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10	Attorney for Defendants Love Beets USA, LLC, Love		
11	Beets Production, LLC, G's Fresh Beets Product G's Fresh Beets Incorporated, and G's Fresh Ltd	ion, Inc.,	
12			
13	SUPEDIOD COURT OF THE	CTATE OF CALIFORNIA	
14	SUPERIOR COURT OF THE STATE OF CALIFORNIA  COUNTY OF ALAMEDA		
15	COUNTY OF	ALAMEDA	
16 17	ENVIRONMENTAL RESEARCH CENTER, INC., a California non-profit	CASE NO. 23CV030683	
18	corporation	STIPULATED CONSENT JUDGMENT	
19	Plaintiff,	Health & Safety Code § 25249.5 et seq.	
20	vs.	,	
21	LOVE BEETS USA, LLC; LOVE BEETS PRODUCTION, LLC; G'S FRESH BEETS	Action Filed: April 6, 2023 Trial Date: None set	
22	PRODUCTION, INC.; G'S FRESH BEETS INCORPORATED; G'S FRESH LTD; and		
23	DOES 1-100		
24	Defendants.		
25			
26	1. INTRODUCTION		
27		nmental Research Center, Inc. ("ERC"), a	
28	non-profit corporation, as a private enforcer and in the public interest, initiated this action by		
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11	Case (40, 25C		

Case No. 23CV030683

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 Love Beets USA, LLC, Love Beets Production, LLC, G's Fresh Beets Production, Inc., G's Fresh Beets Incorporated, and G's Fresh Ltd (collectively "Love Beets") and Does 1-100. In this action, ERC alleges that a number of products manufactured, distributed, or sold by Love Beets 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 Beets 100% Pure Beetroot Organic "Superfood" Powder and (2) Love Beets 100% Pure Beetroot "Superfood" Powder.

- 1.2 ERC and Love Beets 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 Love Beets 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. Love Beets manufactures, distributes, and/or sells the Covered Products.
- 1.5 The Complaint is based on allegations contained in ERC's Notice of Violation dated October 13, 2022 that was served on the California Attorney General, other public enforcers, and Love Beets ("Notice"). A true and correct copy of the 60-Day Notice dated October 13, 2022 is attached hereto as Exhibit A and is incorporated herein by reference. More than 60 days have passed since the Notice was served on the Attorney General and public enforcers, and no designated governmental entity has filed a Complaint against Love Beets 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

California consumers exposes them to lead without first receiving clear and reasonable warnings from Love Beets, which is in violation of California Health and Safety Code section 25249.6. Love Beets denies all material allegations contained in the Notice and Complaint.

- 1.7 The Parties have entered into this Consent Judgment in order to settle, compromise, and resolve disputed claims and thus avoid prolonged and costly litigation.

  Nothing in this Consent Judgment nor compliance with this Consent Judgment shall constitute or be construed as an admission by any of the Parties or by any of their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, issue of law, or violation of law.
- 1.8 Except as expressly set forth herein, nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any current or future legal proceeding unrelated to these proceedings.
- 1.9 The Effective Date of this Consent Judgment is the date on which it is entered as a Judgment by this Court.

#### 2. JURISDICTION AND VENUE

For purposes of this Consent Judgment and any further court action that may become necessary to enforce this Consent Judgment, the Parties stipulate that this Court has subject matter jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Love Beets as to the acts alleged in the Complaint, that venue is proper in Alameda County, and that this Court has jurisdiction to enter this Consent Judgment as a full and final resolution of all claims up through and including the Effective Date that were or could have been asserted in this action based on the facts alleged in the Notice and Complaint.

### 3. INJUNCTIVE RELIEF, REFORMULATION, TESTING AND WARNINGS

3.1 Beginning on the Effective Date, Love Beets shall be permanently enjoined from manufacturing for sale in the State of California, "Distributing into the State of California," or directly selling in the State of California, any Covered Product that exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day unless it

 meets the warning requirements under Section 3.2.

