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12	CHREDIAD CAUDT AF T	THE STATE OF CALIFORNIA
13		
14	IN AND FOR THE C	COUNTY OF ALAMEDA
15	ENVIRONMENTAL HEALTH ADVOCATES, INC., a California organization,	Case No. RG21085428
16	Plaintiff,	[PROPOSED] CONSENT JUDGMENT
17	v.	(Health & Safety Code § 25249.6 et seq. and Code Civ. Proc. § 664.6)
18	FYFFES NORTH AMERICA INC., a Florida	ů ,
19	corporation, MARSHALLS OF MA, INC., a Massachusetts corporation, and DOES 1	
20	through 100, inclusive,	
21	Defendants.	
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#### 1. <u>INTRODUCTION</u>

#### 1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA") and Fyffes North America Inc. ("Defendant" or "Fyffes") with EHA and Fyffes each individually referred to as a "Party" and collectively referred to as the "Parties."

#### 1.2 Plaintiff

EHA is a corporation organized in the state of 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

Fyffes 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 Fyffes manufactures, imports, sells and/or distribute for sale plantain products that contain acrylamide. EHA further alleges that Fyffes 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, birth defects and other reproductive harm.

## 1.5 Notices of Violation

On October 20, 2020, EHA served Fyffes, Marshalls of MA, Inc. ("Marshalls"), 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. ("Initial Notice"). The Initial Notice alleged that Fyffes and Marshalls had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to acrylamide contained in Turbana Plantain Chips Sweet.

On March 27, 2021, EHA served Fyffes, Marshalls, 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.* ("Amended Notice;" collectively, the Initial Notice and the

Amended Notice referred to as the "Notices"). The Amended Notice alleged that Fyffes and Marshalls had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to acrylamide contained in all Turbana plantain chips.

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

#### 1.6 Product Description

The products covered by this Consent Judgment are all Turbana plantain chips manufactured, distributed, or processed by Fyffes that allegedly contain acrylamide and are imported, sold, shipped, delivered and/or distributed for sale to consumers in California by Releasees (as defined in section 4.1), whether sold under the Turbana label or under a private label ("Products").

#### 1.7 State of the Pleadings

On January 11, 2021, EHA filed a Complaint against Fyffes and Marshalls for the alleged violations of Health and Safety Code section 25249.6 that are the subject of the Notices ("Complaint").

#### 1.8 No Admission

Fyffes denies the material factual and legal allegations of 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 Fyffes' 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 Fyffes 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 the Court grants the motion for approval of this Consent Judgment, as discussed in Section 5. The Compliance Date is the date that is sixty (60) days after the Effective Date.

## 2. INJUNCTIVE RELIEF: REFORMULATION OF PRODUCTS

2.1 Except as otherwise provided herein, any Products that are manufactured by Fyffes on and after the Compliance Date that Fyffes sells in California or distributes for sale in California shall not exceed 330 parts per billion ("ppb") for acrylamide resulting from the average of five (5) tests applied to samples of different Turbana plantain chip flavors. Compliance with this average limit would be controlled annually, using the FDA method acrylamide Rev2003 - LC-MS-MS (Liquid Chromatograph-Mass Spectrometry) test method, for the period of one year. As used in this Section 2, "distributed for sale in California" means to directly ship Products into California or to sell Products to a distributor Fyffes know will sell Products in California.

## 2.2 Warnings

**2.2.1** If Fyffes sells Products that contain acrylamide exceeding 330 ppb, as determined by the test procedure pursuant to Section 2.1, Products may be sold in California with one of the following warning statements:

#### Option 1:

**WARNING**: This product can expose you to Acrylamide, which is known to the State of California to cause cancer, birth defects or other reproductive harm. For more information go to <a href="https://www.P65Warnings.ca.gov">www.P65Warnings.ca.gov</a>.

#### Option 2:

**WARNING**: Cancer and Reproductive Harm – www.P65Warnings.cs.gov

The warning in Option 2 may only be used if the warning appears on the product container or labeling. The word "WARNING" shall be displayed in all capital letters and bold print. This warning statement shall be prominently displayed on the Products, on the packing of the Products, or on a placard, shelf tag, or sign provided that the statement is displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by

an ordinary individual prior to sale. If the warning statement is displayed on the Products' label, it must be set off from other surrounding information in a box.

2.2.2 The warning requirements set forth herein are imposed pursuant to the terms of this and are recognized by the Parties as not being the exclusive manner of providing a warning for the Covered Products. Warnings may be provided as specified in the Proposition 65 regulations for food in effect as of the Effective Date (Title 27, California Code of Regulations, section 25601, et seq.) or as such regulations may be amended in the future, or pursuant to a settlement agreement or consent judgment involving acrylamide. The same warning shall be posted on any websites where the Product is sold in California.

#### 3. MONETARY SETTLEMENT TERMS

#### 3.1 Settlement Amount

Fyffes 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. Fyffes' obligation to pay is contingent on the court's approval of this Consent Judgment.

## 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 three thousand seven hundred and fifty dollars (\$3,750), paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) of the penalty, one thousand two hundred and fifty dollars (\$1,250), paid to EHA individually. These payments will be sent to the below addresses on or before thirty (30) days of the Effective Date.

All payments owed to EHA shall be delivered to the following address by a check made payable to Environmental Health Advocates:

Environmental Health Advocates 225 Broadway, Suite 1900 San Diego, CA 92101

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All payments owed to OEHHA (EIN: 68-0284486) shall be delivered directly to OEHHA by a check made payable to Office of Environmental Health Hazard Assessment (Memo Line "Prop 65 Penalties") at the following addresses:

#### For U.S. Postal Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

For Federal Express Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

Fyffes agrees to provide EHA's counsel with a copy of the check payable to OEHHA, simultaneous with its penalty payment to EHA.

