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Attorney for Defendant
THE GOOD FAT CO. LTD., individually and dba LOVE GOOD
FATS

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

**ENVIRONMENTAL RESEARCH
CENTER, INC., a California non-profit
corporation**

Plaintiff,
vs.

**THE GOOD FAT CO. LTD., individually
and dba LOVE GOOD FATS; and DOES 1-
100**

Defendants.

CASE NO. 21CV001072

**STIPULATED CONSENT
JUDGMENT**

Health & Safety Code § 25249.5 *et seq.*

Action Filed: October 25, 2021

Trial Date: None set

1. INTRODUCTION

1.1 On October 25, 2021, Plaintiff Environmental Research Center, Inc. (“ERC”), a non-profit corporation, as a private enforcer and in the public interest, initiated this action by filing a Complaint for Injunctive and Declaratory Relief and Civil Penalties (the “Complaint”)

pursuant to the provisions of California Health and Safety Code section 25249.5 *et seq.* (“Proposition 65”), against The Good Fat Co. Ltd., individually and dba Love Good Fats (“The Good Fat Co.”) and Does 1-100. In this action, ERC alleges that a number of products manufactured, distributed, or sold by The Good Fat Co. contain lead, a chemical listed under Proposition 65 as a carcinogen and reproductive toxin, and expose consumers to this chemical at a level requiring a Proposition 65 warning. These products (referred to hereinafter individually as a “Covered Product” or collectively as “Covered Products”) are: (1) Love Good Fats Shake Vanilla, (2) Love Good Fats Shake Chocolate, (3) Love Good Fats Mint Chocolate Chip Flavor Bar, (4) Love Good Fats Chocolate Chip Cookie Dough Flavor Bar, and (5) Love Good Fats Coconut Chocolate Chip Bar.

1.2 ERC and The Good Fat Co. are hereinafter referred to individually as a “Party” or collectively as the “Parties.”

1.3 ERC is a 501 (c)(3) California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

1.4 For purposes of this Consent Judgment, the Parties agree that The Good Fat Co. is a business entity that has employed ten or more persons at all times relevant to this action, and qualifies as a “person in the course of doing business” within the meaning of Proposition 65. The Good Fat Co. manufactures, distributes, and/or sells the Covered Products.

1.5 The Complaint is based on allegations contained in ERC’s Notice of Violation dated July 16, 2021 that was served on the California Attorney General, other public enforcers, and The Good Fat Co. (“Notice”). A true and correct copy of the 60-Day Notice dated July 16, 2021 is attached hereto as ***Exhibit A*** and incorporated herein by reference. More than 60 days have passed since the Notice was served on the Attorney General, public enforcers, and The Good Fat Co. and no designated governmental entity has filed a Complaint against The Good Fat Co. with regard to the Covered Products or the alleged violations.

1.6 ERC’s Notice and Complaint allege that use of the Covered Products by

1 California consumers exposes them to lead without first receiving clear and reasonable
2 warnings from The Good Fat Co., which is in violation of California Health and Safety Code
3 section 25249.6. The Good Fat Co. denies all material allegations contained in the Notice and
4 Complaint.

5 **1.7** The Parties have entered into this Consent Judgment in order to settle,
6 compromise, and resolve disputed claims and thus avoid prolonged and costly litigation.
7 Nothing in this Consent Judgment nor compliance with this Consent Judgment shall constitute
8 or be construed as an admission by any of the Parties or by any of their respective officers,
9 directors, shareholders, employees, agents, parent companies, subsidiaries, divisions,
10 franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact,
11 issue of law, or violation of law.

12 **1.8** Except as expressly set forth herein, nothing in this Consent Judgment shall
13 prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in
14 any current or future legal proceeding unrelated to these proceedings.

15 **1.9** The Effective Date of this Consent Judgment is the date on which it is entered
16 as a Judgment by this Court.

17 **2. JURISDICTION AND VENUE**

18 For purposes of this Consent Judgment and any further court action that may become
19 necessary to enforce this Consent Judgment, the Parties stipulate that this Court has subject matter
20 jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction
21 over The Good Fat Co. as to the acts alleged in the Complaint, that venue is proper in Alameda
22 County, and that this Court has jurisdiction to enter this Consent Judgment as a full and final
23 resolution of all claims up through and including the Compliance Date (defined in Section 3.1
24 below) that were or could have been asserted in this action based on the facts alleged in the Notice
25 and Complaint.

26 **3. INJUNCTIVE RELIEF, REFORMULATION, TESTING AND WARNINGS**

27 **3.1** Beginning 30 days after the Effective Date (the "Compliance Date"), The Good
28 Fat Co. shall be permanently enjoined from manufacturing for sale in the State of California,

1 “Distributing into the State of California,” or directly selling in the State of California, any
2 Covered Product that exposes a person to a “Daily Lead Exposure Level” of more than 0.5
3 micrograms of lead per day unless it meets the warning requirements under Section 3.2.

4 **3.1.1** As used in this Consent Judgment, the terms “Distributing into the State
5 of California” and “Distributed into the State of California” shall mean to directly ship a
6 Covered Product into California for sale in California or to sell a Covered Product to a
7 distributor that The Good Fat Co. knows will sell the Covered Product in California.

8 **3.1.2** For purposes of this Consent Judgment, the “Daily Lead Exposure
9 Level” shall be measured in micrograms, and shall be calculated using the following formula:
10 micrograms of lead per gram of product, multiplied by grams of product per serving of the
11 product (using the largest serving size appearing on the product label), multiplied by servings
12 of the product per day (using the largest number of recommended daily servings appearing on
13 the label), which equals micrograms of lead exposure per day, excluding, pursuant to Section
14 3.1.3, amounts of allowances of lead in the ingredients listed in **Table 1** below. If the label
15 contains no recommended daily servings, then the number of recommended daily servings
16 shall be one.

