1 2 3 4 5 6 7 8 9	Joseph R. Manning, Jr., Esq. (Bar No. 223381) p65@manninglawoffice.com MANNING LAW, APC 26100 Towne Center Drive Foothill Ranch, CA 92610 <i>Tel:</i> (949) 200-8755 <i>Fax:</i> (866) 843-8308 <i>Attorney for Plaintiff</i> <i>Calsafe Research Center, Inc.</i>		
10	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
12	COUNTY OF ALAMEDA		
13			
14	CALSAFE RESEARCH CENTER, INC., a	Case No.: 23CV050968	
15	California non-profit corporation,	[PROPOSED] STIPULATED	
16	Plaintiff,	CONSENT JUDGMENT	
17	v.	(Health & Safety Code § 24249, et seq.)	
18	DEOLEO USA, INC.; and DOES 1 to 10,	Complaint filed: November 13, 2023	
19 20	Defendant.	Trial Date: TBD	
20 21			
21			
23			
24			
25			
26			
27			
28			

I. INTRODUCTION

1.1 The Parties. This Consent Judgment is entered into by and between Calsafe
 Research Center, Inc. ("Calsafe" or "Plaintiff"), a California non-profit corporation, and Deoleo
 USA, Inc. ("Deoleo" or "Defendant"), a California limited liability company (collectively, the "Parties").

1.2 General Allegations. On November 13, 2023, CalSafe initiated this action by filing a Complaint for Civil Penalties and Injunctive Relief (the "Complaint") pursuant to *Health & Safety Code* § 24249.5 *et seq.* ("Proposition 65") against Deoleo. In this action, Calsafe alleges that balsamic vinegar that is manufactured, imported, sold, or distributed by Deoleo for sale in California (the "Covered Product") contains lead, a chemical listed under Proposition 65 as a carcinogen and reproductive toxin. Calsafe alleges that the Covered Product exposes consumers to lead at a level requiring a Proposition 65 warning. Calsafe alleges that Deoleo qualifies as a "Person in the course of doing business" within the meaning of Proposition 65, and that Deoleo manufactures, distributes, and/or offers for sale in the State of California the Covered Product.

1.3 Notice of Violation. The Complaint is based on allegations contained in Calsafe's Notice of Violation dated April 21, 2023 (the "Notice"), that was served on the California attorney General, other public enforcers, and Deoleo. A true and correct copy of the Notice is attached hereto as **Exhibit A** and incorporated by reference. More than 60 days have passed since the Notice was served on the Attorney General, public enforcers, and Deoleo; no designated governmental entity has filed a Complaint against Deoleo with regard to the Covered Product or the alleged violations.

1.4 Calsafe's Notice and Complaint allege that the use of the Covered Products by California consumers exposes them to lead without first receiving a clear and reasonable warning from Deoleo, which is a violation of California *Health & Safety Code* § 25249.6. Deoleo denies all material allegations contained in the Notice and Complaint.

1.5The Parties have entered into this Consent Judgment in order to settle,7compromise, and resolve disputed claims and thus avoid prolonged and costly litigation. Deoleo8denies the material, factual, and legal allegations in the Notice and Complaint and maintains that

all of the products, including the Covered Products, that it sold and/or distributed for sale in 1 2 California have been and are in compliance with all laws. Nothing in this Consent Judgment nor compliance with this Consent Judgment shall constitute or be construed as an admission by 3 Deoleo or by any of their respective officers, directors, shareholders, employees, agents, parent 4 companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, 5 distributors, wholesalers, or retailers of any fact, finding, conclusion, issue of law, or violation 6 7 of law, such specifically denied by the Deoleo. This Section shall not, however, diminish or 8 otherwise affect Deoleo's obligations, responsibilities, and duties under this Consent Judgment.

1.6 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 this proceeding.

1.7 Effective Date. For purposes of this Consent Judgment, the "Effective Date" shall be the date the Consent Judgment has been approved and entered by the Court.

II. JU

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

JURISDICTION AND VENUE

2.1 For purposes of this Consent Judgment and any further court action that may become necessary to enforce this Consent Judgment only, the Parties stipulate that this Court has subject matter jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Deoleo as to the acts alleged in the Complaint.

2.2 For purposes of this Consent Judgment, the Parties stipulate that venue is proper in Alameda County, California, 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.

