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Attorney for Defendant,
QUINN FOODS, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LOS ANGELES

BERJ PARSEGHIAN,

Plaintiff,

v.

QUINN FOODS, LLC

Defendant.

Case No.: 21STCV42433

**[PROPOSED] CONSENT JUDGMENT AS
TO QUINN FOODS, LLC**

(Health & Safety Code § 25249.6 *et. seq.* and
Code Civ. Proc. § 664.6)

1. INTRODUCTION**1.1 The Parties**

This [Proposed] Consent Judgment is hereby entered into by and between BERJ PARSEGHIAN, acting on behalf of the public interest (hereinafter “PARSEGHIAN”) and QUINN FOODS, LLC (hereinafter “QUINN FOODS”). Collectively Parseghian and QUINN FOODS shall be referred to hereafter as the “Parties” and each of them as a “Party.” Parseghian is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. For the purposes of this Consent Judgment, the Parties agree that QUINN FOODS employs ten or more persons and is a person in the course of doing business within the meaning of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.

1.2 Allegations and Representations

Parseghian alleges that Defendant has offered for sale in the State of California and has sold in California, Pretzel Chips, which contain lead and expose consumers to this chemical at a level requiring a Proposition 65 warning. Lead is listed under Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm. Defendant denies the allegations and contends that there is no exposure requiring a warning and no violation under Proposition 65 for an alleged failure to warn.

1.3 Covered Products Description

The products that are covered by this Consent Judgment are defined as "Pretzel Chips." All such items shall be referred to herein as the “Covered Products.”

1.4 Notices of Violation/Complaint

1.4.1 On or about June 22, 2021, Parseghian served QUINN FOODS and various public enforcement agencies with a document entitled "60-Day Notice of Violation" pursuant to Health and Safety Code §25249.7(d) (the "Notice"), alleging that QUINN FOODS was in violation of Proposition 65 for failing to warn consumers and customers that the Covered Products exposed users in California to lead. No public enforcer diligently prosecuted the claims threatened in the Notice within sixty days plus service time relative to the provision of the Notice to them by Parseghian.

1.4.2 On November 17, 2021, Parseghian, acting in the interest of the general public in the State of California, filed a complaint in the Superior Court of Los Angeles County alleging violations of Health & Safety Code §25249.6 (the “Complaint”) based on the alleged failure to warn of exposures to lead contained in Covered Products manufactured, distributed, or sold by QUINN FOODS.

1.5 Effective Date and Application of this Consent Judgment

For purposes of this Consent Judgment, the term “Effective Date” shall mean the date this Consent Judgment is entered as a judgment of the Court.

For purposes of this Consent Judgment, the term “Execution Date” shall mean the date this Consent Judgment is signed by all parties in Clause 16 below. 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, distributors, wholesalers, retailers, predecessors, successors, and assigns. This Consent Judgment shall have no application to any Covered Products that Quinn Foods distributes or sells exclusively outside the State of California.

2. STIPULATION TO JURISDICTION/NO ADMISSION

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over QUINN FOODS as to the allegations contained in the complaint filed in this matter, that venue is proper in the County of Los Angeles, and that this Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein and/or in the Notice.

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 shall be construed as an admission by QUINNS FOODS of any fact, finding, issue of law, or violation of law; nor shall compliance with this Consent Judgment constitute or be construed as an admission by QUINN FOODS of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by QUINN FOODS, including, but not limited to, any admission related to exposure of failure to warn. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of QUINN FOODS under this Consent Judgment.

3. INJUNCTIVE RELIEF: WARNINGS, REFORMULATION AND TESTING

3.1 Beginning sixty (60) days from the Effective Date ("Compliance Date"), Quinn Foods 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 Product that 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 Quinn Foods knows or has reason to know will sell the Covered Product in California. The injunctive relief in Section 2 does not apply to any Covered Product that has left the possession, and is no longer under the control of Quinn Foods prior to the Compliance Date and all claims as to such Covered Product is released in this Consent Judgment.