17 **3.1.3** In calculating the Daily Lead Exposure Level for a Covered Product,
18 The Good Fat Co. shall be allowed to deduct the amount of lead which is deemed “naturally
19 occurring” in any ingredient listed in **Table 1** that is contained in that Covered Product under
20 the following conditions: For each year that The Good Fat Co. claims entitlement to a
21 “naturally occurring” allowance, The Good Fat Co. shall provide ERC with the following
22 information: (a) The Good Fat Co. must produce to ERC a list of each ingredient in the
23 Covered Product, and the amount, measured in grams, of each such ingredient contained
24 therein, for which a “naturally occurring” allowance is claimed; (b) The Good Fat Co. must
25 provide ERC with documentation of laboratory testing that complies with Sections 3.4.3 and
26 3.4.4 and that shows the amount of lead, if any, contained in any ingredient listed in **Table 1**
27 that is contained in the Covered Product and for which The Good Fat Co. intends to deduct
28 “naturally occurring” lead; (c) If the laboratory testing reveals the presence of lead in any

ingredient listed in **Table 1** that is contained in the Covered Product, The Good Fat Co. shall be entitled to deduct up to the full amount of the allowance for that ingredient, as listed in **Table 1**, but not to exceed the total amount of lead actually contained in that ingredient in the Covered Product; and (d) If the Covered Product does not contain an ingredient listed in **Table 1**, The Good Fat Co. shall not be entitled to a deduction for “naturally occurring” lead in the Covered Product for that ingredient. The information required by Sections 3.1.3 (a) and (b) shall be provided to ERC within thirty (30) days of the Effective Date, or anniversary thereof, for any year that The Good Fat Co. shall claim entitlement to the “naturally occurring” allowance.

TABLE 1

INGREDIENT	ALLOWANCES OF AMOUNT OF LEAD
Calcium (Elemental)	Up to 0.8 micrograms/gram
Ferrous Fumarate	Up to 0.4 micrograms/gram
Zinc Oxide	Up to 8.0 micrograms/gram
Magnesium Oxide	Up to 0.4 micrograms/gram
Magnesium Carbonate	Up to 0.332 micrograms/gram
Magnesium Hydroxide	Up to 0.4 micrograms/gram
Zinc Gluconate	Up to 0.8 micrograms/gram
Potassium Chloride	Up to 1.1 micrograms/gram
Cocoa-powder	Up to 1.0 micrograms/gram
Chocolate Liquor	Up to 1.0 micrograms/gram
Cocoa Butter	Up to 0.1 micrograms/gram

3.2 Clear and Reasonable Warnings

If The Good Fat Co. 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 [are] 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.

Or

OPTION 2:

 **WARNING:** [Cancer and] Reproductive Harm – www.P65Warnings.ca.gov/food

The Good Fat Co. shall use the phrase “cancer and” in the Warning if The Good Fat Co. knows that the “Daily Lead Exposure Level” is greater than 15 micrograms of lead as determined pursuant to the quality control methodology set forth in Section 3.4 or if The Good Fat Co. has knows that another Proposition 65 chemical is present which may require a cancer warning. For the Option 2 Warning, the entire Warning must be in a type size no smaller than the largest type size used for other consumer information on the product. In no case shall the Warning appear in a type size smaller than 6-point type. Further, for Option 2, a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline shall be placed to the left of the text of the Warning, in a size no smaller than the height of the word “**WARNING.**” Where the sign, label or shelf tag for the product is not printed using the color yellow, the symbol may be printed in black and white.

The Warning shall be securely affixed to or printed upon the label of each Covered Product and it must be set off from other surrounding information and enclosed in a box. In addition, for any Covered Product sold over the internet, the Warning shall appear on the checkout page when a California delivery address is indicated for any purchase of any Covered Product. An asterisk or other identifying method must be utilized to identify which products on the checkout page are subject to the Warning. The Warning may be provided with a conspicuous hyperlink stating “**WARNING**” in all capital and bold letters so long as the hyperlink goes directly to a page prominently displaying the Warning without content that detracts from the Warning.

The Warning shall be at least the same size as the largest of any other health or safety

warnings also appearing on the website or on the label and the word “**WARNING**” shall be in all capital letters and in bold print. No statements intended to or likely to have the effect of diminishing the impact of the Warning on the average lay person shall accompany the Warning. Further, no statements may accompany the Warning that state or imply that the source of the listed chemical has an impact on or results in a less harmful effect of the listed chemical.

The Good Fat Co. must display the above Warning with such conspicuousness, as compared with other words, statements or designs on the label, or on its website, if applicable, to render the Warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product.

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

3.2.1 Stream of Commerce. The requirements of Sections 3.1 and 3.2 do not apply to Covered Products that “enter the stream of commerce” prior to the Compliance Date. For purposes of this Consent Judgment, the term “enter the stream of commerce” means that manufactured Covered Products are put into final packaging for consumer sales and (1) have been Distributed into the State of California or sold in the State of California by The Good Fat Co. or (2) are no longer in the possession of or under the control of The Good Fat Co.

3.3 Conforming Covered Products

A Conforming Covered Product is a Covered Product for which the “Daily Lead Exposure Level” is no greater than 0.5 micrograms of lead per day as determined by the exposure methodology set forth in Section 3.1.2 and the quality control methodology described in Section 3.4, and that is not known by The Good Fat Co. to contain other chemicals that violate Proposition 65’s safe harbor thresholds.

3.4 Testing and Quality Control Methodology

3.4.1 Beginning within one year of the Effective Date, The Good Fat Co. shall arrange for lead testing of the Covered Products at least once a year for a minimum of five consecutive years by arranging for testing of three (3) randomly selected samples of each of

1 the Covered Products, in the form intended for sale to the end-user, which The Good Fat Co.
2 intends to sell or is manufacturing for sale in California, directly selling to a consumer in
3 California or "Distributing into the State of California." If tests conducted pursuant to this
4 Section demonstrate that no Warning is required for a Covered Product during each of three
5 consecutive years, then the testing requirements of this Section will no longer be required as to
6 that Covered Product.

7 **3.4.2** For purposes of measuring the "Daily Lead Exposure Level," the highest
8 lead detection result of the three (3) randomly selected samples of the Covered Products will
9 be controlling.

10 **3.4.3** All testing pursuant to this Consent Judgment shall be performed using a
11 laboratory method that complies with the performance and quality control factors appropriate
12 for the method used, including limit of detection and limit of quantification, sensitivity,
13 accuracy and precision that meets the following criteria: Inductively Coupled Plasma-Mass
14 Spectrometry ("ICP-MS") achieving a limit of quantification of less than or equal to 0.005
15 mg/kg.

16 **3.4.4** All testing pursuant to this Consent Judgment shall be performed by an
17 independent third party laboratory certified by the California Environmental Laboratory
18 Accreditation Program or an independent third-party laboratory that is registered with the
19 United States Food & Drug Administration.

20 **3.4.5** Nothing in this Consent Judgment shall limit The Good Fat Co.'s ability
21 to conduct, or require that others conduct, additional testing of the Covered Products, including
22 the raw materials used in their manufacture.

23 **3.4.6** Within thirty (30) days of ERC's written request, The Good Fat Co.
24 shall deliver lab reports obtained pursuant to Section 3.4 to ERC. The Good Fat Co. shall retain
25 all test results and documentation for a period of two years from the date of each test.

