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	9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
	10	IN AND FOR THE COUNTY OF LOS ANGELES	
	11	KEEP AMERICA SAFE AND BEAUTIFUL,	Case No.: 24STCV00658
	12	Plaintiff,	[PROPOSED] CONSENT JUDGMENT AS
	13	v.	TO GANDHI FOODS, INC.
	14 15	Gandhi Foods, Inc.; Amazon.com Services, LLC; and DOES 1 through 100, inclusive,	(Health & Safety Code § 25249.6 <i>et. seq.</i> and Code Civ. Proc. § 664.6)
	16	Defendant.	
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		[PROPOSED] CONSENT JUDGMENT Keep America Safe and Beautiful v. Gandhi Foods, Inc.	

1. <u>INTRODUCTION</u>

1.1 <u>The Parties</u>

This [Proposed] Consent Judgment is hereby entered into by and between KEEP AMERICA SAFE AND BEAUTIFUL, acting on behalf of the public interest (hereinafter "KASB") and GANDHI FOODS, INC. (hereinafter "GANDHI" or "Defendant"). Collectively KASB and GANDHI shall be referred to hereafter as the "Parties" and each of them as a "Party." KASB is a non-profit corporation organized under the laws of California and acting in the interest of the general public, dedicated to protecting the health of California citizens and the environment through the elimination or reduction of toxic chemicals utilized in manufacturing consumer products and to increasing public awareness of those chemicals through the promotion of sound environmental practices and corporate responsibility. Defendant is a person in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.

1.2 <u>Allegations and Representations</u>

KASB alleges that Defendant has offered for sale in the State of California and has sold in
California, products, which contain lead, and that such sales have not been accompanied by
Proposition 65 warnings. The State of California has listed lead as a chemical known to cause cancer,
developmental toxicity and reproductive harm. Defendant denies the allegations and contends that
there is no exposure and no violation under Proposition 65 for an alleged failure to warn.

1.3 <u>Covered Product Description</u>

The product that is covered by this Consent Judgment is identified as Ginger Garlic Paste,
including Taj Gourmet Foods - Ginger Garlic Paste; UPC #: 6 86091 83627 0. All such items shall
be referred to herein as the "Covered Products."

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1.4 <u>Notices of Violation/Complaint</u>

1.4.1 On or about January 11, 2023, KASB served GANDHI, AMAZON.COM SERVICES, LLC ("AMAZON") and various public enforcement agencies with a document entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notice"), alleging that GANDHI was in violation of Proposition 65 for failing to warn consumers and customers that the Covered Products exposed users in California to lead. No public enforcer diligently prosecuted the claims threatened in the Notice within sixty days plus service time relative to the provision of the Notice to them by KASB.

1.4.2 On January 10, 2024, KASB, acting in the interest of the general public in the State of California, filed a complaint in the Superior Court of Los Angeles County alleging violations of Health & Safety Code §25249.6 (the "Complaint") based on the alleged failure to warn of exposures to lead contained in the Covered Products manufactured, distributed, or sold by Defendant.

1.5 <u>Effective Date:</u>

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date this Consent Judgment is entered as a judgment of the Court.

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2. <u>STIPULATION TO JURISDICTION/NO ADMISSION</u>

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations contained in the complaint filed in this matter, that venue is proper in the County of Los Angeles, and that this Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein and/or in the Notice.

Nothing in this Consent Judgment shall be construed as an admission by Defendant of any
fact, finding, issue of law, or violation of law; nor shall compliance with this Consent Judgment

constitute or be construed as an admission by Defendant of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Defendant, including, but not limited to, any admission related to exposure of failure to warn. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Defendant under this Consent Judgment.

3. **INJUNCTIVE RELIEF**

3.1 Beginning on the Effective Date, GANDHI 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 expose 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 Covered Products into California for sale in California or to sell Covered Products to a distributor that GANDHI knows or has reason to know will sell the Covered Products in California. The injunctive relief in Section 3 does not apply to any Covered Products that has left the possession, and is no longer under the control of GANDHI prior to the Effective Date and all claims as to such Covered Products are released in this Consent Judgment.

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 as stated on the label,
multiplied by servings of the product per day stated on the label, which equals micrograms of lead
exposure per day.

3.2 Clear and Reasonable Warnings

If GANDHI is required to provide a warning pursuant to Section 3.1, one of the following

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1 || warnings must be utilized ("Warning"):

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 <u>www.P65Warnings.ca.gov/food</u>.

Option 2:

WARNING: [Cancer and] Reproductive Harm http://www.p65warnings.ca.gov/food

GANDHI shall use the phrase "cancer and" in the Warning if GANDHI has reason to believe that the "Daily Lead Exposure Level" is greater than 15 micrograms of lead.

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. In addition, for any Covered Product sold by Defendant over the internet, the Warning shall appear on the checkout page, or prominently displayed to the purchaser prior to completing the purchase, in full text or through a clearly marked hyperlink using the word **"WARNING"** in all capital and bold letters when a California delivery address is indicated for any purchase of any Covered Product. If a hyperlink is used, the hyperlink must go 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.

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GANDHI 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. The warning must be set off from other surrounding information. enclosed in a box. If consumer information on the package is in a foreign language, the warning must also be provided in the foreign language.

Notwithstanding the foregoing, Defendant may comply with this Section 3 by providing warnings as specified in the Proposition 65 regulations applicable to the Covered Products and chemical at issue, in effect as of the Effective Date, or as such regulations may be modified or amended in the future.