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 QUINN FOODS is required to provide a warning pursuant to Section 3.1, one of the following warnings must be utilized ("Warning"):

Option 1:

WARNING: Consuming this product can expose you to chemicals including lead, 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/food

Option 2:

WARNING: [Cancer and] Reproductive Harm – <http://www.p65warnings.ca.gov/food>

QUINN FOODS shall use the phrase "cancer and" in the Warning if QUINN FOODS has reason to believe that the "Daily Lead Exposure Level" is greater than 15 micrograms of lead or if QUINN FOODS has reason to believe that another Proposition 65 chemical is present which may require a cancer warning.

The Warning shall be provided to California consumers in manner that complies with 27 C.C.R. §25602(a). In addition, for any Covered Product sold over the internet, the Warning shall appear prior to checkout on the primary product page, or as a pop-up when a California zip code is input into the shipping instructions, or on the checkout page in full text or through a clearly marked hyperlink using the word "**WARNING**" in all capital and bold letters when a California delivery address is indicated for any purchase of any Covered Product. If a hyperlink is used, the hyperlink must go directly to a page prominently displaying either the Option 1 Warning or the Option 2 Warning without content that detracts from the Warning. An asterisk or other identifying method must be utilized to identify which products on the checkout page are subject to the Warning. Given Quinn Foods' lack of control over third-party websites, the online warning requirements expressed in this Section apply only to Covered Products sold through Quinn Foods' website, provided that Quinn Foods complies with the notice requirements set forth in 27 C.C.R.25600.2.

1 The Warning shall be at least the same size as the largest of any other health or safety
2 warnings also appearing on the website or on the label and the word **"WARNING"** shall be in all
3 capital letters and in bold print. No statements intended to or likely to have the effect of diminishing
4 the impact of the Warning on the average lay person shall accompany the Warning. Further, no
5 statements may accompany the Warning that state or imply that the source of the listed chemical has
6 an impact on or results in a less harmful effect of the listed chemical. For the Option 2 Warning, a
7 symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black
8 outline shall be placed to the left of the text of the Warning, in a size no smaller than the height of the
9 word **"WARNING."**

10 QUINN FOODS must display or direct consumers to the above Warning with such
11 conspicuousness, as compared with other words, statements or designs on the label, or on its website,
12 if applicable, to render the Warning likely to be read and understood by an ordinary individual under
13 customary conditions of purchase or use of the product.

14 For purposes of this Consent Judgment, the term "label" means a display of written, printed or
15 graphic material that is printed on or affixed to a Covered Product or its immediate container or
16 wrapper.

17 For purposes of this Consent Judgment, when QUINN FOODS is required to provide a
18 warning for a Covered Product pursuant to Section 3.1, QUINN FOODS may satisfy the warning
19 requirement by providing the required information in compliance with 27 C.C.R. § 25600.2 (2020) to
20 any business that is subject to Proposition 65 to which it is selling or transferring the Covered Product.
21 If subsequently enacted changes to Proposition 65 or its implementing regulations require the use of
22 additional or different information on any warning, the Parties agree that the new safe harbor warning
23 may be utilized in place of the warnings set forth in this Section.
24

25 If Parseghian alleges that any Covered Products fail to adhere to this Consent Judgment, then
26 Parseghian shall inform Quinn Foods in a reasonably prompt manner of its test results, including
27
28

information sufficient to permit Quinn Foods to identify the Covered Products at issue and investigate. Quinn Foods shall, within thirty (30) days following such notice, provide Parseghian with testing information demonstrating Quinn Foods' compliance with the Consent Judgment, or proof that omission of the Warning was due to the Covered Products being sold, manufactured or distributed up to the Compliance Date. The Parties shall first attempt to resolve the matter prior to Parseghian taking any further legal action.

4. PAYMENTS PURSUANT TO HEALTH & SAFETY CODE §25249.7(b)

With regard to all claims that have been raised or which could be raised with respect to failure to warn pursuant to Proposition 65 with regard to lead in the Covered Products, QUINN FOODS shall pay a civil penalty of (\$4,000.00) pursuant to Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health & Safety Code § 25192, with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment and the remaining 25% of the penalty remitted to Parseghian, as provided by California Health & Safety Code § 25249.12(d) and the instructions directly below.