26 **4. SETTLEMENT PAYMENT**

27 **4.1** In full satisfaction of all potential civil penalties, additional settlement payments,
28 attorney's fees, and costs, The Good Fat Co. shall make a total payment of \$90,000.00 ("Total

Settlement Amount”) to ERC in two periodic payments (the “Periodic Payments”) according to the following payment schedule (“Due Dates”):

- Payment 1 -- \$45,000.00 within 5 days of the Effective Date
- Payment 2 -- \$45,000.00 within 35 days of the Effective Date

The Good Fat Co. shall make these payment by wire transfer to ERC’s account, for which ERC will give The Good Fat Co. the necessary account information. The Total Settlement Amount shall be apportioned as follows:

4.2 \$37,725.00 shall be considered a civil penalty pursuant to California Health and Safety Code section 25249.7(b)(1). ERC shall remit 75% (\$28,293.75) of the civil penalty to the Office of Environmental Health Hazard Assessment (“OEHHA”) for deposit in the Safe Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety Code section 25249.12(c). ERC will retain the remaining 25% (\$9,431.25) of the civil penalty.

4.3 \$4,240.45 shall be distributed to ERC as reimbursement to ERC for reasonable costs incurred in bringing this action.

4.4 \$28,268.27 shall be distributed to ERC as an Additional Settlement Payment (“ASP”), pursuant to California Code of Regulations, title 11, sections 3203, subdivision (d) and 3204. ERC will utilize the ASP for activities that address the same public harm as allegedly caused by Defendant in this matter. These activities are detailed below and support ERC’s overarching goal of reducing and/or eliminating hazardous and toxic chemicals in dietary supplement products in California. ERC’s activities have had, and will continue to have, a direct and primary effect within the State of California because California consumers will be benefitted by the reduction and/or elimination of exposure to lead in dietary supplements and/or by providing clear and reasonable warnings to California consumers prior to ingestion of the products.

Based on a review of past years’ actual budgets, ERC is providing the following list of activities ERC engages in to protect California consumers through Proposition 65 citizen enforcement, along with a breakdown of how ASP funds will be utilized to facilitate those activities: (1) ENFORCEMENT (up to 65-80%): obtaining, shipping, analyzing, and testing

1 dietary supplement products that may contain lead and are sold to California consumers. This
2 work includes continued monitoring and enforcement of past consent judgments and
3 settlements to ensure companies are in compliance with their obligations thereunder, with a
4 specific focus on those judgments and settlements concerning lead. This work also includes
5 investigation of new companies that ERC does not obtain any recovery through settlement or
6 judgment; (2) VOLUNTARY COMPLIANCE PROGRAM (up to 10-20%): maintaining
7 ERC's Voluntary Compliance Program by acquiring products from companies, developing and
8 maintaining a case file, testing products from these companies, providing the test results and
9 supporting documentation to the companies, and offering guidance in warning or implementing
10 a self-testing program for lead in dietary supplement products; and (3) "GOT LEAD"
11 PROGRAM (up to 5%): maintaining ERC's "Got Lead?" Program which reduces the numbers
12 of contaminated products that reach California consumers by providing access to free testing
13 for lead in dietary supplement products (Products submitted to the program are screened for
14 ingredients which are suspected to be contaminated, and then may be purchased by ERC,
15 catalogued, sent to a qualified laboratory for testing, and the results shared with the consumer
16 that submitted the product).

17 ERC shall be fully accountable in that it will maintain adequate records to document
18 and will be able to demonstrate how the ASP funds will be spent and can assure that the funds
19 are being spent only for the proper, designated purposes described in this Consent Judgment.
20 ERC shall provide the Attorney General, within thirty days of any request, copies of
21 documentation demonstrating how such funds have been spent.

22 **4.5** \$19,766.28 shall be distributed to ERC for its in-house legal fees. Except as
23 explicitly provided herein, each Party shall bear its own fees and costs.

24 **4.6** In the event that The Good Fat Co. fails to remit, in full, either or both of the
25 Periodic Payments owed under Section 4.1 of this Consent Judgment on or before the
26 applicable Due Date, The Good Fat Co. shall be deemed to be in material breach of its
27 obligations under this Consent Judgment. ERC shall provide written notice of the delinquency
28 to The Good Fat Co. via electronic mail. If The Good Fat Co. fails to deliver the delinquent

1 payment within five (5) days from the written notice, the Total Settlement Amount, less any
2 amounts previously paid pursuant to Section 4.1, shall be immediately due and owing and shall
3 accrue interest at the statutory judgment interest rate provided in the California Code of Civil
4 Procedure section 685.010. Additionally, The Good Fat Co. agrees to pay ERC's reasonable
5 attorney's fees and costs for any efforts to collect the payment due under this Consent
6 Judgment.

7 **5. MODIFICATION OF CONSENT JUDGMENT**

8 **5.1** This Consent Judgment may be modified only as to injunctive terms (i) by
9 written stipulation of the Parties and upon entry by the Court of a modified consent judgment
10 or (ii) by motion of either Party pursuant to Section 5.3 and upon entry by the Court of a
11 modified consent judgment.

12 **5.2** If either Party seeks to modify this Consent Judgment under Section 5.1, then
13 that Party must provide written notice to the other Party of its intent ("Notice of Intent"). If the
14 Party that is not seeking modification seeks to meet and confer regarding the proposed
15 modification in the Notice of Intent, then the Party that is not seeking modification must
16 provide written notice to the Party seeking modification within thirty (30) days of receiving the
17 Notice of Intent. If the Party opposing modification notifies the Party seeking modification in a
18 timely manner of its intent to meet and confer, then the Parties shall meet and confer in good
19 faith as required in this Section. The Parties shall meet in person or via telephone within thirty
20 (30) days of the notification of intent to meet and confer. Within thirty (30) days of such
21 meeting, if either Party disputes the proposed modification, the Party opposing modification
22 shall provide to the other Party a written basis for its position. The Parties shall continue to
23 meet and confer for an additional thirty (30) days in an effort to resolve any remaining
24 disputes. Should it become necessary, the Parties may agree in writing to different deadlines
25 for the meet-and-confer period.

26 **5.3** In the event that The Good Fat Co. initiates or otherwise requests a modification
27 under Section 5.1, and the meet and confer process leads to a joint motion or application for a
28 modification of the Consent Judgment, The Good Fat Co. shall reimburse ERC its costs and

1 reasonable attorney's fees for the time spent in the meet-and-confer process and filing and
2 arguing the motion or application.

3 **6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT**
4 **JUDGMENT**

5 **6.1** This Court shall retain jurisdiction of this matter to enforce, modify, or
6 terminate this Consent Judgment.

