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9 Environmental Health Advocates, Inc.

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

11 **IN AND FOR THE COUNTY OF ALAMEDA**

12 ENVIRONMENTAL HEALTH
13 ADVOCATES, INC.,

14 Plaintiff,

15 v.

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

19 Defendants.

Case No. 22CV017058

**[PROPOSED] AMENDED 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”). Leafly is a website focused on cannabis education, where
14 consumers can learn about cannabis products and order them from legal, licensed retailers. Leafly is
15 not a cannabis retailer.

16 **1.4 General Allegations**

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

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

1 **1.5 Notices of Violation**

2 On May 6, 2022, EHA served Leafly, the California Attorney General, and all other required
3 public enforcement agencies with Notices of Violation of Proposition 65 (“Notices”). The Notices
4 allege that Leafly violated Proposition 65 by failing to sufficiently warn consumers in California of the
5 health hazards associated with exposures to cannabis (marijuana) smoke and/or THC through the
6 reasonably foreseeable use of marijuana and related products sold on its website.

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

9 **1.6 “Covered Products” Description**

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

15 **1.7 Complaint**

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

18 **1.8 No Admission**

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

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1 **1.9 Jurisdiction**

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

6 **1.10 Effective Date**

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

9 **2. INJUNCTIVE RELIEF**

10 **2.1 Clear and Reasonable Online Warnings**

11 Commencing sixty (60) days after the Effective Date (the “Compliance Date”), and continuing
12 thereafter, Leafly agrees to display or advertise Covered Products to be sold into California only with
13 a clear and reasonable online warning as provided for in Section 2.2.

14 **2.2 General Warning Requirements**

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

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

26 Or (alternate form of warning):

27 **⚠WARNING:** Cancer and Reproductive Harm –
28 www.P65Warnings.ca.gov

1 For Covered Products displayed or advertised online to be sold to customers located in
2 California, the warning requirements of this Section shall be satisfied if the foregoing warning appears:
3 (a) on the same web page on which a Covered Product is displayed and/or described; (b) on the same
4 page as the price for the Covered Product; or (c) on one or more web pages displayed to a purchaser
5 prior to completing an online purchase. Alternatively, a symbol consisting of a black exclamation point
6 in a yellow or white equilateral triangle may appear adjacent to or immediately following the display,
7 description, price, or checkout listing of the Covered Product, if the warning statement appears
8 elsewhere on the same web page in a manner that clearly associates it with the product(s) to which the
9 warning applies.

10 Leafly shall provide notice to companies who manufacture, distribute, supply, sell and/or
11 deliver to California consumers any Covered Products displayed on Leafly's website, via its Terms of
12 Service or otherwise, of the obligation to label the Covered Products with a warning as required by
13 Cal. Code Regs. Tit. 27 § 25602(a) - (b). Nothing in this Consent Judgment shall be construed as
14 altering the respective responsibilities of businesses in the supply/distribution chain of consumer
15 products as set forth in Cal. Code Regs. Tit. 27 § 25600.2.

16 **2.3 Grace Period for Existing Inventory of Covered Products**

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

20 **3. MONETARY SETTLEMENT TERMS**

21 **3.1 Settlement Amount**

22 Leafly shall pay fifty thousand dollars (\$50,000) in settlement and total satisfaction of all the
23 claims referred to in the Notice, the Complaint, and this Consent Judgment. This includes civil
24 penalties in the amount of five thousand dollars (\$5,000) pursuant to Health and Safety Code section
25 25249.7(b) and attorneys' fees and costs in the amount forty-five thousand dollars (\$45,000) pursuant
26 to Code of Civil Procedure section 1021.5.
27
28

1 **3.3 Attorney’s Fees and Costs**

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

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

- 8 • The First Installment shall be in the amount of forty thousand dollars (\$40,000.00),
9 payable to Entorno Law, LLP, within fourteen (14) days of the Effective Date.
- 10 • The Second Installment shall be in the amount of five thousand dollars (\$5,000.00),
11 payable to Entorno Law, LLP, within thirty (30) days of the Effective Date (“Second
12 Installment”). If the First Installment is timely made by Leafly or its counsel, then
13 EHA’s and its counsel agree that the Second Installment is waived.
14

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18 Jake Schulte
19 Entorno Law, LLP
20 225 Broadway, Suite 2100
21 San Diego, CA 92101

22 **4. CLAIMS COVERED AND RELEASED**

23 **4.1 EHA’s Public Release of Proposition 65 Claims**

24 For any claim or violation arising under Proposition 65 alleging a failure to warn about
25 exposures to cannabis (marijuana) smoke and/or THC from the reasonably foreseeable use of Covered
26 Products reserved for sale, advertised, or displayed by Leafly on its website prior to the Compliance
27 Date, EHA, acting for the general public, releases Leafly of any and all liability arising under
28 Proposition 65. This includes Leafly’s owners, parents, subsidiaries, affiliated entities under common
ownerships, its directors, officers, agents, employees, and attorneys (collectively, the “Releasees”).

