| 1 | GLICK LAW GROUP, PC | |
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| 8 | Fax: (619) 325-0496 | |
| 9 | Attorneys for Plaintiff Kim Embry | |
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| 11 | SUPERIOR COURT OF THE STATE OF CALIFORNIA | |
| 12 | IN AND FOR THE COUNTY OF ALAMEDA | |
| 13 | KIM EMBRY, an individual | Case No.: |
| 14 | Plaintiff, | [DDODOSED] CONSENT HIDCMENT AS |
| 15 | v. | [PROPOSED] CONSENT JUDGMENT AS TO TORN & GLASSER, INC. |
| 16 | TORN & GLASSER, INC., a California corporation, and DOES 1 through 100, | |
| 17 | inclusive, | |
| 18 | Defendants. | |
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1. INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between Kim Embry ("Embry") on one hand, and Torn & Glasser, Inc. ("Defendant" or "T&G") on the other hand, with Embry and Defendant individually referred to as a "Party" and collectively as the "Parties."

1.2 Plaintiff

Embry is an individual residing in California and acting in the interest of the general public. She seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.3 Defendant

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

1.4 General Allegations

Embry alleges that Defendant manufactures, imports, sells, and distributes for sale in California, dark chocolate walnuts and dark chocolate almonds that contain acrylamide. Embry further alleges that Defendant does so without providing a sufficient health hazard warning as required by Proposition 65 and related regulations. Pursuant to Proposition 65, acrylamide is listed as a chemical known to cause cancer and reproductive harm.

1.5 Product Description

For purposes of this Consent Judgment, the "Product" or "Products" are defined as Dark Chocolate Walnuts and Dark Chocolate Almonds that allegedly contain acrylamide and are manufactured, imported, sold, or distributed for sale in California by Defendant and Releasees.

1.6 Notices of Violation

On July 1, 2019 Embry served Sprouts Farmers Market, Inc., the California Attorney General, and all other required public enforcement agencies with 60-Day Notices of Violation ("Notice") of California Health and Safety Code section 25249.6 *et seq*. The Notice alleged that Defendant violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated

with exposures to acrylamide contained in its "Dark Chocolate Walnuts" and "Dark Chocolate Almonds." No public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

On February 21, 2020 Embry served Defendant T&G, Barry Callebaut USA LLC, Bloomer Chocolate Company, Sprouts Farmers Market, Inc., the California Attorney General, and all other required public enforcement agencies with 60-Day Amended Notices of Violation ("Amended Notices") of California Health and Safety Code section 25249.6 *et seq.* The Amended Notices added the manufacturer Torn & Glasser, Inc.

1.7 Complaint

On ______, Embry filed a Complaint against Defendant for the alleged violations of Health and Safety Code section 25249.6 that are the subject of the Notice ("Complaint").

1.8 No Admission

Defendant denies the material, factual, and legal allegations in the Notices and Complaint, and maintains that all of the products it has manufactured, imported, sold, and/or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect Defendant's obligations, responsibilities, and duties under this Consent Judgment, subject to subsequent modifications thereof or Court orders regarding any such obligation, responsibility, and/or duty.

1.9 Jurisdiction

For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations in the Complaint, that venue is proper in the County of Alameda, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

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1.10 **Effective Date and Compliance Date**

For purposes of this Consent Judgment, the term "Effective Date" means the date on which the Court grants the motion for approval of this Consent Judgment, as discussed in Section 5. The Compliance Date is the date that is six (6) months after the Effective Date.

2. INJUNCTIVE RELIEF

2.1 **Reformulation of the Product**

Any Products that are manufactured by T&G on and after the Compliance Date that are thereafter sold in California or distributed for sale in California shall not exceed 225 ppb on average for Acrylamide, as set forth in this Section 2. As used in this Section 2.1, "distributed for sale in California" means to directly ship a Product into California or to sell a Product to a distributor that T&G knows will sell the Product in California.

2.2 **Testing**

- (a) Compliance with the average level shall be determined using LC-MS/MS (Liquid Chromatograph-Mass Spectrometry), GC/MS (Gas Chromatography/Mass Spectrometry), or any other testing method agreed upon by the Parties. On the Compliance Date, and continuing thereafter, T&G shall not manufacture any Product that will be sold or offered for sale in California that exceeds the following concentration limits, such concentration to be determined by use of a test performed by a laboratory accredited by the State of California, a federal agency, or a nationally recognized organization.
- (b) The Average Level is determined by randomly selection and testing, over no less than a ten-day period, one sample from at least five batches (or from as many batches as are available, if fewer than five) and a maximum of ten batches of Products produced at locations that supply such Products in California ("Sampling Data"). The mean and standard deviation shall be calculated using the Sampling Data. Any data points that are more than three standard deviations outside the mean shall be discarded once, and the mean and standard deviation recalculated using the remaining data points. The arithmetic mean determined in accordance with this procedure shall be deemed the "Average Level."

(c) For at least three consecutive years after the Compliance Date, T&G shall arrange for testing under Section 2.2. The testing shall be at least once per year, with the first testing occurring prior to the Compliance Date. No further testing shall be required unless T&G materially modifies the ingredients or cooking process of a Product, at which point testing shall recommence on an annual basis for at least three years.