7 **6.2** If ERC alleges that any Covered Product fails to qualify as a Conforming
8 Covered Product (for which ERC alleges that no Warning has been provided), then ERC shall
9 inform The Good Fat Co. in a reasonably prompt manner of its test results, including
10 information sufficient to permit The Good Fat Co. to identify the Covered Products at issue.
11 The Good Fat Co. shall, within sixty (60) days following such notice, provide ERC with testing
12 information, from an independent third-party laboratory meeting the requirements of Sections
13 3.4.3 and 3.4.4, demonstrating The Good Fat Co.'s compliance with the Consent Judgment. If
14 The Good Fat Co. is able to bring the Covered Product at issue into compliance to the
15 satisfaction of ERC, then ERC shall take no further legal action.

16 **7. APPLICATION OF CONSENT JUDGMENT**

17 This Consent Judgment may apply to, be binding upon, and benefit the Parties and their
18 respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries,
19 divisions, franchisees, licensees, predecessors, successors, and assigns. This Consent Judgment
20 shall have no application to any Covered Product that is distributed or sold exclusively outside the
21 State of California and that is not used by California consumers..

22 **8. BINDING EFFECT, CLAIMS COVERED AND RELEASED**

23 **8.1** This Consent Judgment is a full, final, and binding resolution between ERC,
24 on behalf of itself and in the public interest, and The Good Fat Co. and its respective officers,
25 directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, suppliers,
26 franchisees, licensees, customers (not including private label customers of The Good Fat Co.),
27 distributors, wholesalers, retailers, and all other upstream and downstream entities in the
28 distribution chain of any Covered Product, and the predecessors, successors, and assigns of any

1 of them (collectively, "Released Parties").

2 **8.2** ERC, acting in the public interest, releases the Released Parties from any
3 and all claims for violations of Proposition 65 up through the Compliance Date based on
4 exposure to lead from the Covered Products as set forth in the Notice of Violation. ERC, on
5 behalf of itself only, hereby fully releases and discharges the Released Parties from any and all
6 claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs, and
7 expenses asserted, or that could have been asserted from the handling, use, or consumption of
8 the Covered Products, as to any alleged violation of Proposition 65 or its implementing
9 regulations arising from the failure to provide Proposition 65 warnings on the Covered
10 Products regarding lead to and including the Compliance Date.

11 **8.3** ERC on its own behalf only, and The Good Fat Co. on its own behalf only,
12 further waive and release any and all claims they may have against each other for all actions or
13 statements made or undertaken in the course of seeking or opposing enforcement of
14 Proposition 65 in connection with the Notice and Complaint up through and including the
15 Compliance Date, provided, however, that nothing in Section 8 shall affect or limit any Party's
16 right to seek to enforce the terms of this Consent Judgment.

17 **8.4** It is possible that other claims not known to the Parties, arising out of the facts
18 alleged in the Notice and Complaint, and relating to the Covered Products, will develop or be
19 discovered. ERC on behalf of itself only, and The Good Fat Co. on behalf of itself only,
20 acknowledge that this Consent Judgment is expressly intended to cover and include all such
21 claims up through and including the Compliance Date, including all rights of action therefore.
22 ERC and The Good Fat Co. acknowledge that the claims released in Sections 8.2 and 8.3
23 above may include unknown claims, and nevertheless waive California Civil Code section
24 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

25 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
26 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
27 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE
28 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED
 PARTY.

1 ERC on behalf of itself only, and The Good Fat Co. on behalf of itself only, acknowledge and
2 understand the significance and consequences of this specific waiver of California Civil Code
3 section 1542.

4 **8.5** Compliance with the terms of this Consent Judgment shall be deemed to
5 constitute compliance with Proposition 65 by any of the Released Parties regarding alleged
6 exposures to lead in the Covered Products as set forth in the Notice and Complaint..

7 **8.6** Nothing in this Consent Judgment is intended to apply to any occupational or
8 environmental exposures arising under Proposition 65, nor shall it apply to any of The Good
9 Fat Co.'s products other than the Covered Products.

10 **9. SEVERABILITY OF UNENFORCEABLE PROVISIONS**

11 In the event that any of the provisions of this Consent Judgment are held by a court to be
12 unenforceable, the validity of the remaining enforceable provisions shall not be adversely
13 affected.

14 **10. GOVERNING LAW**

15 The terms and conditions of this Consent Judgment shall be governed by and construed in
16 accordance with the laws of the State of California.

17 **11. PROVISION OF NOTICE**

18 All notices required to be given to either Party to this Consent Judgment by the other shall
19 be in writing and sent to the following agents listed below via first-class mail or via electronic
20 mail where required. Courtesy copies via email may also be sent.

21 **FOR ENVIRONMENTAL RESEARCH CENTER, INC.:**

22 Chris Heptinstall, Executive Director, Environmental Research Center
23 3111 Camino Del Rio North, Suite 400
24 San Diego, CA 92108
25 Ph: (619) 500-3090
26 Email: chris.heptinstall@erc501c3.org

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1 With a copy to:

2 Charles W. Poss Environmental Research Center, Inc.
3 3111 Camino Del Rio North, Suite 400
4 San Diego, CA 92108
5 Ph: (619) 500-3090
6 Email: charles.poss@erc501c3.org

7 **FOR THE GOOD FAT CO. LTD., individually and dba LOVE GOOD FATS:**

8 Love Good Fats
9 Attn: Todd Kelly
10 56 The Esplanade
11 Suite 200
12 Toronto, ON Canada
13 M5E 1A7
14 Email: todd@lovegoodfats.com

15 With a copy to:

16 Jason M. Kerr
17 Price Parkinson & Kerr, PLLC
18 5742 W. Harold Gatty Dr, Suite 101
19 Salt Lake City, UT 84116
20 Ph: 801-530-2900
21 Email: jasonkerr@ppktrial.com

22 **12. COURT APPROVAL**

23 **12.1** Upon execution of this Consent Judgment by the Parties, ERC shall notice a
24 Motion for Court Approval. The Parties shall use their best efforts to support entry of this
25 Consent Judgment.

26 **12.2** If the California Attorney General objects to any term in this Consent Judgment,
27 the Parties shall use their best efforts to resolve the concern in a timely manner, and if possible
28 prior to the hearing on the motion.

12.3 If this Stipulated Consent Judgment is not approved by the Court, it shall be
void and have no force or effect.

13. EXECUTION AND COUNTERPARTS

This Consent Judgment may be executed in counterparts, which taken together shall be
deemed to constitute one document. A facsimile or .pdf signature shall be construed to be as valid

1 as the original signature.