- 3.1.1 As used in this Consent Judgment, the term "Distributing into the State of California" shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that Love Beets knows or has reason to know will sell the Covered Product in California.
- 3.1.2 For purposes of this Consent Judgment, the "Daily Lead Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of recommended daily servings appearing on the label), which equals micrograms of lead exposure per day. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one.

## 3.2 Clear and Reasonable Warnings

If Love Beets is required to provide a warning pursuant to Section 3.1, the following warning must be utilized ("Warning"):

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.

Love Beets shall use the phrase "cancer and" in the Warning if Love Beets has reason to believe 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 Love Beets has reason to believe that another Proposition 65 chemical is present which may require a cancer warning.

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. In no event shall any internet or website Warning be contained in or made through a link.

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.

Love Beets 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.

#### 3.3 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 Love Beets 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, Love Beets shall arrange for lead testing of the Covered Products at least once a year for a minimum of three (3) consecutive years by arranging for testing of three (3) randomly selected samples of each of the Covered Products, in the form intended for sale to the end-user, which Love Beets intends to sell or is manufacturing for sale in California, directly selling to a consumer in California or "Distributing into the State of California." If tests conducted pursuant to this Section demonstrate that no Warning is required for a Covered Product during each of three (3) consecutive years, then the testing requirements of this Section will no longer be required as to

that Covered Product. However, if during or after the three-year testing period, Love Beets changes ingredient suppliers for any of the Covered Products and/or reformulates any of the Covered Products, Love Beets shall test that Covered Product annually for at least two (2) consecutive years after such change is made.

- 3.4.2 For purposes of measuring the "Daily Lead Exposure Level," the highest lead detection result of the three (3) randomly selected samples of the Covered Products will be controlling.
- 3.4.3 All testing pursuant to this Consent Judgment shall be performed using a laboratory method that complies with the performance and quality control factors appropriate for the method used, including limit of detection and limit of quantification, sensitivity, accuracy and precision that meets the following criteria: Inductively Coupled Plasma-Mass Spectrometry ("ICP-MS") achieving a limit of quantification of less than or equal to 0.005 mg/kg.
- 3.4.4 All testing pursuant to this Consent Judgment shall be performed by an independent third party laboratory certified by the California Environmental Laboratory Accreditation Program or an independent third-party laboratory that is registered with the United States Food & Drug Administration.
- 3.4.5 Nothing in this Consent Judgment shall limit Love Beets' ability to conduct, or require that others conduct, additional testing of the Covered Products, including the raw materials used in their manufacture.
- 3.4.6 Within thirty (30) days of ERC's written request, Love Beets shall deliver lab reports obtained pursuant to Section 3.4 to ERC. Love Beets shall retain all test results and documentation for a period of five years from the date of each test.
- 3.4.7 In the event that Love Beets ceases (a) manufacturing the Covered Products for sale in California, (b) directly selling the Covered Products to consumers in California, or (c) Distributing the Covered Products into the State of California (collectively referred to in this paragraph as "California Activities"), the obligations set forth in this Section 3.4 shall cease and no longer be applicable to Love Beets. However, if, after ceasing the

California Activities, Love Beets resumes any of the California Activities, the testing and reporting requirements of Section 3.4 of this Consent Judgment shall apply beginning within one year after the date the California Activities were resumed, unless Love Beets can show to the reasonable satisfication of ERC that the resumption of the California Activities was a temporary error that was resolved when discovered.

#### 4. SETTLEMENT PAYMENT

- 4.1 In full satisfaction of all potential civil penalties, additional settlement payments, attorney's fees, and costs, Love Beets shall make a total payment of \$ 20,000.00 ("Total Settlement Amount") to ERC within 5 days of the Effective Date ("Due Date"). Love Beets shall make this payment by wire transfer to ERC's account, for which ERC will give Love Beets the necessary account information. The Total Settlement Amount shall be apportioned as follows:
- 4.2 \$1,000.00 shall be considered a civil penalty pursuant to California Health and Safety Code section 25249.7(b)(1). ERC shall remit 75% (\$750.00) 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% (\$250.00) of the civil penalty.
- 4.3 \$847.04 shall be distributed to ERC as reimbursement to ERC for reasonable costs incurred in bringing this action.
- 4.4 \$6,160.00 shall be distributed to Wraith Law as reimbursement of ERC's attorney's fees, while \$11,992.96 shall be distributed to ERC for its in-house legal fees. Except as explicitly provided herein, each Party shall bear its own fees and costs.
- 4.5 In the event that Love Beets fails to remit the Total Settlement Amount owed under Section 4 of this Consent Judgment on or before the Due Date, Love Beets shall be deemed to be in material breach of its obligations under this Consent Judgment. ERC shall provide written notice of the delinquency to Love Beets via electronic mail. If Love Beets fails to deliver the Total Settlement Amount within five (5) days from the written notice, the Total Settlement Amount shall accrue interest at the statutory judgment interest rate provided in the