PAYMENTS PURSUANT TO HEALTH & SAFETY CODE §25249.7(b)

With regard to all claims that have been raised or which could be raised with respect to failure to warn pursuant to Proposition 65 with regard to lead in the Covered Product, Defendant shall pay a civil penalty of \$3,500.00 pursuant to Health and Safety Code section 25249.7(b), to be apportioned in accordance with California Health & Safety Code § 25192, with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment and the remaining 25% of the penalty remitted to KASB, as provided by California Health & Safety Code § 25249.12(d) and the instructions directly below.

Payments owed to KASB and OEHHA shall be made to counsel for KASB, who will 24 25 distribute payments in accordance with the terms of this Consent Judgment. All payments shall be 26 delivered to the following payment address:

> KIT LAW GROUP LLP 230 N. Maryland Avenue, Suite 306

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Glendale, CA 91206

5. <u>REIMBURSEMENT OF FEES AND COSTS</u>

3 The parties reached an accord on the compensation due to KASB and its counsel under the 4 private attorney general doctrine and principles of contract law. Under these legal principles, 5 Defendant shall reimburse KASB's counsel for fees and costs, incurred as a result of investigating, 6 bringing this matter to Defendant's attention, and negotiating a settlement in the public interest. 7 Defendant shall pay KASB's counsel \$34,500.00 for all attorneys' fees, expert and investigation fees 8 and related costs associated with this matter and the Notice. Defendant shall mail a check payable to "KIT Law Group," via certified mail to the address for KASB's counsel referenced above according to the following schedule: (1) \$20,000 to be paid within 10 days following the Effective Date; (2) The remaining \$18,000 of the Settlement Payment shall be paid in three installments as follows: \$6,000.00 due within 60 days following the Effective Date; a. 17 \$6,000.00 due within 120 days following the Effective Date; and b. 18 \$6,000.00 due within 180 days following the Effective Date. с. 19 Other than the payment required hereunder, each side is to bear its own attorneys' fees and 20 costs. 21 **RELEASE OF ALL CLAIMS** 6. 22 6.1 KASB's Release of Defendant, Releasees, and Downstream Releasees 23 As to those matters raised in the Complaint and in the Notice of Violation, KASB, on behalf 24 25 of itself, and on behalf of the public interest, hereby waives and releases any and all claims against 26 Defendant, its parent companies, corporate affiliates, subsidiaries, predecessors, successors and

- ²⁷ assigns (collectively "Releasees") and each of its distributors, wholesalers, licensors, licensees,
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auctioneers, retailers, franchisees, dealers, customers, owners, purchasers, users including, without limitation, AMAZON (collectively "Downstream Releasees") and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities for injunctive relief or damages, penalties, fines, sanctions, mitigation, fees (including fees of attorneys, experts, and others), costs, expenses, or any other sum incurred or claimed, for the alleged failure of Defendant, Releasees or Downstream Releasees to provide clear, accurate and reasonable warnings under Proposition 65 about exposure to lead arising from the sale, distribution, or use of any Covered Product sold, manufactured or distributed by Defendant, Releasees or Downstream Releasees in California, up through the Effective Date. Compliance with the Consent Judgment by Defendant or a Releasee shall constitute compliance with Proposition 65 by that Defendant, Releasee, or Downstream Release with respect to the presence of lead in the Covered Product. Plaintiff agrees that any and all claims in the Complaint are resolved with prejudice by this Consent Judgment.

In addition to the foregoing, KASB, on behalf of itself, past and current agents, 17 representatives, officers, directors, employees, attorneys, and successors and/or assignees, and not in 18 its representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, 19 any form of legal action and releases any other Claims that it could make against Defendant, 20 Releasees or Downstream Releasees with respect to violations of Proposition 65 based upon the 21 Covered Products. With respect to the foregoing waivers and releases in this paragraph, KASB 22 hereby specifically waives any and all rights and benefits which it now has, or in the future may have, 23 conferred by virtue of the provisions of Section 1542 of the California Civil Code, which provides as 24 25 follows: 26 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR

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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

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KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

6.2 Defendant's Release of KASB

Defendant waives any and all claims against KASB, its attorneys and other representatives, for any and all actions taken or statements made by KASB and its attorneys and other representatives, in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against them in this matter, and/or with respect to the Covered Product.

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SEVERABILITY AND MERGER

If, subsequent to the execution of this Consent Judgment, any of the provisions of this document are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

This Consent Judgment contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within the State of California.

9. <u>NOTICES</u>

Unless specified herein, all correspondence and notices required to be provided pursuant to
this Consent Judgment shall be in writing and personally delivered or sent by: (i) first-class,
(registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the
other party at the following addresses:

26 For GANDHI:

27 Michael J. Stiles
28 StilesPomeroy LLP

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§25249.7(f) and, at its sole cost and expense, to promptly bring a Motion for Approval of this Consent Judgment and Defendants shall support approval of such Motion.

This Consent Judgment shall not be effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered by the Court within eighteen months after it has been fully executed by the Parties.

13. MODIFICATION

This Consent Judgment may be modified only by further stipulation of the Parties and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

14. <u>ATTORNEY'S FEES</u>

A party who unsuccessfully brings or contests an action arising out of this Consent Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs unless the unsuccessful party has acted with substantial justification. For purposes of this Consent Judgment, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure Section 2016, et seq.

15. <u>RETENTION OF JURISDICTION</u>

This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment.

16. <u>AUTHORIZATION</u>

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

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