

ENTORNO LAW, LLP

Noam Glick (SBN 251582)
Jake W. Schulte (SBN 293777)
Craig M. Nicholas (SBN 178444)

225 Broadway, Suite 1900
San Diego, California 92101
Tel: (619) 629-0527
Email: noam@entornolaw.com
Email: jake@entornolaw.com
Email: craig@entornolaw.com

Attorneys for Plaintiff
Environmental Health Advocates, Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF ALAMEDA

ENVIRONMENTAL HEALTH
ADVOCATES, INC.,

Plaintiff,

v.

LEAFLY HOLDINGS, INC., a Washington
corporation, and DOES 1 through 100,
inclusive,

Defendants.

Case No. 22CV017058

[PROPOSED] CONSENT JUDGMENT

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

1 **1. INTRODUCTION**

2 **1.1 Parties**

3 This Consent Judgment is entered into by and between Environmental Health Advocates, Inc.
4 (“EHA” or “Plaintiff”) and Leafly Holdings, Inc. (“Leafly” or “Defendant”) with EHA and Leafly each
5 individually referred to as a “Party” and collectively referred to as the “Parties.”

6 **1.2 Plaintiff**

7 EHA is a corporation organized in the state of California, acting in the interest of the general
8 public. It seeks to promote awareness of exposures to toxic chemicals and to improve human health by
9 reducing or eliminating hazardous substances contained in consumer products.

10 **1.3 Defendants**

11 Leafly employs ten or more individuals and is a “person in the course of doing business” for
12 purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code
13 section 25249.6 *et seq.* (“Proposition 65”).

14 **1.4 General Allegations**

15 EHA alleges that Leafly exposes consumers to cannabis (marijuana) smoke and/or Δ⁹-
16 Tetrahydrocannabinol (also known as Delta-9-Tetrahydrocannabinol or “THC”) by manufacturing,
17 importing, selling, and distributing for sale marijuana and related products on the website
18 <https://www.leafly.com/> (“Leafly.com”) without first providing a clear and reasonable Proposition 65
19 warning to consumers before purchase. EHA further alleges that Leafly intends that customers use its
20 marijuana and related products in a reasonably foreseeable manner, leading to exposure to cannabis
21 (marijuana) smoke and THC.

22 Leafly denies that it manufactured, imported, sold, or distributed marijuana products via
23 [Leafly.com](https://www.leafly.com/), and denies that online warnings are required on Leafly.com under Proposition 65 for any
24 actual or alleged exposures to cannabis (marijuana) smoke and/or THC through the reasonably
25 foreseeable use of Covered Products, and maintains that it has complied with all applicable federal and
26 state laws including, but not limited to, Proposition 65.

27 **1.5 Notices of Violation**

28 On May 6, 2022, EHA served Leafly, the California Attorney General, and all other required

1 public enforcement agencies with Notices of Violation of Proposition 65 (“Notices”). The Notices
2 allege that Leafly violated Proposition 65 by failing to sufficiently warn consumers in California of the
3 health hazards associated with exposures to cannabis (marijuana) smoke and/or THC through the
4 reasonably foreseeable use of marijuana and related products sold on its website.

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

7 **1.6 “Covered Products” Description**

8 As used in this Consent Judgment, “Covered Products” is defined as marijuana and related
9 products including, but not limited to, flower, edibles, vape pens, concentrates, pre-rolls, hash, rosins,
10 shatters, live resins, crystals, wax, kief, topicals, and other cannabis-related accessories that are
11 manufactured, sold or reserved for sale, advertised, displayed, imported, shipped, delivered, or
12 distributed for sale to consumers in California by Leafly and Releasees (as defined in Section 4.1) via
13 Leafly.com.

14 **1.7 Complaint**

15 On August 30, 2022, EHA filed a Complaint against Leafly for the alleged violations of
16 Proposition 65 that are the subject of the Notices (“Complaint”).

17 **1.8 No Admission**

18 Leafly denies the material, factual, and legal allegations of the Notices and Complaint and
19 maintains that all of the products it has manufactured, imported, sold, and/or distributed for sale in
20 California, including the Covered Products, have been, and are, in compliance with all laws. Nothing
21 in this Consent Judgment shall be construed as an admission of any fact, finding, conclusion of law,
22 issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an
23 admission of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall
24 not, however, diminish or otherwise affect Leafly’s obligations, responsibilities, and duties under this
25 Consent Judgment.

26 **1.9 Jurisdiction**

27 For purposes of this Consent Judgment and the Complaint only, the Parties stipulate that this
28 Court has jurisdiction over Leafly as to the allegations in the Complaint, that venue is proper in the

1 County of Alameda, and that the Court has jurisdiction to enter and enforce the provisions of this
2 Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

3 **1.10 Effective Date**

4 For purposes of this Consent Judgment, the term “Effective Date” means the date on which the
5 Court enters this Consent Judgment.