California Code of Civil Procedure section 685.010. Additionally, Love Beets agrees to pay ERC's reasonable attorney's fees and costs for any efforts to collect the payment due under this Consent Judgment.

## 5. MODIFICATION OF CONSENT JUDGMENT

- 5.1 This Consent Judgment may be modified only as to injunctive terms (i) by written stipulation of the Parties and upon entry by the Court of a modified consent judgment or (ii) by motion of either Party pursuant to Section 5.3 and upon entry by the Court of a modified consent judgment.
- 5.2 If Love Beets seeks to modify this Consent Judgment under Section 5.1, then Love Beets must provide written notice to ERC of its intent ("Notice of Intent"). If ERC seeks to meet and confer regarding the proposed modification in the Notice of Intent, then ERC must provide written notice to Love Beets within thirty (30) days of receiving the Notice of Intent. If ERC notifies Love Beets in a timely manner of ERC's intent to meet and confer, then the Parties shall meet and confer in good faith as required in this Section. The Parties shall meet in person or via telephone within thirty (30) days of ERC's notification of its intent to meet and confer. Within thirty (30) days of such meeting, if ERC disputes the proposed modification, ERC shall provide to Love Beets a written basis for its position. The Parties shall continue to meet and confer for an additional thirty (30) days in an effort to resolve any remaining disputes. Should it become necessary, the Parties may agree in writing to different deadlines for the meet-and-confer period.
- 5.3 In the event that Love Beets initiates or otherwise requests a modification under Section 5.1, and the meet and confer process leads to a joint motion or application for a modification of the Consent Judgment, Love Beets shall reimburse ERC its costs and reasonable attorney's fees for the time spent in the meet-and-confer process and filing and arguing the motion or application.
- 6. RETENTION OF JURISDICTION, ENFORCEMENT OF CONSENT JUDGMENT
  - 6.1 This Court shall retain jurisdiction of this matter to enforce, modify, or

terminate this Consent Judgment.

6.2 If ERC alleges that any Covered Product fails to qualify as a Conforming Covered Product (for which ERC alleges that no Warning has been provided), then ERC shall inform Love Beets in a reasonably prompt manner of its test results, including information sufficient to permit Love Beets to identify the Covered Products at issue. Love Beets shall, within thirty (30) days following such notice, provide ERC with testing information, from an independent third-party laboratory meeting the requirements of Sections 3.4.3 and 3.4.4, demonstrating Love Beets' compliance with the Consent Judgment. The Parties shall first attempt to resolve the matter prior to ERC taking any further legal action.

### 7. APPLICATION OF CONSENT JUDGMENT

This Consent Judgment may apply to, be binding upon, and benefit the Parties and their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, franchisees, licensees, customers (excluding private labelers), distributors, wholesalers, retailers, predecessors, successors, and assigns. This Consent Judgment shall have no application to any Covered Product that is distributed or sold exclusively outside the State of California and that is not intended by Love Beets to be used by a consumer in the State of California.

