1	GLICK LAW GROUP, PC Noam Glick (SBN 251582)		
2	225 Broadway, Suite 2100 San Diego, California 92101 Tel: (619) 382-3400		
4	Fax: (619) 393-0154 Email: noam@glicklawgroup.com		
5	NICHOLAS & TOMASEVIC, LLP		
6	Craig M. Nicholas (SBN 178444) Jake Schulte (SBN 293777) 225 Broadway, Suite 1900		
7	San Diego, California 92101 Tel: (619) 325-0492		
8	Email: cnicholas@nicholaslaw.org Email: jschulte@nicholaslaw.org		
9	Attorneys for Plaintiff		
10	Kim Embry		
11			
12	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
13	IN AND FOR THE COUNTY OF ALAMEDA		
14	KIM EMBRY, an individual,	Case No.:RG19011780	
15	Plaintiff,	[PROPOSED] CONSENT JUDGMENT AS TO	
16	v.	BAY VALLEY FOODS, LLC.	
17	SPROUTS FARMERS MARKET, INC., et al.,	(Health & Safety Code § 25249.6 et. seq. and Code Civ. Proc. § 664.6)	
18	Defendants.	Code Civ. Free: § co i.o)	
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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 Bay Valley Foods, LLC ("Defendant" or "BVF") on the other hand, with Embry and BVF 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.

## 1.3 Defendant

BVF 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 BVF manufactures, imports, sells, and distributes for sale in California certain frozen waffles that contain acrylamide. Embry further alleges that BVF 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. BVF denies that warnings are required under Proposition 65 for any exposures to acrylamide in the Products, and BVF maintains that it has complied with all applicable federal and state laws, including but not limited to Proposition 65.

## 1.5 Product Description

For purposes of this Consent Judgment "Product" or "Products" are defined as those waffle products listed in Exhibit A that are manufactured, imported, sold, or distributed for sale in California by BVF. BFV may update from time to time the list of waffle products to be covered in this Consent Judgment as "Additional Products" by providing written notice to Embry and updating Exhibit A to include such products.

## 1.6 Notices of Violation

On August 24, 2018, Embry served Sprouts Farmers Market, Inc. ("Sprouts"), 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. ("Original Notice"). The 2019 Notice alleged that Sprouts violated Proposition 65 by failing to sufficiently warn consumers of alleged exposures to acrylamide in Sprouts Blueberry Waffles.

On December 18, 2019, Embry served BVF, Sprouts, 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.* ("Second Notice"). The Second Notice alleged that BVF violated Proposition 65 by failing to sufficiently warn consumers in California of alleged exposures to acrylamide in Sprouts Blueberry Waffles.

On or around April 27, 2020, Embry served BVF, Sprouts, 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.* ("Third Notice"). The Third Notice alleged that BVF violated Proposition 65 by failing to sufficiently warn consumers in California of alleged exposures to acrylamide in waffle products manufactured by BFV, including but not limited to Sprouts Blueberry Waffles.

The Original Notice, Second Notice, and Third Notice are referred to collectively herein as the "Notices."

## 1.7 Complaint

On March 21, 2019, Embry filed a Complaint against Sprouts for the alleged violations of Health and Safety Code section 25249.6 asserted in the Original Notice. On February 18, 2020, Embry amended the Complaint to add BVF as a defendant in the action ("Complaint"). Upon entry of this Consent Judgment, the Complaint shall be deemed to be amended *nunc pro tunc* to include allegations asserted in the Second Notice and Third Notice with respect to the Products.

## 1.8 No Admission

By stipulating to the entry of this Consent Judgment and agreeing to provide the relief and remedies specified herein, BVF does not admit that is has violated, or threatened to violate, Proposition

65 or any other law or legal duty, and BVF does not admit that the chemical acrylamide in food poses any risk to human health.

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 BVF'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 BVF 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 and Compliance Date

For purposes of this Consent Judgment, the term "Effective Date" means the date on which notice of entry of this Consent Judgment by the Court is served on BFV. For the Products, the Compliance Date is the date that is six (6) months after the Effective Date. For the Additional Products that are added to Exhibit A, the Compliance Date shall be the date that is twelve (12) months after the Effective Date or sixty (60) days after BFV issues an updated Exhibit A, whichever is later.

## 2. <u>INJUNCTIVE RELIEF</u>

## 2.1 Reformulation of the Product

Any Products that are manufactured by BVF on and after the Compliance Date that are thereafter sold in California or distributed for sale in California shall not exceed 280 ppb acrylamide ("Reformulation Level"), 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 BVF knows will sell the Product in California.