24 III. INJUNCTIVE RELIEF

3.1 Warnings for Covered Products. Commencing on the Effective Date, and
continuing thereafter, Covered Products that Deoleo Ships for Sale in California shall be labeled
with a clear and reasonable warning pursuant to Paragraph 3.2, below, unless the level of Lead
in the Covered Product does not exceed 34 parts per billion. "Ships for Sale in California" means

the Covered Product that Deoleo either directly ships to California for sale in California, or that it sells to a distributor or retailer who Deoleo knows will sell the Product to consumers in California.

3.2 Warning Statement. A clear and reasonable warning for the Covered Product shall consist of a warning affixed to the packaging, label, tag, or directly to each Covered Product Shipped for Sale in California by Deoleo that contains one of the following statements:

3.3

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.

or WARNING: Cancer and Reproductive Harm-www.P65Warnings.ca.gov/food.

Any warning provided pursuant to this Consent Judgment shall be prominently displayed with such conspicuousness, as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. If the warning is provided on the same label as other consumer information, then it shall be offset in a box with a black outline and must be in a type size no smaller than the largest type size used for other consumer information on the Covered Product. "Consumer information" includes warnings, directions for use, ingredient lists, and nutritional information. "Consumer information" does not include the brand name, product name, company name, location of manufacture, or product advertising. Where a specific food product sign, label, or shelf tag used to provide a warning includes consumer information in a language other than English, the warning must also be provided in that language in addition to English.

3.4 Warnings for Internet Sales. For any Covered Product Deoleo sells directly over the internet where it will be shipped to California, the warning shall be displayed as follows: (A) on the primary display page for the Covered Product; (B) as a clearly marked hyperlink using the word "WARNING" in all capital and bold letters on the Covered Product's primary display page, so long as the hyperlink goes directly to a page prominently displaying the warning without

content that detracts from the warning; (C) on the checkout page or any other page in the
checkout process when a California delivery address is indicted for the purchase of the Covered
Product and with the waring clearly associated with the Covered Product to indicate that the
Covered Product is subject to the warning; or (D) by otherwise prominently displaying the
warning to the purchaser prior to completing the purchase of the Covered Product. The warning
is not prominently displayed if the purchaser must search for it in the general content of the
website.

3.5 Compliance with Clear and Reasonable Warning. Deoleo shall be deemed to
be in compliance with this Consent Judgment after the Effective Date by (A) adhering to
Paragraphs 3.1 through 3.3, or (B) by complying with any future warning regulations adopted
by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA). If
regulations or legislation are enacted or issued providing that a Proposition 65 warning for the
Covered Product is no longer required, a lack of warning as set forth in this Consent Judgment
will not thereafter be a breach of this Consent Judgment.

3.6 Grace Period of Existing Inventory. The injunctive requirements of Section III shall not apply to the Covered Products that are already in the stream of commerce as of the Effective Date, which Covered Product is expressly subject to the releases provided in Section VIII.

IV. COURT APPROVAL

4.1 Entry of Consent Judgment. Upon execution of this Consent Judgment by the Parties, CalSafe shall notice a Motion for Court Approval and, within ten (10) days of approval of the Consent Judgment by the Court, comply with the requirements set forth in California *Health & Safety Code* § 25249.7(f). If the California Attorney General objects to any term in this Consent Judgment, the Parties shall use their best efforts to resolve the concern in a timely manner, and if possible, prior to the hearing on the motion.

4.2 Void if Not Approved. If this Consent Judgment is not approved by the Court, it
shall be void and have no force or effect.

28 ////

15

16

17

18

19

20

21

22

23

24

25

V. MONETARY TERMS

1

2

3

4

5

5.1 Total Settlement Amount. In full satisfaction of all potential civil penalties, additional settlement payments, attorney fees, and costs, Deoleo shall make a total payment of Thirty-Five Thousand Dollars (\$35,000.00) (the "Total Settlement Amount"), apportioned into a Civil Penalty, and Attorney Fees and Costs as set forth in Paragraphs 5.2 and 5.3, below.