2 **14. DRAFTING**

3 The terms of this Consent Judgment have been reviewed by the respective counsel for
4 each Party prior to its signing, and each Party has had an opportunity to fully discuss the terms
5 and conditions with legal counsel. The Parties agree that, in any subsequent interpretation and
6 construction of this Consent Judgment, no inference, assumption, or presumption shall be drawn,
7 and no provision of this Consent Judgment shall be construed against any Party, based on the fact
8 that one of the Parties and/or one of the Parties' legal counsel prepared and/or drafted all or any
9 portion of the Consent Judgment. It is conclusively presumed that all of the Parties participated
10 equally in the preparation and drafting of this Consent Judgment.

11 **15. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES**

12 If a dispute arises with respect to either Party's compliance with the terms of this Consent
13 Judgment entered by the Court, the Party seeking compliance with the Consent Judgment shall
14 give written notice of said dispute to the other Party, and, within thirty (30) days, the Parties shall
15 meet and confer in person, by telephone or by video conference and endeavor to resolve the
16 dispute in an amicable manner. No action or motion may be filed until (1) the Parties have met
17 and conferred in accordance with this provision or (2) thirty (30) days have passed after written
18 notice is given if the counter-Party (the Party receiving the notice) fails to meet and confer within
19 thirty (30) days of receipt of the written notice sent in accordance with this section.

20 **16. ENFORCEMENT**

21 ERC may, by motion or order to show cause before the Superior Court of Alameda
22 County, enforce the terms and conditions contained in this Consent Judgment. In any action
23 brought by ERC to enforce this Consent Judgment, ERC may seek whatever fines, costs,
24 penalties, or remedies as are provided by law for failure to comply with the Consent Judgment.
25 To the extent the failure to comply with the Consent Judgment constitutes a violation of
26 Proposition 65 or other laws, ERC shall not be limited to enforcement of this Consent
27 Judgment, but may seek in another action whatever fines, costs, penalties, or remedies as are
28 provided by law for failure to comply with Proposition 65 or other laws.

1 **17. ENTIRE AGREEMENT, AUTHORIZATION**

2 **17.1** This Consent Judgment contains the sole and entire agreement and
3 understanding of the Parties with respect to the entire subject matter herein, including any and
4 all prior discussions, negotiations, commitments, and understandings related thereto. No
5 representations, oral or otherwise, express or implied, other than those contained herein have
6 been made by any Party. No other agreements, oral or otherwise, unless specifically referred to
7 herein, shall be deemed to exist or to bind any Party.

8 **17.2** Each signatory to this Consent Judgment certifies that he or she is fully
9 authorized by the Party he or she represents to stipulate to this Consent Judgment.

10 **18. REQUEST FOR FINDINGS, APPROVAL OF SETTLEMENT AND ENTRY OF**
11 **CONSENT JUDGMENT**

12 This Consent Judgment has come before the Court upon the request of the Parties. The
13 Parties request the Court to fully review this Consent Judgment and, being fully informed
14 regarding the matters which are the subject of this action, to:

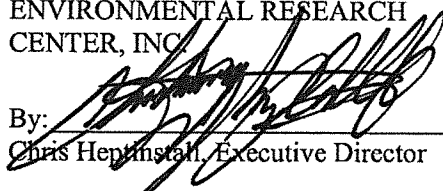
15 (1) Find that the terms and provisions of this Consent Judgment represent a fair and
16 equitable settlement of all matters raised by the allegations of the Complaint that the matter has
17 been diligently prosecuted, and that the public interest is served by such settlement; and

18 (2) Make the findings pursuant to California Health and Safety Code section
19 25249.7(f)(4), approve the Settlement, and approve this Consent Judgment.

20 **IT IS SO STIPULATED:**

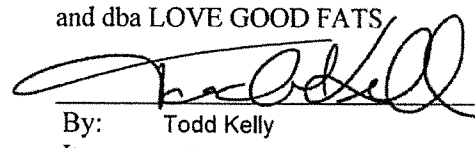
21 Dated: 3/24/, 2022

ENVIRONMENTAL RESEARCH
CENTER, INC.

22
23 By: 
24 Chris Heptinstall, Executive Director

25 Dated: March 22, 2022


THE GOOD FAT CO. LTD., individually
and dba LOVE GOOD FATS

26
27 By: 
28 Its: Todd Kelly
 CEO

1 **APPROVED AS TO FORM:**


2
3 Dated: March 24, 2022

ENVIRONMENTAL RESEARCH
CENTER, INC.

4
5 By: 
6 Charles W. Poss
7 In-House Counsel

8 Dated: 3-23, 2022

PRICE PARKINSON & KERR, PLLC

9
10 By: 
11 Steven W. Garff
12 Attorney for The Good Fat Co. Ltd.,
13 individually and dba Love Good Fats
14
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IT IS SO ORDERED, ADJUDGED AND DECREED.

Judge of the Superior Court

EXHIBIT A



Environmental Research Center

3111 Camino Del Rio North, Suite 400
San Diego, CA 92108
619-500-3090

July 16, 2021

NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE SECTION 25249.5 *ET SEQ.* (PROPOSITION 65)

Dear Alleged Violator and the Appropriate Public Enforcement Agencies:

I am the Executive Director of Environmental Research Center, Inc. (“ERC”). ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

ERC has identified violations of California’s Safe Drinking Water and Toxic Enforcement Act of 1986 (“Proposition 65”), which is codified at California Health & Safety Code §25249.5 *et seq.*, with respect to the products identified below. These violations have occurred and continue to occur because the alleged Violator identified below failed to provide required clear and reasonable warnings with these products. This letter serves as a notice of these violations to the alleged Violator and the appropriate public enforcement agencies. Pursuant to Section 25249.7(d) of the statute, ERC intends to file a private enforcement action in the public interest 60 days after effective service of this notice unless the public enforcement agencies have commenced and are diligently prosecuting an action to rectify these violations.

General Information about Proposition 65. A copy of a summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, is attached with the copy of this letter served to the alleged Violator identified below.

Alleged Violator. The name of the company covered by this notice that violated Proposition 65 (hereinafter the “Violator”) is:

The Good Fat Co. Ltd., individually and dba Love Good Fats

Consumer Products and Listed Chemical. The products that are the subject of this notice and the chemical in those products identified as exceeding allowable levels are:

1. Love Good Fats Shake Vanilla - Lead
2. Love Good Fats Shake Chocolate - Lead
3. Love Good Fats Mint Chocolate Chip Flavor Bar - Lead
4. Love Good Fats Chocolate Chip Cookie Dough Flavor Bar - Lead
5. Love Good Fats Coconut Chocolate Chip Bar - Lead

July 16, 2021

Page 2

On February 27, 1987, the State of California officially listed lead as a chemical known to cause developmental toxicity, and male and female reproductive toxicity. On October 1, 1992, the State of California officially listed lead and lead compounds as chemicals known to cause cancer.

