1 2	GLICK LAW GROUP, PC Noam Glick (SBN 251582) 225 Proadway 10th Floor	
	225 Broadway, 19th Floor San Diego, California 92101 Tel: (619) 382-3400 Fax: (619) 393-0154	
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4	Email: noam@glicklawgroup.com	
5	NICHOLAS & TOMASEVIC, LLP Craig M. Nicholas (SBN 178444)	
6	Jake Schulte (SBN 293777) 225 Broadway, 19th Floor	
7	San Diego, California 92101 Tel: (619) 325-0492	
8	Fax: (619) 325-0496 Email: cnicholas@nicholaslaw.org	
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10	Environmental Health Advocates, Inc.	
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12	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
13	IN AND FOR THE COUNTY OF ALAMEDA	
14	ENVIRONMENTAL HEALTH	Case No. RG20073668
15	ADVOCATES, INC., a California corporation,	[PROPOSED] CONSENT JUDGMENT
16	Plaintiff,	(Health & Safety Code § 25249.6 et seq. and
17	V.	Code Civ. Proc. § 664.6)
18	MARY'S GONE CRACKERS, a Nevada corporation, AMAZON.COM, INC., a	
19	Delaware corporation, and DOES 1 through 100, inclusive,	
20	Defendants.	
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1. INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA") on the one hand, and Mary's Gone Crackers ("Defendant" or "MGC") on the other hand, with EHA and MGC each individually referred to as a "Party" and collectively referred to as the "Parties."

1.2 Plaintiff

EHA is an organization residing in California, acting in the interest of the general public. It 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

MGC 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

EHA alleges that MGC manufactures, imports, sells, and distributes for sale Products that contain acrylamide. EHA further alleges that MGC 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 Notices of Violation

On March 13, 2020, EHA served MGC, Kameda USA, Inc., Amazon.com, the California Attorney General, and all other required public enforcement agencies with a 60-Day Notice of Violation of California Health and Safety Code section 25249.6 *et seq.* ("Notice"). The Notice alleged that MGC violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to acrylamide contained in its "Mary's Gone Crackers Super Seed Everything".

No public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

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1.6 Product Description

For purposes of this Consent Judgment, the "Product" or "Products" are defined as MGC's Super Seed Everything crackers that allegedly contain acrylamide and are manufactured, imported, sold, or distributed for sale in California by Defendant and Releasees.

1.7 Complaint

On September 15, 2020 EHA filed a Complaint against MGC for the alleged violations of Health and Safety Code section 25249.6 that are the subject of the Notice ("Complaint").

1.8 No Admission

MGC denies the material factual and legal allegations of the Notice and Complaint, and maintains that all of the products it has manufactured, imported, sold, and/or distributed for sale in California, including 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 MGC's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this Court has jurisdiction over MGC 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.

1.10 Effective 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 Judgement, as discussed in Section 5. Since the reformulation described below must ensure compliance with applicable regulatory requirements, the Compliance Date means the date six (6) months after the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Reformulation of the Product

Any Products that are manufactured by MGC on and after the Compliance Date that are thereafter sold in California or distributed for sale in California shall not exceed 350 ppb on average for acrylamide, based on averaging of two samples. As used in this Section 2.1, "distributed for sale in California" means to directly ship Products into California or to sell Products to a distributor MGC knows will sell Products 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, MGC shall not manufacture Products that will be sold or offered for sale in California that exceed, on average, the aforementioned 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) For at least three consecutive years after the Compliance Date, MGC 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 MGC materially modifies the ingredients or cooking process of Products, at which point testing shall recommence on an annual basis for at least three years.

2.3 Clear and Reasonable Warnings

For Products that contain acrylamide in a concentration exceeding the ppb level set forth in Section 2.1 above, and which are manufactured and packaged for distribution for authorized sale or use in California on or after the Compliance Date, MGC shall provide one of the following Proposition 65 warnings:

 WARNING: This product can expose you to chemicals including Acrylamide, which is 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.

2) WARNING: Cancer and Reproductive Harm – www.P65Warnings.ca.gov

The warning shall be set off in a box.

2.4 Sell-Through Period

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

3. MONETARY SETTLEMENT TERMS

3.1 Settlement Amount

MGC shall pay fifty thousand dollars (\$50,000) in settlement and total satisfaction of all the claims referred to in the Notice, the Complaint, and this Consent Judgment. This includes civil penalties in the amount of five thousand dollars (\$5,000) pursuant to Health and Safety Code section 25249.7(b) and attorney's fees and costs in the amount of forty-five thousand dollars (\$45,000) pursuant to Code of Civil Procedure section 1021.5.

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 EHA individually.

All payments owed to EHA shall be delivered to the following address:

Samantha Dice Environmental Health Advocates 225 Broadway, 19th Floor San Diego, CA 92101

All payments owed to OEHHA (EIN: 68-0284486) shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Service Delivery:

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

Craig Nicholas Nicholas & Tomasevic, LLP

225 Broadway, 19th Floor

San Diego, CA 92101

4. <u>CLAIMS COVERED AND RELEASED</u>

Timing

4.1 EHA'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 MGC prior to the Compliance Date, EHA, acting for the general public, releases MGC of any and all liability. This includes MGC's owners, parents, subsidiaries, affiliated entities under common ownerships, its directors, officers, agents, employees, attorneys, and each entity to whom MGC directly or indirectly distributes or sells Products, including but not limited to downstream distributors, wholesales, 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, and assigns that sell MGC's Products. Compliance with the terms of this Consent Judgement constitutes compliances 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 MGC after the Effective Date. This Consent Judgement is a full, final and binding resolution of all claims that were or could have been asserted against MGC and/or Releasees for failure to provide warnings for alleged exposure to acrylamide contained in Products.

4.2 EHA's Individual Release of Claims

EHA, in its individual capacity, also provides a release to MGC and/or 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 of every nature, character, and 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 MGC before the Compliance Date.

4.3 MGC's Release of EHA

MGC, on its own behalf, and on behalf of Releasees as well as its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its 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. COURT APPROVAL

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

6. **SEVERABILITY**

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 as applied 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 MGC may provide written notice to EHA of any asserted change, and shall have no further injunctive obligations pursuant to this Consent Judgement with respect to, and to the extent that, the Products are so affected.

8. NOTICE

Unless otherwise specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (1) personal delivery; (ii) first-class, registered, or certified mail, return receipt requested; or (iii) a recognized overnight courier to the following addresses:

If to MGC: If to EHA:

Robert (Bob) Niemann
Keller and Heckman, LLP
Three Embarcadero Center, STE 1420
San Francisco, CA 94111

Noam Glick
Glick Law Group
225 Broadway, 19th Floor
San Diego, CA 92101

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

9. **COUNTERPARTS**; **DIGITAL SIGNATURES**

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**

EHA 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 EHA 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 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 Judgement entered by the Court, the Parties shall meet and confer in person, or 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.

1	14. <u>ENTIRE AGREEMENT</u>	
2	This Consent Judgement contains the sole and entire agreement and understanding of the Parties	
3	with respect to the entire subject matter herein, and any and all prior discussions, negotiations,	
4	commitments, and understandings related hereto. No representations, oral or otherwise, express or	
5	implied, other than those contained herein have been made by any Party. No other agreements, oral or	
6	otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party.	
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8	AGREED TO: AGREED TO:	
9	Date: October 19, 2020 Date: October 20, 2020	
10		
11	By:	
12	ADVOCATES, INC.	
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15	IT IS SO ORDERED.	
16	IT IS SO CREEKED.	
17	Date:	
18	JUDGE OF THE SUPERIOR COURT	
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