EHA and its counsel will provide completed W-9s, or other required tax documents, to Fyffe, as a condition of Fyffe making any payment, including payment of the penalty to EHA. Relevant information is set out below:

- "Entorno Law, LLP" (EIN: 86-1826351) at the address provided in Section 3.2(a)(i);
- "Office of Environmental Health Hazard Assessment" (EIN: 68-0284486) 1001 I Street, Sacramento, CA 95814.

#### 3.3 Attorney's Fees and Costs

The portion of the settlement attributable to attorney's fees and costs, forty-five thousand dollars (\$45,000), shall be paid to EHA's counsel, who are entitled to attorney's fees and costs incurred by it in this action, including but not limited to investigating potential violations, bringing this matter to Fyffes' attention, as well as litigating and negotiating a settlement in the public interest.

Fyffes shall provide its payment to EHA's counsel in three (3) monthly payments starting within thirty (30) days of the Effective Date and continuing thereafter for two (2) months. The first two installments shall each be in the amount of seventeen thousand five hundred dollars (\$17,500.00),

payable to Entorno Law, LLP. The third installment in the amount of ten thousand dollars (\$10,000), payable to Entorno Law, LLP. For example, if the Effective Date is June 1st, Fyffes' first payment would be due July 1st, and their next payment would be due August 1st, etc. If the first two monthly installments each of seventeen thousand five hundred dollars (\$17,500.00) are paid on time, then the third monthly payment of ten thousand dollars (\$10,000.00) will be waived by EHA and EHA's counsel. The address is:

Noam Glick Entorno Law, LLP 225 Broadway, 19<sup>th</sup> Floor San Diego, CA 92101

### 3.4 Timing

The first installment of the above-mentioned payments will be sent on or before thirty (30) days of the Effective Date; the second installment of the payments will be sent on or before sixty (60) days of the Effective Date; and the third installment, unless waived pursuant to Section 3.3, will be sent within ninety (90) days of the Effective Date. If the deadline is on Sunday or holiday, it will be extended until the next day that is not a holiday.

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

#### 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 manufactured, imported, sold, or distributed by Fyffes prior to the Effective Date, EHA, acting for the general public, releases Fyffes of any and all liability arising under Proposition 65. This includes Fyffes' owners, parents, subsidiaries, suppliers, affiliated entities under common ownership, its directors, officers, agents, employees, attorneys, and each entity to whom Fyffes directly or indirectly distributes or sells Products, including but not limited to downstream distributors, wholesales, customers, retailers, including but not limited to Marshalls, its parents, subsidiaries, and affiliates, franchisees, cooperative members and licensees (collectively, the "Releasees"). Releasees include Fyffes, Marshalls, and each of their parents, and all subsidiaries and

affiliates thereof and their respective employees, agents, and assigns that sell Fyffes' Products. 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, and/or distributed by Fyffes 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 Fyffes and/or Releasees, whether known or unknown, 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, and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, also provides a release to Fyffes 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 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, and/or distributed by Fyffes and/or the Releasees before the Effective Date.

#### 4.3 Fyffes' Release of EHA

Fyffes on its own behalf, , 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 them, concerning or relating to the subject matter of this action.

#### 4.4 Mutual Release of Known and Unknown Claims

The Parties certify that they have read the following provision of California Civil Code Section 1542:

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.

The Parties expressly waive and relinquish all rights and benefits which they may have under Section 1542 of the Civil Code to the full extent such provisions may lawfully be waived. Each Party hereto acknowledges that they may hereafter discover facts different from or in addition to those which they now know or believe to be true with respect to the claims, demands, debts, liabilities, accounts, obligations, and causes of action of every kind so released, and each agrees that the release so given shall be and remain in effect as full and complete releases of notwithstanding the discovery of any such new, different or additional facts.

### 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 any reason, including but not limited to changes in Proposition 65, the implementing regulations, the law, and/or any injunctive relief, and/or wherein warnings for acrylamide are determined not to be required under Proposition 65 or acrylamide is subject to a safe harbor level higher than 330 ppb, Fyffes may provide written notice to EHA 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

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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 mail; (iii) a recognized overnight courier; or (iv) email to the following addresses:

#### If to Defendants:

#### If to EHA:

Keith J. Wesley Lori Sambol Brody Brown George Ross O'Br

Brown George Ross O'Brien Annaguey & Ellis LLP 2121 Avenue of the Stars, Suite 2800

Los Angeles, California 90067

kwesley@bgrfirm.com lbrody@bgrfirm.com Noam Glick Entorno Law, LLP 225 Broadway, 19th Floor San Diego, CA 92101 noam@glicklawgroup.com

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. <u>AUTHORIZATION</u>

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, through their counsel, 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.

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# 14. **ENTIRE AGREEMENT** 1 2 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, 3 commitments, and understandings related hereto. No representations, oral or otherwise, express or 4 implied, other than those contained herein have been made by any Party. No other agreements, oral or 5 otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party. 6 7 AGREED TO: **AGREED TO:** 8 Date: June 7, 2021 9 June 4, 2021 Date: 10 11 By: FYFFES NORTH AMERICA INC. ENVIRONMENTAL HEALTH 12 ADVOCATES, INC. 13 14 IT IS SO ORDERED. 15 Date: 16 JUDGE OF THE SUPERIOR COURT 17 18 19 20 21 22 23 24 25 26 27 28