It should be noted that ERC may continue to investigate other products that may reveal further violations and result in subsequent notices of violations.

Route of Exposure. The consumer exposures that are the subject of this notice result from the recommended use of these products. Consequently, the route of exposure to this chemical has been and continues to be through ingestion.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least July 16, 2018, as well as every day since the products were introduced into the California marketplace, and will continue every day until clear and reasonable warnings are provided to product purchasers and users or until this known toxic chemical is either removed from or reduced to allowable levels in the products. Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to the identified chemical. The method of warning should be a warning that appears on the product label. The Violator violated Proposition 65 because it failed to provide persons ingesting these products with appropriate warnings that they are being exposed to this chemical.

Consistent with the public interest goals of Proposition 65 and a desire to have these ongoing violations of California law quickly rectified, ERC is interested in seeking a constructive resolution of this matter that includes an enforceable written agreement by the Violator to: (1) reformulate the identified products so as to eliminate further exposures to the identified chemical, or provide appropriate warnings on the labels of these products; (2) pay an appropriate civil penalty; and (3) provide clear and reasonable warnings compliant with Proposition 65 to all persons located in California who purchased the above products in the last three years. Such a resolution will prevent further unwarned consumer exposures to the identified chemical, as well as an expensive and time-consuming litigation.

Please direct all questions concerning this notice to ERC at the above listed address and telephone number.

Sincerely,



Chris Heptinstall
Executive Director
Environmental Research Center

Attachments

Certificate of Merit
Certificate of Service
OEHHA Summary (to The Good Fat Co. Ltd., individually and dba Love Good Fats)
Additional Supporting Information for Certificate of Merit (to AG only)

CERTIFICATE OF MERIT

Re: Environmental Research Center, Inc.'s Notice of Proposition 65 Violations by The Good Fat Co. Ltd., individually and dba Love Good Fats

I, Chris Heptinstall, declare:

1. This Certificate of Merit accompanies the attached 60-day notice in which it is alleged the party identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.

2. I am the Executive Director for the noticing party.

3. I have consulted with one or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the notice.

4. Based on the information obtained through those consultants, and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and that the information did not prove that the alleged Violator will be able to establish any of the affirmative defenses set forth in the statute.

5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California Health & Safety Code §25249.7(h)(2), i.e., (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.



Dated: July 16, 2021

Chris Heptinstall

CERTIFICATE OF SERVICE PURSUANT TO 27 CCR § 25903

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States and over the age of 18 years of age. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742. I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at Fort Oglethorpe, Georgia.

On July 16, 2021, between 8:00 a.m. and 5:00 p.m. Eastern Time, I served the following documents: **NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; “THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY”** on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to each of the parties listed below and depositing it in a U.S. Postal Service Office with the postage fully prepaid for delivery by Certified Mail:

Current President or CEO
The Good Fat Co. Ltd., individually
and dba Love Good Fats
8641 Old Bee Caves Rd
Austin, TX 78735

Current President or CEO
The Good Fat Co. Ltd., individually
and dba Love Good Fats
47A Bellefair Ave
Toronto, ON M4L 3T7
Canada

Current President or CEO
The Good Fat Co. Ltd., individually
and dba Love Good Fats
200-56 The Esplanade
Toronto, ON M5E 1A7
Canada

On July 16, 2021, between 8:00 a.m. and 5:00 p.m. Eastern Time, I verified the following documents **NOTICE OF VIOLATIONS, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; ADDITIONAL SUPPORTING INFORMATION FOR CERTIFICATE OF MERIT AS REQUIRED BY CALIFORNIA HEALTH & SAFETY CODE §25249.7(d)(1)** were served on the following party when a true and correct copy thereof was uploaded on the California Attorney General’s website, which can be accessed at <https://oag.ca.gov/prop65/add-60-day-notice> :

Office of the California Attorney General
Prop 65 Enforcement Reporting
1515 Clay Street, Suite 2000
Post Office Box 70550
Oakland, CA 94612-0550

On July 16, 2021, between 8:00 a.m. and 5:00 p.m. Eastern Time, verified the following documents **NOTICE OF VIOLATIONS, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT** were served on the following parties when a true and correct copy thereof was sent via electronic mail to each of the parties listed below:

Nancy O’Malley, District Attorney
Alameda County
7677 Oakport Street, Suite 650
Oakland, CA 94621
CEPDProp65@acgov.org

Barbara Yook, District Attorney
Calaveras County
891 Mountain Ranch Road
San Andreas, CA 95249
Prop65Env@co.calaveras.ca.us

Notice of Violations of California Health & Safety Code §25249.5 *et seq.*

July 16, 2021

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Stacey Grassini, Deputy District Attorney
Contra Costa County
900 Ward Street
Martinez, CA 94553
sgrassini@contracostada.org

Thomas L. Hardy, District Attorney
Inyo County
168 North Edwards Street
Independence, CA 93526
inyoda@inyocounty.us

Michelle Latimer, Program Coordinator
Lassen County
220 S. Lassen Street
Susanville, CA 96130
mlatimer@co.lassen.ca.us

Walter W. Wall, District Attorney
Mariposa County
P.O. Box 730
Mariposa, CA 95338
mcda@mariposacounty.org

Kimberly Lewis, District Attorney
Merced County
550 West Main St
Merced, CA 95340
Prop65@countyofmerced.com

Jeannine M. Pacioni, District Attorney
Monterey County
1200 Aguajito Road
Monterey, CA 93940
Prop65DA@co.monterey.ca.us

Allison Haley, District Attorney
Napa County
1127 First Street, Ste C
Napa, CA 94559
CEPD@countyofnapa.org

Clifford H. Newell, District Attorney
Nevada County
201 Commercial St
Nevada City, CA 95959
DA.Prop65@co.nevada.ca.us

Morgan Briggs Gire, District Attorney
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Roseville, CA 95678
Prop65@placer.ca.gov

David Hollister, District Attorney
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520 Main St
Quincy, CA 95971
davidhollister@countyofplumas.com

Paul E. Zellerbach, District Attorney
Riverside County
3072 Orange Street
Riverside, CA 92501
Prop65@rivcoda.org

Anne Marie Schubert, District Attorney
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901 G Street
Sacramento, CA 95814
Prop65@sacda.org