5.2 Civil Penalty Payment. Pursuant to California Health & Safety Code 6 7 § 25249.7(b)(2) and in settlement of all claims alleged in the Notice and Complaint, Deoleo agrees to pay Three Thousand Five Hundred Dollars (\$3,500.00) in Civil Penalties. The Civil 8 9 Penalty payment will be apportioned in accordance with California Health & Safety Code §§ 25249(c)(1), (d), with seventy-five (75) percent of these funds remitted to OEHHA, and the 10 remaining twenty-five (25) percent of the funds retained by CalSafe. Within ten (10) days of the 11 Effective Date, Deoleo shall issue a check to "OEHHA" in the amount of Two Thousand Six 12 Hundred and Twenty-Five Dollars (\$2,625.00), with "Prop 65 Penalties" written in the Memo 13 Line; and Deoleo shall, pursuant to the instructions below, wire to CalSafe the amount of Eight 14 Hundred and Seventy-Five Dollars (\$875.00). 15

All payments made to OEHHA (EIN: 68-0284486) pursuant to this Paragraph shall be delivered directly to OEHHA at the following address:

<u>For United States Postal Delivery Service</u>: Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment P.O. Box 4010 Sacramento, CA 95812-4010

For Non-United States Postal Delivery Service:

Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment 1001 I Street MS #19B Sacramento, CA 95814

All penalty payments owed to CalSafe shall be sent via wire to:

26 27 28

16

17

18

19

20

21

22

23

24

25

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

Wire & ACH Instructions:

Account Name: The Law Offices of Joseph R. Manning

Bank Name: J.P. Morgan Chase Bank, N.A.

Bank Address: 270 Park Ave. New York, NY. 10017

ACH Routing / ABA Number: 322271627

Wire Routing / ABA Number: 021000021

Account Number: 802922919

For further benefit of: Civil Penalty Payment Case No. 23CV050968

5.3 Attorney Fees and Costs. Within ten (10) days of the Effective Date, Deoleo agrees to pay by wire pursuant to the instructions below Thirty-One Thousand Five Hundred Dollars (\$31,500.00) to CalSafe and its counsel of record for all fees and costs incurred in investigating, bringing this matter to the attention of Deoleo, litigating, negotiation, and obtaining judicial approval of a settlement in the public interest.

Wire & ACH Instructions:

Account Name: The Law Offices of Joseph R. Manning

Bank Name: J.P. Morgan Chase Bank, N.A.

Bank Address: 270 Park Ave. New York, NY. 10017

ACH Routing / ABA Number: 322271627

Wire Routing / ABA Number: 021000021

Account Number: 802922919

For further benefit of: Attorney's Fees Case No. 23CV050968

5.4 In the event that Deoleo fails to remit the Total Settlement Amount or any portion thereof owed under Paragraphs 5.1 through 5.3 of this Consent Judgment by the due date, Deoleo shall be deemed to be in material breach of its obligations under this Consent Judgment. CalSafe

CalSafe Research Center, Inc. v. Deoleo USA, Inc., Case No. 23CV050968 [PROPOSED] STIPULATED CONSENT JUDGMENT

shall provide written notice of delinquency to Deoleo via electronic mail to Deoleo as provided
 in Section X of this Consent Judgment. If Deoleo fails to deliver any portion of or all of 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 California *Code of Civil Procedure* § 685.010.

Additionally, Deoleo agrees to pay Calsafe's reasonable attorney fees and costs for any
efforts to collect the payment due under this Consent Judgment.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

VI.

RETENTION OF JURISDICTION

6.1 This Court shall retain jurisdiction over this matter to enforce, modify, or terminate this Consent Judgment.

VII. MODIFICATION OF CONSENT JUDGMENT

7.1 This Consent Judgment may be modified only by (A) written stipulation of theParties and upon entry by the Court of a modified consent judgment, or (B) by motion of eitherParty and upon entry by the Court of a modified consent judgment.

7.2 Most Favored Nations Provision. If, after the Effective Date, a court enters judgment in another Proposition 65 enforcement action brought by Calsafe or any other private or public Proposition 65 enforcer, including the Attorney General of California, over exposure to lead in balsamic vinegar that imposes different injunctive relief than in this Consent Judgment, Deoleo may seek to modify Section III of this Consent Judgment to conform with the injunctive relief provided in such later judgment.