## 2.2 Testing

- (a) Compliance with the Reformulation Level shall be determined using LC-MC/MS (Liquid Chromatograph-Mass Spectrometry), GC/MS (Gas Chromatography/Mass Spectrometry), or any other testing method agreed upon by the Parties. Any testing for purposes of Section 2.1 shall be performed by any laboratory accredited by the State of California, a federal agency, or a nationally recognized organization.
- (b) Compliance with the Reformulation Level shall be determined after preparing the Product as if prepared for consumption in accordance with the instructions on the packaging label of the Product and in accordance with the sample preparation protocol in Exhibit B.

## 2.3 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 provisions of Section 4, without regard to when such products were, or are in the future, distributed or sold to customers. As a result, the obligations in Section 2.1 and 2.2 do not apply to Products manufactured prior to the Compliance Date.

## 3. MONETARY SETTLEMENT TERMS

## 3.1 Settlement Amount

Defendant shall pay Fifty Thousand dollars (\$50,000.00) 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 Five Thousand dollars (\$5,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorney's fees and costs in the amount of Forty-Five Thousand dollars (\$45,000.00) 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

## 3.3

Attorney's Fees and Costs

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The portion of the settlement attributable to attorneys' fees and costs shall be paid to Embry's counsel, who are entitled to attorney's fees and costs incurred by her in this action, including but not 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 (\$22,500.00) and Nicholas & Tomasevic, LLP (\$22,500.00) respectively. The addresses for these two entities are:

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

Craig 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**

This Consent Judgment is a full, final, and binding resolution between, on the one hand, Embry, on behalf of herself and her attorneys, investigators, agents, heirs, and assigns (collectively referred to as "Embry Releasors") and on behalf of the public in the public interest, and, on the other hand, BVF and its parents, subsidiaries, affiliated entities under common ownership, its directors, officers, principals, agents, employees, attorneys, insurers, accountants, predecessors, successors, and assigns ("BVF Entities"), and each entity to whom BVF directly or indirectly distributes, ships, or sells the Products including but not limited to downstream distributors, wholesalers, customers, retailers (including but not limited to Sprouts), franchisees, cooperative members, and licensees, and their owners, directors, officers, agents, principals, employees, attorneys, insurers, accountants, representatives, predecessors, successors, and assigns (collectively referred to as the "Releasees"), of 1 | al 2 | ac 3 | C 4 | P 5 | sc

all claims that have been or could have been asserted under Proposition 65 for any exposures to acrylamide from the Products manufactured, purchased, distributed, or sold by BVF before the Compliance Date. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to any exposures to acrylamide from Products manufactured, purchased, sold, or distributed by BVF on and after the Compliance Date.

## 4.2 Embry's Individual Release of Claims

Embry, in her individual capacity, on behalf of herself and the Embry Releasors, also waives all rights to institute or participate in, directly or indirectly, any form of legal action, and discharges and releases all claims, actions, causes of action (in law or in equity), suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, expenses, and fees (including, but not limited to, investigation fees, expert fees, and attorney's fees), and expenses (collectively, "Claims") as to all Releasees under Proposition 65 or any statutory or common law from the alleged failure to provide warnings for any exposures to acrylamide, or for causing any exposures to acrylamide, in the Products and the Additional Products that are manufactured, purchased sold, or distributed by BVF, provided that such products comply with Section 2 of this Consent Judgment. The release in this Section 4.2 is effective as a full and final accord and satisfaction, as a bar to all Claims of any nature, character or kind, whether known or unknown, or suspected or unsuspected. Embry acknowledges that she is familiar with 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.

Embry understands and acknowledges the significance and consequence of this waiver of California Civil Code section 1542.

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4.3

**BVF's Release of Embry** 

BVF, on its own behalf, and on behalf of the BVF Entities, 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. The release in this Section 4.3 is effective as a full and final accord and satisfaction, as a bar to all Claims of any nature, character or kind, whether known or unknown, or suspected or unsuspected. BVF acknowledges that it is familiar with 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.

- BVF understands and acknowledges the significance and consequence of this waiver of California Civil Code section 1542.
- **4.4** Nothing in Section 4 affects or limits the right of any Party to enforce the terms of this Consent Judgment.

## 5. COURT APPROVAL

**5.1** This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if it is not approved and entered by 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. 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 and apply within the state of California. In the event that Proposition 65 is repealed, or is otherwise

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

#### 8. **NOTICE**

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:

9 For BVF:

For Embry:

10 Sarah Esmaili

Arnold & Porter Three Embarcadero Center, 10th Floor

San Francisco, CA 94111

Noam Glick Glick Law Group, PC 225 Broadway, 21st 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 all notices and other communications shall be sent.

#### 9. **COUNTERPARTS; FACSIMILE 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**

10.1 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.