Summer Stephan, District Attorney
San Diego County
330 West Broadway
San Diego, CA 92101
SanDiegoDAProp65@sdca.org

Mark Ankorn, Deputy City Attorney
San Diego City Attorney
1200 Third Avenue
San Diego, CA 92101
CityAttyProp65@sandiego.gov

Alethea Sargent, Assistant District Attorney
White Collar Division
San Francisco District Attorney's Office
350 Rhode Island Street
North Building, Suite 400N
San Francisco, CA 94103
alethea.sargent@sfgov.org

Valerie Lopez, Deputy City Attorney
San Francisco City Attorney
1390 Market Street, 7th Floor
San Francisco, CA 94102
Valerie.Lopez@sfcityattys.org

Tori Verber Salazar, District Attorney
San Joaquin County
222 E. Weber Avenue, Room 202
Stockton, CA 95202
DAConsumer.Environmental@sjcda.org

Eric J. Dobroth, Deputy District Attorney
San Luis Obispo County
County Government Center Annex, 4th Floor
San Luis Obispo, CA 93408
edobroth@co.slo.ca.us

Notice of Violations of California Health & Safety Code §25249.5 *et seq.*

July 16, 2021

Page 6

Christopher Dalbey, Deputy District Attorney
Santa Barbara County
1112 Santa Barbara Street
Santa Barbara, CA 93101
DAProp65@co.santa-barbara.ca.us

Stephan R. Passalacqua, District Attorney
Sonoma County
600 Administration Dr
Sonoma, CA 95403
jbarnes@sonoma-county.org

Bud Porter, Supervising Deputy District Attorney
Santa Clara County
70 W Hedding St
San Jose, CA 95110
EPU@da.sccgov.org

Phillip J. Cline, District Attorney
Tulare County
221 S Mooney Blvd
Visalia, CA 95370
Prop65@co.tulare.ca.us

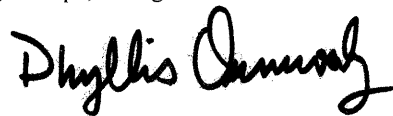
Jeffrey S. Rosell, District Attorney
Santa Cruz County
701 Ocean Street
Santa Cruz, CA 95060
Prop65DA@santacruzcounty.us

Gregory D. Totten, District Attorney
Ventura County
800 S Victoria Ave
Ventura, CA 93009
daspecialops@ventura.org

Jeff W. Reisig, District Attorney
Yolo County
301 Second Street
Woodland, CA 95695
cfepd@yolocounty.org

On July 16, 2021, between 8:00 a.m. and 5:00 p.m. Eastern Time, I served the following documents: **NOTICE OF VIOLATIONS, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT** on each of the parties on the Service List attached hereto by placing a true and correct copy thereof in a sealed envelope, addressed to each of the parties on the Service List attached hereto, and depositing it with the U.S. Postal Service with the postage fully prepaid for delivery by First Class Mail.

Executed on July 16, 2021, in Fort Oglethorpe, Georgia.



Phyllis Dunwoody

Notice of Violations of California Health & Safety Code §25249.5 *et seq.*

July 16, 2021

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Service List

District Attorney, Alpine
County
P.O. Box 248
Markleeville, CA 96120

District Attorney, Amador
County
708 Court Street, Suite 202
Jackson, CA 95642

District Attorney, Butte
County
25 County Center Drive, Suite
245
Oroville, CA 95965

District Attorney, Colusa
County
346 Fifth Street Suite 101
Colusa, CA 95932

District Attorney, Del Norte
County
450 H Street, Room 171
Crescent City, CA 95531

District Attorney, El Dorado
County
778 Pacific St.
Placerville, CA 95667

District Attorney, Fresno
County
2220 Tulare Street, Suite 1000
Fresno, CA 93721

District Attorney, Glenn
County
Post Office Box 430
Willows, CA 95988

District Attorney, Humboldt
County
825 5th Street 4th Floor
Eureka, CA 95501

District Attorney, Imperial
County
940 West Main Street, Ste 102
El Centro, CA 92243

District Attorney, Kern County
1215 Truxtun Avenue
Bakersfield, CA 93301

District Attorney, Kings
County
1400 West Lacey Boulevard
Hanford, CA 93230

District Attorney, Lake County
255 N. Forbes Street
Lakeport, CA 95453

District Attorney, Los Angeles
County
Hall of Justice
211 West Temple St., Ste 1200
Los Angeles, CA 90012

District Attorney, Madera
County
209 West Yosemite Avenue
Madera, CA 93637

District Attorney, Marin
County
3501 Civic Center Drive,
Room 130
San Rafael, CA 94903

District Attorney, Mendocino
County
Post Office Box 1000
Ukiah, CA 95482

District Attorney, Modoc
County
204 S Court Street, Room 202
Alturas, CA 96101-4020

District Attorney, Mono
County
Post Office Box 617
Bridgeport, CA 93517

District Attorney, Orange
County
300 N Flower St
Santa Ana, CA 92703

District Attorney, San Benito
County
419 Fourth Street, 2nd Floor
Hollister, CA 95023

District Attorney, San
Bernardino County
303 West Third Street
San Bernadino, CA 92415

District Attorney, San Mateo
County
400 County Ctr., 3rd Floor
Redwood City, CA 94063

District Attorney, Shasta
County
1355 West Street
Redding, CA 96001

District Attorney, Sierra
County
Post Office Box 457
100 Courthouse Square, 2nd
Floor
Downieville, CA 95936

District Attorney, Siskiyou
County
Post Office Box 986
Yreka, CA 96097
District Attorney, Solano
County
675 Texas Street, Ste 4500
Fairfield, CA 94533

District Attorney, Stanislaus
County
832 12th Street, Ste 300
Modesto, CA 95354

District Attorney, Sutter
County
463 2nd Street
Yuba City, CA 95991

District Attorney, Tehama
County
Post Office Box 519
Red Bluff, CA 96080

District Attorney, Trinity
County
Post Office Box 310
Weaverville, CA 96093

District Attorney, Tuolumne
County
423 N. Washington Street
Sonora, CA 95370

District Attorney, Yuba
County
215 Fifth Street, Suite 152
Marysville, CA 95901

Los Angeles City Attorney's
Office
City Hall East
200 N. Main Street, Suite 800
Los Angeles, CA 90012

San Jose City Attorney's
Office
200 East Santa Clara Street,
16th Floor
San Jose, CA 95113

APPENDIX A

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY

The following summary has been prepared by the California Office of Environmental Health Hazard Assessment (OEHHA), the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as “Proposition 65”). A copy of this summary must be included as an attachment to any notice of violation served upon an alleged violator of the Act. The summary provides basic information about the provisions of the law, and is intended to serve only as a convenient source of general information. It is not intended to provide authoritative guidance on the meaning or application of the law. The reader is directed to the statute and OEHHA implementing regulations (see citations below) for further information.