VIII. BINDING EFFECT, CLAIMS COVERED, CLAIMS RELEASED

8.1 This Consent Judgment shall have no application to any Covered Product that is distributed or sold exclusively outside the State of California and/or that is not used by California consumers. Nothing in this Consent Judgment is intended to apply to any occupational or environmental exposures arising under Proposition 65, nor shall it apply to any other Deoleo products other than the Covered Product.

8.2 Binding Effect. This Consent Judgment is a full, final, and binding resolution
between Calsafe, on behalf of itself and its respective officers, directors, shareholders, employees,

14

15

16

17

18

19

20

21

22

23

27

agents, parent companies, subsidiaries, divisions, and affiliates and on behalf of the public 1 2 interest, and Deoleo and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, 3 distributors, wholesalers, or retailers, and all other upstream and downstream entities in the 4 distribution chain of the Covered Product and the predecessors, successors, and assigns of any of 5 them (collectively, "Released Parties") of all claims arising under Proposition 65 based on 6 7 exposure to and/or failure to warn about exposure to, lead from Covered Products Shipped for Sale in California by Deoleo before the Effective Date. 8

9 8.3 Compliance with the terms of this Consent Judgment shall be deemed to constitute compliance with Proposition 65 by any of the Released Parties regarding alleged exposures to 10 11 lead from the Covered Product and/or failure to warn about exposure to lead from Covered Products that are Shipped for Sale in California by Deoleo or its successors after the Effective 12 Date. 13

8.4 Calsafe Release of Deoleo(s). Calsafe, on behalf of itself and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, and affiliates and on behalf of the public interest fully releases and discharges Released Parties from any and all claims, actions, cause of action, suits, demands, liabilities, damages, penalties, fees costs, and expenses asserted, or that could have been asserted based on or related to the handling, use, sale, distribution, or consumption of the Covered Product in California, as to any alleged violation of Proposition 65 or its implementing regulations up through the Effective Date, based on a failure to provide Proposition 65 warning on the Covered Product with respect to lead as set forth in the Notice and Complaint.

8.5 Calsafe on its own behalf only further waives and releases any and all claims it, its attorneys, or its representatives may have against Deoleo arising from any violation of 24 25 Proposition 65 or any other statutory or common law claims that have been or could have been asserted by Calsafe individually or in the public interest regarding the failure to warn about 26 exposure to lead arising in connection with Covered Products Shipped for Sale in California by Deoleo prior to the Effective Date. 28

8.6 California Civil Code Section 1542. It is possible that other claims not known to 2 the Parties, arising out of the facts alleged in the Notice and Complaint, and relating to the 3 Covered Product, will develop or be discovered. Calsafe on behalf of itself only acknowledges 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. Calsafe acknowledges that the claims released in this Section VIII may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 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.

IX. **GOVERNING LAW**

9.1 The terms and conditions of this Consent Judgment shall be governed by and construed in accordance with the laws of the State of California.

X. **PROVISION OF NOTICE**

10.1 All notices required to be given to either Party to this Consent Judgment by the other shall be in writing and sent to the following agents listed below via first-class mail or electronic mail. Any Party may modify the person/entity or address to whom the notice is to be sent by sending the other Party notice by certified mail, return receipt requested. Said change shall take effect on the date the return receipt is signed by the Party receiving the change.

Notice for Calsafe shall be sent to:

Joseph R. Manning, Jr. 26100 Towne Center Drive Foothill Ranch, CA 92610 Tel: Office (949) 200-8757 Fax: (866) 843-8309 p65@manninglawoffice.com

Notice for Deoleo shall be sent to:

CalSafe Research Center, Inc. v. Deoleo USA, Inc., Case No. 23CV050968 [PROPOSED] STIPULATED CONSENT JUDGMENT

Thierry Moyroud CEO – Deoleo North America 7557 Rambler Rd, Suite 700 Dallas TX 75231 thierry.moyroud@deoleo.com

Jeffrey Margulies Norton Rose Fulbright US LLP 555 South Flower Street, 41st Floor Los Angeles, CA 90071 Jeff.margulies@nortonrosefulbright.com

XI. EXECUTED IN COUNTERPARTS

11.1 This Consent Judgment may be executed in counterparts, which taken together shall be deemed to constitute one document. A facsimile or .PDF signature page shall be construed to be as valid as the original signature.