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#### 12. **MODIFICATION**

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10.2 Within ten (10) days of entry of this Consent Judgment, Embry shall file a request for dismissal of Sprouts without prejudice.

#### 11. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES; ENFORCEMENT

- If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Party alleging a violation of the Consent Judgment shall provide the other Party written notice of the alleged violation. 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.
- If Embry alleges a violation of Section 2, the written notice shall, at a minimum, set 11.2 forth the following for each Product item issue in the notice: (a) the date the Product was purchased; (b) the location at which the Product was purchased; (c) a description of the Product giving rise to the alleged violation, including the name and address of the retail entity from which the sample was obtained and pictures of the product packaging from all sides, which identifies the product lot; (d) all test data obtained by Embry regarding the Product and supporting documentation sufficient for validation of test results, including any laboratory reports, quality assurance reports, and quality control reports associated with testing of the Product. Embry shall not bring an enforcement action or institute a judicial proceeding as to compliance with Section 2 if BVF demonstrates it has complied with the requirements of Section 2. BVF is entitled to designate such information as confidential.
- 11.3 In the event that meet and confer efforts are unsuccessful, the Party alleging a violation may initiate a judicial proceeding to enforce this Consent Judgment no earlier than 60 days after issuing the written notice specified in this Section 11. In the event that a Party initiates such a judicial proceeding, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs.

12.1 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.

- 12.2 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.
- but not limited to the published "no significant risk level" for acrylamide set forth at Cal. Code Regs., tit. 27, section 25705, subdivision (c)(2) or any "alternative risk level" adopted by regulation or court decision) are changed from their terms as they exist on the date of entry of this Consent Judgment, or if OEHHA takes some other final regulatory action that determines that warnings for acrylamide are not required or modifies the standard for warnings for acrylamide, then BVF may seek to modify this Consent Judgment.
- 12.4 Other Court Decisions. If a final decision of a court determines that warnings for acrylamide exposures or that enforcement of Proposition 65 claims for acrylamide exposures are preempted or otherwise unlawful or unconstitutional, then BVF may move to modify this Consent Judgment to conform to such ruling in order to avoid unfair, inconsistent, or anti-competitive results.
- 12.5. Federal Agency Action and Preemption. If a court of competent jurisdiction or an agency of the federal government, including, but not limited to, the U.S. Food and Drug Administration, states through any guidance, regulation or legally binding act that federal law has preemptive effect on any of the requirements of this Consent Judgment, then BVF may seek to modify this Consent Judgment in accordance with the procedure for noticed motions set forth in Section 12.1 to bring it into compliance with or avoid conflict with federal law.
- 12.6 Scientific Studies. If an agency of the federal government, including, but not limited to the U.S. Food and Drug Administration, states through any guidance, regulation, or other legally binding act, following a review of scientific studies and following public notice and comment, a cancer potency estimate for acrylamide that equates to a no significant risk level higher than 0.2 micrograms per day, then BVF may seek to modify this Consent Judgment.

12.7 Before filing any motion to modify the Consent Judgment, BVF shall provide written notice to Embry to initiate the meet and confer procedure in Section 12.2. If the Parties do not agree on the proposed modification during informal meet and confer efforts, BVF may file a motion to modify the Consent Judgment within sixty (60) days of the date of the written notice that BVF provides to Embry under this Section 12. Any modification of this Consent Judgment shall have no effect on Defendant's financial obligations as provided herein.

#### 13. 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.

#### 14. RETENTION OF JURISDICTION

This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment. Notwithstanding the provisions of Section 12, nothing in this Consent Judgment limits or affects the Court's authority to modify this Consent Judgment as provided by law.

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1	15 AUTHODIZATION	
2	15. <u>AUTHORIZATION</u>	
3	The undersigned are authorized to execute this Consent Judgment and acknowledge that they	
4	have read, understand, and agree to all of the terms and conditions contained herein.	
5	AGREED TO:	AGREED TO BY BAY VALLEY FOODS, LLC
6	Date: 4/29/2020	Date: 5/5/20
<ul><li>7</li><li>8</li><li>9</li></ul>	By: Kim Embry	By: News E. O' Sees
0		THOMAS E. O'NEIL [print name]
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13	IT IS SO ORDERED, ADJUDGED, AND DEC	CREED:
4	Dated:	
15		JUDGE OF THE SUPERIOR COURT
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## EXHIBIT A **Products:** Sprouts Blueberry Waffles Organic Mini Blueberry Waffles Organic Mini Homestyle Waffles Organic Flax Waffles Multigrain Waffles Homestyle Waffles Chocolate Chip Waffles Traditional Belgian Waffles Buttermilk Waffles Blueberry Waffles Cinnamon Waffles