the public interest, and NUTRITIONAL FRONTIERS and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, suppliers, franchisees, licensees, customers (not including private label customers of NUTRITIONAL FRONTIERS), distributors, wholesalers, retailers, and all other upstream and downstream entities in the distribution chain of any Covered Product, and the predecessors,

successors, and assigns of any of them (collectively, "Released Parties"). ERC, on behalf of itself and in the public interest, hereby fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs, and expenses asserted, or that could have been asserted from the handling, use, or consumption of the Covered Products, as to any alleged violation of Proposition 65 or its implementing regulations arising from the failure to provide Proposition 65 warnings on the Covered Products regarding lead up to and including the Effective Date.

- 8.2 ERC on its own behalf only, and NUTRITIONAL FRONTIERS on its own behalf only, further waive and release any and all claims they may have against each other for all actions or statements made or undertaken in the course of seeking or opposing enforcement of Proposition 65 in connection with the Notice and Complaint up through and including the Effective Date, provided, however, that nothing in Section 8 shall affect or limit any Party's right to seek to enforce the terms of this Consent Judgment.
- 8.3 It is possible that other claims not known to the Parties, arising out of the facts alleged in the Notice and Complaint, and relating to the Covered Products, will develop or be discovered. ERC on behalf of itself only, and NUTRITIONAL FRONTIERS on behalf of itself only, acknowledge that this Consent Judgment is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefore. ERC and NUTRITIONAL FRONTIERS acknowledge that the claims released in Sections 8.1 and 8.2 above may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

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

ERC on behalf of itself only, and NUTRITIONAL FRONTIERS on behalf of itself only, acknowledge and understand the significance and consequences of this specific waiver of California Civil Code section 1542.

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STIPULATED CONSENT JUDGMENT

### FOR NUTRITIONAL FRONTIERS, LLC:

3191 Washington Pike Bridgeville, PA 15017 Ph: 412-922-2566

#### 12. COURT APPROVAL

- 12.1 Upon execution of this Consent Judgment by the Parties, ERC shall notice a Motion for Court Approval. The Parties shall use their best efforts to support entry of this Consent Judgment.
- 12.2 If the California Attorney General objects to any term in this Consent Judgment, the Parties shall use their best efforts to resolve the concern in a timely manner, and if possible prior to the hearing on the motion.
- 12.3 If this Stipulated Consent Judgment is not approved by the Court, it shall be void and have no force or effect.

#### 13. EXECUTION AND COUNTERPARTS

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 to be as valid as the original signature.

#### 14. DRAFTING

The terms of this Consent Judgment have been reviewed by the respective counsel for each Party prior to its signing, and each Party has had an opportunity to fully discuss the terms and conditions with legal counsel. The Parties agree that, in any subsequent interpretation and construction of this Consent Judgment, no inference, assumption, or presumption shall be drawn, and no provision of this Consent Judgment shall be construed against any Party, based on the fact that one of the Parties and/or one of the Parties' legal counsel prepared and/or drafted all or any portion of the Consent Judgment. It is conclusively presumed that all of the Parties participated equally in the preparation and drafting of this Consent Judgment.

#### 15. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

If a dispute arises with respect to either Party's compliance with the terms of this Consent

Judgment entered by the Court, the Parties shall meet and confer in person, by telephone, and/or in writing 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.

#### 16. ENFORCEMENT

ERC may, by motion or order to show cause before the Superior Court of Alameda County, enforce the terms and conditions contained in this Consent Judgment. In any action brought by ERC to enforce this Consent Judgment, ERC may seek whatever fines, costs, penalties, or remedies as are provided by law for failure to comply with the Consent Judgment. To the extent the failure to comply with the Consent Judgment constitutes a violation of Proposition 65 or other laws, ERC shall not be limited to enforcement of this Consent Judgment, but may seek in another action whatever fines, costs, penalties, or remedies as are provided by law for failure to comply with Proposition 65 or other laws.

#### 17. ENTIRE AGREEMENT, AUTHORIZATION

- 17.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter herein, and any and all prior discussions, negotiations, commitments, and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party. No other agreements, oral or otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party.
- 17.2 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.

# 18. REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT AND ENTRY OF CONSENT JUDGMENT

This Consent Judgment has come before the Court upon the request of the Parties. The Parties request the Court to fully review this Consent Judgment and, being fully informed regarding the matters which are the subject of this action, to:

(1) Find that the terms and provisions of this Consent Judgment represent a fair and equitable settlement of all matters raised by the allegations of the Complaint that the matter has

1	been diligently prosecuted, and that the public interest is served by such settlement; and		
2	(2) Make the findings pursuant to California Health and Safety Code section		
3	25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.		
4	IT IS SO STIPULATED:		
5	Dated: <u>6/28/</u> , 2018 ENVIRONMENTAL RESEARCH		
6	CENTER, INC		
7	By And South Control		
8	Carls Hearth St. Executive Firector		
9	Dated: 7/18, 2018 NUTRITIONAL FRONTIERS, LLC		
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	STIPULATED CONSENT JUDGMENT		

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2	2 Dated: July 18 AQUA TERRA AERIS LAW GR	OUP	
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6	Attorneys for Plaintiff Environ Research Center, Inc.	mental	
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8	8		
9	9 ORDER AND JUDGMENT		
10	Based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is		
11	approved and Judgment is hereby entered according to its terms.		
12	IT IS SO ORDERED, ADJUDGED AND DECREED.		
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15	Judge of the Superior Court		
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