QUINN FOODS shall issue two separate checks for the penalty payment: (a) one check made payable to "OEHHA" (tax identification number: 68-0284486) in an amount representing 75% of the total penalty (i.e., \$3,000.00 and (b) one check in an amount representing 25% of the total penalty (i.e., \$1,000.00 made payable directly to Parseghian. QUINN FOODS shall mail these payments within ten (10) business days following the Effective Date, at which time such payments shall be mailed to the following addresses respectively:

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

KJT LAW GROUP LLP
230 N. Maryland Avenue, Suite 306
Glendale, CA 91206

All payments owed to OEHHA shall be delivered directly to OEHHA at the following addresses:

For United States Postal Delivery:

Mike Gyurics
 Senior Accounting Officer -- MS 19-B
 Office of Environmental Health Hazard Assessment

P.O. Box 4010
Sacramento, CA. 95812-0410

For Non-United States Postal Service Delivery:

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

5. **REIMBURSEMENT OF FEES AND COSTS**

The parties reached an accord on the compensation due to Parseghian and his counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, QUINN FOODS shall reimburse Parseghian's counsel for fees and costs, incurred as a result of investigating, bringing this matter to QUINN FOODS attention, and negotiating a settlement in the public interest. QUINN FOODS shall pay Parseghian's counsel (\$36,000.00) for all attorneys' fees, expert and investigation fees and related costs associated with this matter and the Notice. QUINN FOODS shall mail a check payable to "KJT Law Group," via certified mail to the address for Parseghian's counsel referenced above within ten (10) business days following the Execution Date. Other than the payment required hereunder, each side is to bear its own attorneys' fees and costs.

6. **RELEASE OF ALL CLAIMS**

6.1 **Parseghian's Release of QUINN FOODS, Releasees, and Downstream Releasees**

As to those matters raised in the Complaint and in the Notice of Violation, Parseghian, on behalf of himself, *and on behalf of the public interest*, hereby waives and releases any and all claims against QUINN FOODS its parent companies, corporate affiliates, subsidiaries, predecessors, successors and assigns (collectively "Releasees") and each of its distributors, wholesalers, licensors, licensees, auctioneers, retailers, including but not limited to The Kroger Co., Ralph's Grocery Company, franchisees, dealers, customers, owners, purchasers, users (collectively "Downstream Releasees") and their respective officers, directors, attorneys, representatives, shareholders, agents,

1 and employees, and sister and parent entities for injunctive relief or damages, penalties, fines,
2 sanctions, mitigation, fees (including fees of attorneys, experts, and others), costs, expenses, or any
3 other sum incurred or claimed, for the alleged failure of QUINN FOODS, Releasees or
4 Downstream Releasees to provide clear, accurate and reasonable warnings under Proposition 65
5 about exposure to lead arising from the sale, distribution, or use of any Covered Products sold,
6 manufactured or distributed by QUINN FOODS, Releasees or Downstream Releasees in California
7 prior to the Compliance Date. Compliance with the Consent Judgment by QUINN FOODS or a
8 Releasee shall constitute compliance with Proposition 65 by that QUINN FOODS, Releasee, or
9 Downstream Releasee with respect to the presence of lead in the Covered Products. Plaintiff agrees
10 that any and all claims in the Complaint are resolved with prejudice by this Consent Judgment.
11

12 In addition to the foregoing, Parseghian, on behalf of himself, his past and current agents,
13 representatives, attorneys, and successors and/or assignees, and not in his representative capacity,
14 hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and
15 releases any other Claims that he could make against QUINN FOODS, Releasees or Downstream
16 Releasees arising up to the Compliance Date with respect to violations of Proposition 65 based upon
17 the Covered Products. With respect to the foregoing waivers and releases in this paragraph,
18 Parseghian hereby specifically waives any and all rights and benefits which he now has, or in the future
19 may have, conferred by virtue of the provisions of Section 1542 of the California Civil Code, which
20 provides as follows:
21

22
23 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
24 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR
25 AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY
26 HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER
27 SETTLEMENT WITH THE DEBTOR.

28 **6.2 QUINN FOODS's Release of Parseghian**

QUINN FOODS waives any and all claims against Parseghian, his attorneys and other
representatives, for any and all actions taken or statements made (or those that could have been taken

1 or made) by Parseghian and his attorneys and other representatives, in the course of investigating
2 claims or otherwise seeking enforcement of Proposition 65 against them in this matter, and/or with
3 respect to the Covered Products.