1 Compliance with the terms of this Consent Judgment constitutes compliance as to Leafly alone with
2 Proposition 65 with respect to the alleged or actual failure to warn about exposures to cannabis
3 (marijuana) smoke and/or THC from the reasonably foreseeable use of Covered Products , advertised
4 or displayed on its website by Leafly after the Compliance Date. This Consent Judgment is a full, final,
5 and binding resolution of all claims for violations of Proposition 65 up through the Compliance Date
6 that were or could have been asserted against Leafly and/or Releasees for failure to warn of alleged
7 exposure to cannabis (marijuana) smoke and/or THC through the reasonably foreseeable use of
8 Covered Products.
9

10 **4.2 EHA’s Individual Release of Claims**

11 EHA, in its individual capacity, also provides a release to Leafly and/or Releasees, which shall
12 be a full and final accord and satisfaction of, as well as a bar to, all actions, causes of action, obligations,
13 costs, expenses, attorney’s fees, damages, losses, claims, liabilities, and demands of every nature,
14 character, and kind, whether known or unknown, suspected or unsuspected, arising out of alleged or
15 actual exposures to cannabis (marijuana) smoke and/or THC through the reasonably foreseeable use of
16 Covered Products manufactured, imported, sold, or distributed by Leafly before the Compliance Date.
17

18 **4.3 Leafly’s Release of EHA**

19 Leafly on its own behalf, and on behalf of Releasees as well as its past and current agents,
20 representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA
21 and its attorneys and other representatives, for any and all actions taken or statements made by EHA
22 and its attorneys and other representatives, whether in the course of investigating claims, otherwise
23 seeking to enforce Proposition 65 against them, in this matter or with respect to the Covered Products.
24

25 **5. COURT APPROVAL**

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

1 **6. SEVERABILITY**

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

4 **7. GOVERNING LAW**

5 The terms of this Consent Judgment shall be governed by the laws of the state of California as
6 applied within the state of California. In the event that Proposition 65 is repealed, or is otherwise
7 rendered inapplicable for reasons, including but not limited to changes in the law, then Leafly may
8 provide written notice to EHA of any asserted change, and shall have no further injunctive obligations
9 pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so
10 affected.

11 **8. NOTICE**

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

15 If to Leafly:

16 Jasmine Wetherell
17 Perkins Coie LLP
18 1888 Century Park East Suite 1700
19 Los Angeles, CA 90067-1721

15 If to EHA:

16 Jake Schulte
17 Entorno Law, LLP
18 225 Broadway, Suite 2100
19 San Diego, CA 92101

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

22 **9. COUNTERPARTS; DIGITAL SIGNATURES**

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

26 **10. POST EXECUTION ACTIVITIES**

27 EHA agrees to comply with the reporting form requirements referenced in Health and Safety
28 Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code

1 section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which
2 motion EHA shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually
3 employ their best efforts, including those of their counsel, to support the entry of this agreement as
4 judgment, and to obtain judicial approval of their settlement in a timely manner. For purposes of this
5 Section, “best efforts” shall include, at a minimum, supporting the motion for approval, responding to
6 any objection that any third-party may make, and appearing at the hearing before the Court if so
7 requested.

8 **11. MODIFICATION**

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

12 **12. AUTHORIZATION**

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

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

16 If a dispute arises with respect to either Party’s compliance with the terms of this Consent
17 Judgment entered by the Court, the Parties shall meet and confer in person, or by telephone, and/or in
18 writing and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed
19 in the absence of such a good faith attempt to resolve the dispute beforehand.

20 **14. ENTIRE AGREEMENT**

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


AGREED TO:

Date: 03/24/2023

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

AGREED TO:

Date: March 24, 2023

DocuSigned by:
By: 
751881D6DF0040F
LEAFLY HOLDINGS, INC.
Yoko Miyashita
CEO

IT IS SO ORDERED.

Date: _____

JUDGE OF THE SUPERIOR COURT

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