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7	Attorneys for Plaintiff Environmental Health Advocates, Inc.	
8	SUPERIOR COURT OF T	HE STATE OF CALIFORNIA
	IN AND FOR THE C	OUNTY OF ALAMEDA
10	ENVIRONMENTAL HEALTH	Case No. 22CV009802
11	ADVOCATES, INC., a California corporation,	[PROPOSED] CONSENT JUDGMENT
12	Plaintiff,	(Health & Safety Code § 25249.6 et seq. and Code Civ. Proc. § 664.6)
13	V.	Code Civ. Proc. § 664.6)
<ul><li>14</li><li>15</li></ul>	BALMORO S.A. DE C.V., a Mexican corporation, and DOES 1 through 100, inclusive,	
16	Defendants.	
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## 1. INTRODUCTION

### 1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA" or "Plaintiff") and Balmoro S.A. de C.V. ("Defendant" or "Balmoro") with EHA and Balmoro 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

Balmoro 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 Balmoro manufactures, imports, sells, and distributes for sale Balmoro Spicy Dehydrated Mango that contains Lead. EHA further alleges that Balmoro does so without providing a sufficient health hazard warning as required by Proposition 65 and related Regulations. Pursuant to Proposition 65, Lead is listed as a chemical known to cause cancer and birth defects or other reproductive harm.

## 1.5 Notices of Violation

On or around October 12, 2021, EHA served Balmoro, Costco Wholesale Corporation, the California Attorney General, and all other required public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 ("Notice"). The Notice alleged that Balmoro had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to Lead contained in Balmoro Spicy Dehydrated Mangos.

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

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## 1.6 Product Description

The products covered by this Consent Judgment are dried mangoes including but not limited to Balmoro Spicy Dehydrated Mango manufactured or processed by Balmoro that allegedly contain Lead and are imported, sold, shipped, delivered, or distributed for sale to consumers in California by Releasees (as defined in section 4.1) ("Covered Products").

# 1.7 State of the Pleadings

On or around April 13, 2022, EHA filed a Complaint against Balmoro for the alleged violations of Proposition 65 that are the subject of the Notice ("Complaint").

## 1.8 No Admission

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

## 1.9 Jurisdiction

For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this Court has jurisdiction over Balmoro as to the allegations in the Complaint, that venue is proper in the County of Alameda, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

## 1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" means the date on which the Court grants the motion for approval of this Consent Judgment, as discussed in Section 5.

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## 2. INJUNCTIVE RELIEF

### 2.1 Reformulation of the Covered Products

Except as otherwise provided herein, any Covered Products that are manufactured by Balmoro on and after the Effective Date that Balmoro sells in California or distributes for sale in California shall not exceed 16 parts per billion ("ppb") for Lead, using the average of three separate samples, with all tests to be performed by a laboratory accredited by the State of California, a federal agency, or a nationally recognized accrediting organization, using ICP-MS (Inductively Coupled Plasma Mass Spectrometry), unless such Covered Products comply with the warning requirements of Section 2.2. As used in this Section 2, "distributed for sale in California" means to directly ship Covered Products into California or to sell Covered Products to a distributor Balmoro knows will sell Covered Products in California.

# 2.2 Clear and Reasonable Warnings

For Covered Products that contain Lead in a concentration exceeding the 16 ppb level set forth in section 2.1 above, and which are manufactured and packaged for distribution for authorized sale or use in California on or after the Effective Date, Balmoro shall provide one of the following warning statements.

## **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 – www.P65Warnings.ca.gov/food

This warning statement shall be prominently displayed on the Covered Products, on the packaging of the Covered 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 Covered Products' packaging, it must be in a type size no smaller than the largest type size used for other consumer information on the product and must be set off from

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other surrounding information, enclosed in a box. In no case shall a warning statement displayed on the Covered Products' packaging appear in a type size smaller than 6-point type. The same warning shall be posted on any websites under the exclusive control of Balmoro where Covered Products are sold into California. Balmoro shall instruct any third-party website to which it sells its Covered Products to include the same warning as a condition of selling the Covered Products.

#### 2.3 **Sell-Through Period**

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

#### **3.** MONETARY SETTLEMENT TERMS

#### 3.1 **Settlement Amount**

Balmoro shall pay fifty thousand dollars (\$50,000.00) in settlement and total satisfaction of all the claims referred to in the Notice, the Complaint, and this Consent Judgment. This includes civil penalties in the amount of five thousand dollars (\$5,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorneys' fees and costs in the amount of forty-five thousand dollars (\$45,000.00) pursuant to Code of Civil Procedure section 1021.5.

#### 3.2 **Civil Penalty**

The portion of the settlement attributable to civil penalties shall be allocated according to Health and Safety Code section 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) of the penalty paid to EHA individually.