### 8. BINDING EFFECT, CLAIMS COVERED AND RELEASED

- 8.1 This Consent Judgment is a full, final, and binding resolution between ERC, on behalf of itself and in the public interest, and Love Beets and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, suppliers, franchisees, licensees, customers (not including private label customers of Love Beets), distributors, wholesalers, retailers, and all other upstream and downstream entities in the distribution chain of any Covered Product, and the predecessors, successors, and assigns of any of them (collectively, "Released Parties").
- 8.2 ERC, acting in the public interest, releases the Released Parties from any and all claims for violations of Proposition 65 up through the Effective Date based on exposure to lead from the Covered Products as set forth in the Notice of Violation. ERC, on behalf of

itself only, hereby fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penaltics, fees, costs, and expenses asserted, or that could have been asserted from the handling, use, or consumption of the Covered Products, as to any alleged violation of Proposition 65 or its implementing regulations arising from the failure to provide Proposition 65 warnings on the Covered Products regarding lead to and including the Effective Date.

- 8.3 ERC on its own behalf only, and Love Beets on its own behalf only, further waive and release any and all claims they may have against each other for all actions or statements made or undertaken in the course of seeking or opposing enforcement of Proposition 65 in connection with the Notice and Complaint up through and including the Effective Date, provided, however, that nothing in Section 8 shall affect or limit any Party's right to seek to enforce the terms of this Consent Judgment.
- 8.4 It is possible that other claims not known to the Parties, arising out of the facts alleged in the Notice and Complaint, and relating to the Covered Products, will develop or be discovered. ERC on behalf of itself only, and Love Beets on behalf of itself only, acknowledge that this Consent Judgment is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefore. ERC and Love Beets acknowledge that the claims released in Sections 8.2 and 8.3 above may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

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

ERC on behalf of itself only, and Love Beets on behalf of itself only, acknowledge and understand the significance and consequences of this specific waiver of California Civil Code section 1542.

8.5 Compliance with the terms of this Consent Judgment shall be deemed to

and conditions with legal counsel. The Parties agree that, in any subsequent interpretation and construction of this Consent Judgment, no inference, assumption, or presumption shall be drawn, and no provision of this Consent Judgment shall be construed against any Party, based on the fact that one of the Parties and/or one of the Parties' legal counsel prepared and/or drafted all or any portion of the Consent Judgment. It is conclusively presumed that all of the Parties participated equally in the preparation and drafting of this Consent Judgment.

## 15. 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, 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.

#### 16. ENFORCEMENT

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

## 17. ENTIRE AGREEMENT, AUTHORIZATION

- 17.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter herein, including any and all prior discussions, negotiations, commitments, and understandings related thereto. 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.
  - 17.2 Each signatory to this Consent Judgment certifies that he or she is fully

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1	Dated: 4/2 0, 2023	G'S FRESH BEETS PRODUCTION, INC.	
2		P. W.	
<i>3</i>		By: Ganne Khair	
5		Its: LO	
6	Dated: $4/20$ , 2023	G'S FRESH BEETS INCORPORATED	
7		J 1/1.	
8 9		By: Isanue thousey	
10	Dated: 4/2 6 ,2023		
11	Dated. 1778 Q , 2023	G'S FRESH LTD	
12		LOADING KARILLIA	
13 14		By: Leanne Eliany	
15	APPROVED AS TO FORM:	, · · · · ·	
16	ALTROVED AS TO FORM:		
17	Dated: <u>April 28</u> , 2023	WRAITH LAW	
18		Bu Min FW rain	
19		By: William F. Wraith	
20   21		Attorney for Plaintiff Environmental	
22	Dated: 4/26 , 2023	Research Center, Inc.	
23	, 2023	HARRIS BEACH PLLC	
24		By:	
25		Stuart R, Smith Attorney for Love Beets USA, LLC, Love	
26		Beets Production, LLC, G's Fresh Beets	
27		Production, Inc., G's Fresh Beets Incorporated, and G's Fresh Ltd	
28			
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	STIPULATED CONSENT JUDGMENT Case No. 23CV0306		

# I ORDER AND JUDGMENT Based upon the Parties' Stipulation, and good cause appearing, this Consent Judgment is approved and Judgment is hereby entered according to its terms. IT IS SO ORDERED, ADJUDGED AND DECREED. Dated: \_\_\_\_\_, 2023 Judge of the Superior Court Page 16 of 16 STIPULATED CONSENT JUDGMENT

Case No. 23CV030683