FOR INFORMATION CONCERNING THE BASIS FOR THE ALLEGATIONS IN THE NOTICE RELATED TO YOUR BUSINESS, CONTACT THE PERSON IDENTIFIED ON THE NOTICE.

The text of Proposition 65 (Health and Safety Code Sections 25249.5 through 25249.13) is available online at: <http://oehha.ca.gov/prop65/law/P65law72003.html>. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 27 of the California Code of Regulations, sections 25102 through 27001.¹ These implementing regulations are available online at: <http://oehha.ca.gov/prop65/law/P65Regs.html>.

WHAT DOES PROPOSITION 65 REQUIRE?

The “Proposition 65 List.” Under Proposition 65, the lead agency (OEHHA) publishes a list of chemicals that are known to the State of California to cause cancer and/or reproductive toxicity. Chemicals are placed on the Proposition 65 list if they are known to cause cancer and/or birth defects or other reproductive harm, such as damage to

¹ All further regulatory references are to sections of Title 27 of the California Code of Regulations unless otherwise indicated. The statute, regulations and relevant case law are available on the OEHHA website at: <http://www.oehha.ca.gov/prop65/law/index.html>.

female or male reproductive systems or to the developing fetus. This list must be updated at least once a year. The current Proposition 65 list of chemicals is available on the OEHHA website at: http://www.oehha.ca.gov/prop65/prop65_list/Newlist.html.

Only those chemicals that are on the list are regulated under Proposition 65. Businesses that produce, use, release or otherwise engage in activities involving listed chemicals must comply with the following:

Clear and reasonable warnings. A business is required to warn a person before “knowingly and intentionally” exposing that person to a listed chemical unless an exemption applies. The warning given must be “clear and reasonable.” This means that the warning must: (1) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm; and (2) be given in such a way that it will effectively reach the person before he or she is exposed to that chemical. Some exposures are exempt from the warning requirement under certain circumstances discussed below.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water. Some discharges are exempt from this requirement under certain circumstances discussed below.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. You should consult the current version of the statute and regulations (<http://www.oehha.ca.gov/prop65/law/index.html>) to determine all applicable exemptions, the most common of which are the following:

Grace Period. Proposition 65 warning requirements do not apply until 12 months after the chemical has been listed. The Proposition 65 discharge prohibition does not apply to a discharge or release of a chemical that takes place less than 20 months after the listing of the chemical.

Governmental agencies and public water utilities. All agencies of the federal, state or local government, as well as entities operating public water systems, are exempt.

Businesses with nine or fewer employees. Neither the warning requirement nor the discharge prohibition applies to a business that employs a total of nine or fewer employees. This includes all employees, not just those present in California.

Exposures that pose no significant risk of cancer. For chemicals that are listed under Proposition 65 as known to the State to cause cancer, a warning is not required if the business causing the exposure can demonstrate that the exposure occurs at a level that poses “no significant risk.” This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific “No Significant Risk Levels” (NSRLs) for many listed carcinogens. Exposures below these levels are exempt from the warning requirement. See OEHHA's website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of NSRLs, and Section 25701 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause reproductive toxicity, a warning is not required if the business causing the exposure can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the “no observable effect level” divided by 1,000. This number is known as the Maximum Allowable Dose Level (MADL). See OEHHA's website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of MADLs, and Section 25801 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures to Naturally Occurring Chemicals in Food. Certain exposures to chemicals that naturally occur in foods (i.e., that do not result from any known human activity, including activity by someone other than the person causing the exposure) are exempt from the warning requirements of the law. If the chemical is a contaminant² it must be reduced to the lowest level feasible. Regulations explaining this exemption can be found in Section 25501.

Discharges that do not result in a “significant amount” of the listed chemical entering any source of drinking water. The prohibition from discharges into drinking water does not apply if the discharger is able to demonstrate that a “significant amount” of the listed chemical has not, does not, or will not pass into or probably pass into a source of drinking water, and that the discharge complies with all other applicable laws, regulations, permits, requirements, or orders. A “significant amount” means any detectable amount, except an amount that would meet the “no significant risk” level for chemicals that cause cancer or that is 1,000 times below the “no observable effect” level for chemicals that cause reproductive toxicity, if an individual were exposed to that amount in drinking water.

² See Section 25501(a)(4).

HOW IS PROPOSITION 65 ENFORCED?

Enforcement is carried out through civil lawsuits. These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys. Lawsuits may also be brought by private parties acting in the public interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. The notice must comply with the information and procedural requirements specified in Section 25903 of Title 27 and sections 3100-3103 of Title 11. A private party may not pursue an independent enforcement action under Proposition 65 if one of the governmental officials noted above initiates an enforcement action within sixty days of the notice.

A business found to be in violation of Proposition 65 is subject to civil penalties of up to \$2,500 per day for each violation. In addition, the business may be ordered by a court to stop committing the violation.

A private party may not file an enforcement action based on certain exposures if the alleged violator meets specific conditions. For the following types of exposures, the Act provides an opportunity for the business to correct the alleged violation:

- An exposure to alcoholic beverages that are consumed on the alleged violator's premises to the extent onsite consumption is permitted by law;
- An exposure to a Proposition 65 listed chemical in a food or beverage prepared and sold on the alleged violator's premises that is primarily intended for immediate consumption on- or off-premises. This only applies if the chemical was not intentionally added to the food, and was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination;
- An exposure to environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises;
- An exposure to listed chemicals in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking non-commercial vehicles.

If a private party alleges that a violation occurred based on one of the exposures described above, the private party must first provide the alleged violator a notice of special compliance procedure and proof of compliance form.

A copy of the notice of special compliance procedure and proof of compliance form is included in Appendix B and can be downloaded from OEHHA's website at:
<http://oehha.ca.gov/prop65/law/p65law72003.html>.

FOR FURTHER INFORMATION ABOUT THE LAW OR REGULATIONS...

Contact the Office of Environmental Health Hazard Assessment's Proposition 65 Implementation Office at (916) 445-6900 or via e-mail at
P65Public.Comments@oehha.ca.gov.

Revised: May 2017

NOTE: Authority cited: Section 25249.12, Health and Safety Code. Reference: Sections 25249.5, 25249.6, 25249.7, 25249.9, 25249.10 and 25249.11, Health and Safety Code.