2.3 Sell-Through Period

Notwithstanding anything else in this Consent Judgement, the Products that are manufactured on or prior to the Compliance Date shall be subject to release of liability pursuant to this Consent Judgement, without regard to when such products were, or are in the future, distributed or sold to customers. As a result, the obligation of T&G, or any Releases (if applicable), do not apply to these Products manufactured on or prior to the Compliance Date.

3. MONETARY SETTLEMENT TERMS

3.1 Settlement Amount

Defendant shall pay eighty-five thousand dollars (\$85,000.00) in settlement and total satisfaction of all the claims referred to in the Notices, the Complaint, and this Consent Judgment. This includes civil penalties in the amount of eight thousand (\$8,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorney's fees and costs in the amount of seventy-seven thousand (\$77,000.00) pursuant to Code of Civil Procedure section 1021.5 and Health and Safety Code section 25249 *et seq*.

3.2 Civil Penalty

The portion of the settlement attributable to civil penalties shall be allocated according to Health and Safety Code section 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) of the penalty paid to Embry.

All payments owed to Embry, shall be delivered to the following payment address:

Noam Glick Glick Law Group 225 Broadway, Suite 2100 San Diego, CA 92101

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limited to investigating potential violations, bringing this matter to Defendant's attention, as well as litigating and negotiating a settlement in the public interest.

Defendant shall provide its payment to Embry's counsel in two checks, divided equally, payable to Glick Law Group, PC (\$38,500.00) and Nicholas & Tomasevic, LLP (\$38,500.00) respectively. The addresses for these two entities are:

Noam Glick Glick Law Group 225 Broadway, Suite 2100 San Diego, CA 92101

Crag Nicholas Nicholas & Tomasevic, LLP 225 Broadway, 19th Floor San Diego, CA 92101

3.4 Timing

The above-mentioned checks will be issued within fourteen (14) days of the Effective Date.

4. CLAIMS COVERED AND RELEASED

4.1 Embry's Public Release of Proposition 65 Claims

For any claim or violation arising under Proposition 65 alleging a failure to warn about exposures to Acrylamide from Products or related products manufactured, imported, sold, or distributed by Defendant prior to the Effective Date, Embry, acting on her own behalf and in the public interest, releases Defendant and Releasees (discussed further below) of any and all liability. This includes Defendant's owners, parents, subsidiaries, affiliated entities under common ownership, its directors, officers, agents, employees, attorneys, and each entity to whom Defendant directly or indirectly distributes or sells the Products, including but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees, (collectively, the "Releasees"). Releasees include defendant, its parent, and all subsidiaries and affiliates thereof and their respective employees, agents, assigns and entities that sell Defendant's Products, including Sprouts Farmers Market, Inc. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to the alleged or actual failure to warn about exposures to acrylamide from Products manufactured, imported, sold, or distributed by Defendant after the Effective Date. This Consent Judgment is a full, final and binding resolution of all claims that were or

could have been asserted against Defendant and/or Releasees for failure to provide warnings for alleged exposures to acrylamide contained in Products.

4.2 Embry's Individual Release of Claims

Embry, in her individual capacity, also provides a release to Defendant and Releasees, which shall be a full and final accord and satisfaction of as well as a bar to all actions, causes of action, obligations, costs, expenses, attorney's fees, damages, losses, claims, liabilities, and demands by Embry of any nature, character, or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to acrylamide in Products manufactured, imported, sold, or distributed by Defendant before the Effective Date.

4.3 Defendant's Release of Embry

Defendant, on its own behalf, and its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Embry and her attorneys and other representatives, for any and all actions taken or statements made by Embry and her attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it, in this matter or with respect to the Products.

5. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved by the Court and shall be null and void if it is not approved and the Court within one year after it has been fully submitted to the Court by the Parties, or by such additional time as the Parties may agree to in writing.

6. <u>SEVERABILITY</u>

Subsequent to the Court's approval and entry of this Consent Judgment, if any provision is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the state of California and apply within the state of California. In the event that Proposition 65 is repealed, or is otherwise rendered inapplicable for reasons, including but not limited to changes in the law, then Defendant may provide written notice to Embry of any asserted change, and shall have no further injunctive

2 so affected.

8. <u>NOTICE</u>

Unless specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered, or certified mail, return receipt requested; or (iii) a recognized overnight courier to the following addresses:

obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Products are

For Defendant: For Embry:

Robert Niemann Noam Glick

Keller and Heckman, LLP
Three Embarcadero Center, STE 1420
San Francisco, CA 94111
Glick Law Group, PC
225 Broadway, 21st Floor
San Diego, CA 92101

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

9. <u>COUNTERPARTS; FACSIMILE SIGNATURES</u>

This Consent Judgment may be executed in counterparts and by facsimile signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. POST EXECUTION ACTIVITIES

Embry agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which motion Embry shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually employ their best efforts, including those of their counsel, to support the entry of this agreement as judgment, and to obtain judicial approval of their settlement in a timely manner. For purposes of this Section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to any objection that any third-party may make, and appearing at the hearing before the Court if so requested.

11. MODIFICATION

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

12. AUTHORIZATION

The undersigned are authorized to execute this Consent Judgment and acknowledge that they have read, understand, and agree to all of the terms and conditions contained herein.

13. 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.

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14. **ENTIRE AGREEMENT** 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. AGREED TO BY (DEFENDANT) **AGREED TO:** Date: 6/12/2020 By: IT IS SO ORDERED. Date: JUDGE OF THE SUPERIOR COURT