XII. DRAFTING

12.1 The terms of this Consent Judgment have been reviewed by the respective counsel for each Party prior to its signing, and each Party has had the opportunity to fully discuss the terms 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 participate equally in the preparation and drafting of this Consent Judgment.

XIII. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

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

CalSafe Research Center, Inc. v. Deoleo USA, Inc., Case No. 23CV050968 [PROPOSED] STIPULATED CONSENT JUDGMENT

XIV. ENFORCEMENT

14.1 Enforcement Procedures. Either Party may by motion or application for an order to show cause before this Court seek to enforce the terms of this Consent Judgment. Prior to filing any such motion or application, a Party seeking to enforce the terms of this Consent Judgment shall provide the allegedly violating party with a written notice setting forth the detailed factual and legal basis for the alleged violation ("Notice of Violation"), and if applicable, comply with the requirements of Paragraph 14.2. The Parties shall then meet and confer during the thirty (30) day period following the date the Notice of Violation was sent in an effort to try to reach agreement on the alleged violation. After such thirty (30) day period, the Party seeking to enforce may, by new action, motion, or order to show cause before the Superior Court of Alameda, seek to enforce the terms and conditions contained in this Consent Judgment. In any enforcement proceeding, the Court shall not be limited by this Consent Judgment in fashioning remedies for failure to comply with Proposition 65, and may order compliance with Proposition 65 by reformulation, warnings or any other method it finds compliant with the law.

14.2 Prior to bringing any motion or application to enforce the warning requirements of Section III, Calsafe shall provide Deoleo with a Notice of Violation demonstrating that the Covered Product sold in California did not have a warning as required by Section III and test reports demonstrating that the Covered Product contains lead in excess of 34 parts per billion, and the lot number(s) of the Covered Product allegedly in violation, along with proof of purchase. Within 30 days, Deoleo may either (1) provide Calsafe with notice that it will remedy the alleged violation by placing warnings on the Covered Products at the retail location(s) identified in Calsafe's proof of purchase in the Notice of Violation or requesting the retail location(s) identified on Calsafe's proof of purchase remove the Covered Products from sale in California, or (2) provide Calsafe with test data that it contends rebuts the alleged violation, and request that the sample(s) of the Covered Product tested by Calsafe be submitted to an independent third-party laboratory to determine the lead content of the Covered Product. If the testing submitted by Deoleo and/or performed by the independent third-party laboratory does not resolve the alleged violation, Calsafe may file a motion seeking relief from the court.

1 2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

ENTIRE AGREEMENT, AUTHORIZATION XV.

15.1 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.

15.2 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.

XVI. REQUEST FOR FINDINGS, APPROVAL, AND ENTRY.

16.1 This Consent Judgment has come before the Court upon the request of the Parties. The Parties request the Court to fully review this Consent Judgment and, being fully informed regarding the matters which are the subject of this action, make the findings pursuant to California Health and Safety Code § 25249(f)(4) and approve this Consent Judgment.

IT IS SO STIPULATED.

17			
18	DATED: _	November 29	<u>,</u> 2023
19			
20			
21			
22			
23			
24	DATED: _	11/29/2023	_, 2023
25			
26			
27			
28	DATED:		_, 2023
	<u> </u>		

MANNING LAW, APC Bv: Joseph Manning

Attorney for Plaintiff Calsafe Research Center, Inc.

CALSAFE RESEARCH CENTER, INC.

cric tairon Bv: Eric Fairon, CEO Calsafe Research Center, Inc.

CalSafe Research Center, Inc. v. Deoleo USA, Inc., Case No. 23CV050968 [PROPOSED] STIPULATED CONSENT JUDGMENT

		By:
		Attorney for Defendant Deoleo USA, Inc.
,		DEOLEO USA, INC.
	DATED: November 21, 2023	By: THERRY MOYROUD
	DATED: NOVEMBER 2023	Dy. AILCERT MUTROL
)		Deoleo USA, Inc.
2		
3		
1 5		
5		
7		
3		
		D AND DECREED that, pursuant to <i>Health & So</i>
$\ C$	Code § 25249.7(f)(4) and Code of Civil Procedure § 664.6, judgment is hereby entered.	
D	Dated:	JUDGE OF THE SUPERIOR COURT
5		
7		
$\ _{c}$	alSafe Research Center, Inc. v. Deoleo USA, In	<i>c</i> Case No. 23CV050968