4 **7. SEVERABILITY AND MERGER**

5 If, subsequent to the execution of this Consent Judgment, any of the provisions of this
6 document are held by a court to be unenforceable, the validity of the enforceable provisions
7 remaining shall not be adversely affected.

8 This Consent Judgment contains the sole and entire agreement of the Parties and any and all
9 prior negotiations and understandings related hereto shall be deemed to have been merged within it.
10 No representations or terms of agreement other than those contained herein exist or have been made
11 by any Party with respect to the other Party or the subject matter hereof.

12 **8. GOVERNING LAW**

13 The terms of this Consent Judgment shall be governed by the laws of the State of California
14 and apply within the State of California. Compliance with the terms of this Consent Judgment
15 resolves any issue, now or in the future, as to the requirements of Proposition 65 with respect to
16 alleged exposures to lead arising from the Covered Products. In the event that Proposition 65 is
17 repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Covered
18 Products, then QUINN FOODS shall provide written notice to Parseghian of any asserted change in
19 the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and
20 to the extent that, the Covered Products are so affected.

21 **9. NOTICES**

22 Unless specified herein, all correspondence and notices required to be provided pursuant to
23 this Consent Judgment shall be in writing and personally delivered or sent by: (i) first-class,
24 (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the
25

other party at the following addresses:

For QUINN FOODS, LLC:

Abhishek K. Gurnani
Amin Talati Wasserman, LLP
100 S. Wacker Dr., Suite 2000
Chicago, IL 60606
Telephone: 312.327.3325
Email: abhishek@amintalati.com and

For Parseghian:

Tro Krikorian, Esq.
KJT LAW GROUP, LLP
230 N. Maryland Ave. Suite 306
Glendale, CA 91206
Phone: 818-507-8528
Fax: 818-507-8588

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

10. 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.

11. COUNTERPARTS; EMAIL OR FACSIMILE SIGNATURES

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

1 **12. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)/COURT APPROVAL**

2 Parseghian agrees to comply with the requirements set forth in California Health & Safety
3 Code §25249.7(f) and to promptly bring a Motion for Approval of this Consent Judgment and
4 QUINN FOODS shall not oppose approval of such Motion.

5 This Consent Judgment shall not be effective until it is approved and entered by the Court
6 and shall be null and void if, for any reason, it is not approved and entered by the Court within twelve
7 months after it has been fully executed by the Parties.

8
9 **13. MODIFICATION**

10 This Consent Judgment may be modified only by further stipulation of the Parties and the
11 approval of the Court or upon the granting of a motion brought to the Court by either Party. In the
12 event that Proposition 65 is repealed or preempted as to food products, then QUINN FOODS shall
13 have no further obligation pursuant to this Consent Judgment with respect to, and to the extent that
14 the Covered Products are so affected.

15
16 **14. ATTORNEY'S FEES**

17 A party who unsuccessfully brings or contests an action arising out of this Consent Judgment
18 shall be required to pay the prevailing party's reasonable attorney's fees and costs unless the
19 unsuccessful party has acted with substantial justification. For purposes of this Consent Judgment, the
20 term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986,
21 Code of Civil Procedure Section 2016, et seq.

22
23 **15. RETENTION OF JURISDICTION**

24 This Court shall retain jurisdiction of this matter to implement or modify the Consent
25 Judgment.

26
27 **16. AUTHORIZATION**

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.

STIPULATED AND AGREED TO:

Date: 1/13/2022
DocuSigned by:
By: BERJ PARSEGHIAN
17B4A0E5087E404...

BERJ PARSEGHIAN

Date: 1/12/2022
DocuSigned by:
By: Kristy Lewis
B14N5C228E9D4E1...

Kristy Lewis

[print name]
QUINN FOODS, LLC

APPROVED AS TO FROM:

Date: 1/13/2022
DocuSigned by:
By: [Signature]
D914GF9328F0472...

TRO KRIKORIAN, ESQ.
ATTORNEY FOR PLAINTIFF,
BERJ PARSEGHIAN

Date: 1/12/2022
By: [Signature]

JENNIFER ADAMS, ESQ.
ATTORNEY FOR DEFENDANT,
QUINN FOODS, LLC

IT IS SO ORDERED, ADJUDGED, AND DECREED:

Dated: _____

Judge of the Superior Court