6 **2. INJUNCTIVE RELIEF**

7 **2.1 Clear and Reasonable Online Warnings**


8 Commencing sixty (60) days after the Effective Date (the “Compliance Date”), and continuing
9 thereafter, Leafly agrees to engage in online sales into California of Covered Products only with a clear
10 and reasonable warning as provided for in Section 2.2.

11 **2.2 General Warning Requirements**

12 For purposes of this Consent Judgment, a clear and reasonable warning shall consist of one of
13 the alternate forms of warning shown below, displayed with such conspicuousness, as compared with
14 other words, statements, designs, or devices as to render it likely to be seen, read, and understood by
15 an ordinary individual under customary conditions prior to completing an online purchase. The
16 warning shall include a symbol consisting of a black exclamation point in a yellow equilateral triangle
17 with a bold black outline. The symbol shall be placed to the left of the text of the warning, in a size no
18 smaller than the height of the word “WARNING”, as follows:

19
20  **WARNING:** This product can expose you to chemicals
21 including cannabis (marijuana) smoke and/or THC, which
22 are known to the State of California to cause cancer, birth
23 defects or other reproductive harm. For more information go
24 to www.P65Warnings.ca.gov.

23 Or (alternate form of warning):

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

26 For Covered Products sold online to customers located in California, the warning requirements
27 of this Section shall be satisfied if the foregoing warning appears: (a) on the same web page on which
28 a Covered Product is displayed and/or described; (b) on the same page as the price for the Covered

1 Product; or (c) on one or more web pages displayed to a purchaser prior to completing an online
2 purchase. Alternatively, a symbol consisting of a black exclamation point in a yellow or white
3 equilateral triangle may appear adjacent to or immediately following the display, description, price, or
4 checkout listing of the Covered Product, if the warning statement appears elsewhere on the same web
5 page in a manner that clearly associates it with the product(s) to which the warning applies.

6 **2.3 Grace Period for Existing Inventory of Covered Products**

7 The injunctive requirements of Section 2 shall not apply to Covered Products that are already
8 in the stream of commerce as of the Compliance Date, which Covered Products are expressly subject
9 to the releases provided in Section 4.

10 **3. MONETARY SETTLEMENT TERMS**

11 **3.1 Settlement Amount**

12 Leafly shall fifty thousand dollars (\$50,000) in settlement and total satisfaction of all the claims
13 referred to in the Notice, the Complaint, and this Consent Judgment. This includes civil penalties in the
14 amount of five thousand dollars (\$5,000) pursuant to Health and Safety Code section 25249.7(b) and
15 attorneys' fees and costs in the amount forty-five thousand dollars (\$45,000) pursuant to Code of Civil
16 Procedure section 1021.5.

17 **3.2 Civil Penalty**

18 The portion of the settlement attributable to civil penalties shall be allocated according to Health
19 and Safety Code section 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid
20 to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining
21 twenty-five percent (25%) of the penalty paid to EHA individually. All payments owed to EHA shall
22 be delivered to the following address:

23 Environmental Health Advocates
24 225 Broadway, Suite 1900
25 San Diego, CA 92101

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

27 For United States Postal Service Delivery:

28 Mike Gyurics

1 Fiscal Operations Branch Chief
2 Office of Environmental Health Hazard Assessment
3 P.O. Box 4010
4 Sacramento, CA 95812-4010

5 For Non-United States Postal Service Delivery:

6 Mike Gyurics
7 Fiscal Operations Branch Chief
8 Office of Environmental Health Hazard Assessment
9 1001 I Street
10 Sacramento, CA 95814

11 Leafly agrees to provide EHA’s counsel with a copy of the check payable to OEHHA,
12 simultaneous with its penalty payments to EHA.

13 Plaintiff and its counsel will provide completed IRS 1099, W-9, or other tax forms as required.

14 Relevant information is set out below:

- 15 • “Environmental Health Advocates, Inc.” (EIN: 84-2322975) at the address provided above.
- 16 • “Office of Environmental Health Hazard Assessment” 1001 I Street, Sacramento, CA
17 95814.

18 **3.3 Attorneys’ Fees and Costs**

19 The portion of the settlement attributable to attorney’s fees and costs shall be paid to EHA’s
20 counsel, who are entitled to attorney’s fees and costs incurred by it in this action, including but not
21 limited to investigating potential violations, bringing this matter to Leafly’s attention, as well as
22 litigating and negotiating a settlement in the public interest.

23 Leafly shall provide their payment to EHA’s Counsel in two installments as follows. Payment
24 may be by physical check or by electronic means, including wire transfers, at Leafly’s discretion:

- 25 • The First Installment shall be in the amount of forty thousand dollars (\$40,000.00),
26 payable to Entorno Law, LLP, within fourteen (14) days of the Effective Date.
- 27 • The Second Installment shall be in the amount of five thousand dollars (\$5,000.00),
28 payable to Entorno Law, LLP, within thirty (30) days of the Effective Date (“Second
Installment”). If the First Installment is timely made by Leafly or its counsel, then

EHA’s and its counsel agree that the Second Installment is waived.