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

**Environmental Health Advocates** 225 Broadway, Suite 2100 San Diego, CA 92101

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

1	For United States Postal Service Delivery:	
2 3 4	Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment P.O. Box 4010 Sacramento, CA 95812-4010	
5	For Federal Express 2-Day Delivery:	
6	Mike Gyurics	
7 8	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 1001 I Street	
	Sacramento, CA 95814  Polmoro agrees to provide EHA's counsel with a copy of the check poyeble to OEHHA	
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11	Plaintiff and its counsel will provide completed IRS 1099, W-9, or other tax forms as	
12	required. Relevant information is set out below:	
13	• "Entorno Law, LLP" (EIN:68-0284486) at address provided in section 3.2(a)(i); and	
14	• "Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.	
15	3.3 Attorney's Fees and Costs	
16	The portion of the settlement attributable to attorneys' fees and costs shall be paid to EHA's	
17	counsel, who are entitled to attorneys' fees and costs incurred by it in this action, including but not	
18	limited to investigating potential violations, bringing this matter to Balmoro's attention, as well as	
19	litigating and negotiating a settlement in the public interest.	
20	Balmoro shall provide their payment to EHA's counsel in one check in the amount of forty	
21	five thousand dollars payable to Entorno Law, LLP (\$45,000.00). The address for this payment is:	
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23	Noam Glick Entorno Law, LLP	
24	225 Broadway, Suite 1900 San Diego, CA 92101	
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The above-mentioned checks will be issued within fourteen (14) days of the Effective Date.

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

**Timing** 

# 4.1 EHA's Public Release of Proposition 65 Claims

Plaintiff acting on its own behalf and in the public interest releases Balmoro and its parents, subsidiaries, affiliated entities under common ownership, its directors, officers, principals, agents, employees, attorneys, insurers, accountants, predecessors, successors, and assigns ("Defendant Entities"), each entity to whom Defendant directly or indirectly distributes, ships, or sells the Covered Products including but not limited to downstream distributors, wholesalers, customers, and retailers (including but not limited to Costco Wholesale Corporation), franchisees, franchisors, cooperative members, suppliers, licensees, and licensors, and all of the foregoing entities' owners, directors, officers, agents, principals, employees, attorneys, insurers, accountants, representatives, predecessors, successors, and assigns (collectively referred to as the "Releasees") from all claims for violations of Proposition 65 up through the Effective Date based on exposure to Lead from Covered Products as set forth in the Notice. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to Lead from Covered Products as set forth in the Notice. This release does not extend to any third-party retailers selling the product on a website who, after receiving instruction from Balmoro to include a warning as set forth above in section 2.2, do not include such a warning.

## 4.2 EHA's Individual Release of Claims

EHA, in its individual capacity, also provides a release to Balmoro and/or Releasees, which shall be a full and final accord and satisfaction of, as well as a bar to, all actions, causes of action, obligations, costs, expenses, attorneys' 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 Lead in Covered Products manufactured, imported, sold, or distributed by Balmoro before the Effective Date.

## 4.3 Balmoro's Release of EHA

Balmoro on its own behalf, and on behalf of its past and current agents, representatives,

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# 5. <u>COURT APPROVAL</u>

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.

attorneys, successors, and assignees, hereby waives any and all claims against EHA and its

attorneys and other representatives, for any and all actions taken or statements made by EHA and its

attorneys and other representatives, whether in the course of investigating claims, otherwise seeking

to enforce Proposition 65 against them, in this matter or with respect to the Covered Products.

## 6. <u>SEVERABILITY</u>

Subsequent to the Court's approval and entry of this Consent Judgment, if any provision is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

# 7. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the state of California as applied within the state of California. In the event that Proposition 65 is repealed, or is otherwise rendered inapplicable for reasons, including but not limited to changes in the law, then Balmoro 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 Covered Products are so affected.

In the event the California Office of Health Hazard Assessment adopts a regulation or safe use determination, or issues an interpretive guideline that exempts Covered Products from meeting the requirements of Proposition 65; or if Lead cases are permanently enjoined by a court of competent jurisdiction; or if Proposition 65 is determined to be preempted by federal law or a burden on First Amendment rights with respect to Lead in Covered Products or Covered Products substantially similar to Covered Products, then Balmoro shall be relieved of its obligation to comply with Section 2 herein.

## 8. ENFORCEMENT

In any action to enforce the terms of this Consent Judgment, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

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# 9. NOTICE

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

## If to Balmoro:

## If to EHA:

Letitia D. Moore Holland & Knight LLP 50 California Street, Suite 2800 San Francisco, CA 94111 Noam Glick Entorno Law, LLP 225 Broadway, Suite 2100 San Diego, CA 92101

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

# 10. 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.

# 11. 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.

## 12. 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.

# 13. <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.

# 14. 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 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.

# 15. ENTIRE AGREEMENT

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

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27	ENVIRONMENTAL HEALTH ADVOCATES, INC.	BALMORO S.A. DE C.V.

IT IS SO ORDERED.	
Date:	
	JUDGE OF THE SUPERIOR COURT
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