Jake Schulte
Entorno Law, LLP
225 Broadway, Suite 2100
San Diego, CA 92101

4. **CLAIMS COVERED AND RELEASED**

4.1 EHA’s Public Release of Proposition 65 Claims

For any claim or violation arising under Proposition 65 alleging a failure to warn about exposures to cannabis (marijuana) smoke and/or THC from the reasonably foreseeable use of Covered Products manufactured, imported, sold or reserved for sale, advertised, displayed, or distributed by Leafly prior to the Compliance Date, EHA, acting for the general public, releases Leafly of any and all liability arising under Proposition 65. This includes Leafly’s owners, parents, subsidiaries, affiliated entities under common ownerships, its directors, officers, agents, employees, attorneys, and each entity to whom Leafly directly or indirectly distributes or sells Covered Products, including but not limited to downstream distributors, wholesales, customers, retailers, franchisees, cooperative members and licensees, (collectively, the “Releasees”). Releasees include defendants, their parents, and all subsidiaries and affiliates thereof and their respective employees, agents, and assigns that sell Covered Products. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to the alleged or actual failure to warn about exposures to cannabis (marijuana) smoke and/or THC from the reasonably foreseeable use of Covered Products manufactured, imported, sold or reserved for sale, advertised, displayed, or distributed by Leafly after the Compliance Date. This Consent Judgment is a full, final, and binding resolution of all claims that were or could have been asserted against Leafly and/or Releasees for failure to warn of alleged exposure to cannabis (marijuana) smoke and/or THC through the reasonably foreseeable use of Covered Products.

4.2 EHA’s Individual Release of Claims

1 EHA, in its individual capacity, also provides a release to Leafly and/or Releasees, which shall
2 be a full and final accord and satisfaction of, as well as a bar to, all actions, causes of action, obligations,
3 costs, expenses, attorney's fees, damages, losses, claims, liabilities, and demands of every nature,
4 character, and kind, whether known or unknown, suspected or unsuspected, arising out of alleged or
5 actual exposures to cannabis (marijuana) smoke and/or THC through the reasonably foreseeable use of
6 Covered Products manufactured, imported, sold, or distributed by Leafly before the Compliance Date.

7 **4.3 Leafly's Release of EHA**

8 Leafly on its own behalf, and on behalf of Releasees as well as its past and current agents,
9 representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA
10 and its attorneys and other representatives, for any and all actions taken or statements made by EHA
11 and its attorneys and other representatives, whether in the course of investigating claims, otherwise
12 seeking to enforce Proposition 65 against them, in this matter or with respect to the Covered Products.
13

14 **5. COURT APPROVAL**

15 This Consent Judgment is not effective until it is approved by the Court and shall be null and
16 void if it is not approved by the Court within one year after it has been fully executed by the Parties, or
17 by such additional time as the Parties may agree to in writing.

18 **6. SEVERABILITY**

19 Subsequent to the Court's approval and entry of this Consent Judgment, if any provision is held
20 by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.
21

22 **7. GOVERNING LAW**

23 The terms of this Consent Judgment shall be governed by the laws of the state of California as
24 applied within the state of California. In the event that Proposition 65 is repealed, or is otherwise
25 rendered inapplicable for reasons, including but not limited to changes in the law, then Leafly may
26 provide written notice to EHA of any asserted change, and shall have no further injunctive obligations
27
28

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

3 **8. NOTICE**

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

7 If to Leafly:

8 Jasmine Wetherell
9 Perkins Coie LLP
10 1888 Century Park East Suite 1700
11 Los Angeles, CA 90067-1721

If to EHA:

Jake Schulte
Entorno Law, LLP
225 Broadway, Suite 2100
San Diego, CA 92101

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

13 **9. COUNTERPARTS; DIGITAL SIGNATURES**

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

17 **10. POST EXECUTION ACTIVITIES**

18 EHA agrees to comply with the reporting form requirements referenced in Health and Safety
19 Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code
20 section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which
21 motion EHA shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually
22 employ their best efforts, including those of their counsel, to support the entry of this agreement as
23 judgment, and to obtain judicial approval of their settlement in a timely manner. For purposes of this
24 Section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to
25 any objection that any third-party may make, and appearing at the hearing before the Court if so
26 requested.

11. **MODIFICATION**

This Consent Judgment may be modified by: (i) a written agreement of the Parties and entry of a modified consent judgment thereon by the Court; or (ii) a successful motion or application of any Party, and the entry of a modified consent judgment thereon by the Court.

12. **AUTHORIZATION**

The undersigned are authorized to execute this Consent Judgment and acknowledge that they have read, understand, and agree to all of the terms and conditions contained herein.

13. **GOOD FAITH ATTEMPT TO RESOLVE DISPUTES**

If a dispute arises with respect to either Party’s compliance with the terms of this Consent Judgment entered by the Court, the Parties 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.

14. **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.

AGREED TO:

AGREED TO:

Date: 01/04/2023

Date: 1/7/2023

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

By: 
LEAFLY HOLDINGS, INC.

IT IS SO ORDERED.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Date: _____

JUDGE OF THE SUPERIOR COURT