1 2 3 4 5 6 7 8	ENTORNO LAW, LLP Craig M. Nicholas (SBN 178444) Noam Glick (SBN 251582) Jake W. Schulte (SBN 293777) Janani Natarajan (SBN 346770) Gianna E. Tirrell (SBN 358788) 225 Broadway, Suite 1900 San Diego, California 92101 Tel: (619) 629-0527 Email: craig@entornolaw.com Email: noam@entornolaw.com Email: jake@entornolaw.com Email: janani@entornolaw.com	
9 10	Attorneys for Plaintiff Environmental Health Advocates, Inc.	
11	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
12	IN AND FOR THE COUNTY OF ALAMEDA	
13	ENVIRONMENTAL HEALTH ADVOCATES, INC.,	Case No. 24CV082867
14	Plaintiff,	[PROPOSED] CONSENT JUDGMENT
15		(Health & Safety Code § 25249.6 <i>et seq.</i> and Code Civ. Proc. § 664.6)
16	v. TERRA KAI ORGANICS, INC., a	Code CIV. 110C. § 004.0)
17 18	Washington corporation; AMAZON.COM, INC., a Delaware corporation; and DOES 1 through 100, inclusive,	
19	Defendants.	
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1.

INTRODUCTION

1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA" or "Plaintiff") and Terra Kai Organics, Inc. ("Defendant" or "Terra Kai") with EHA and Terra Kai each individually referred to as a "Party" and collectively referred to as the "Parties."

1.2 Plaintiff

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

1.3 Defendant

Terra Kai employs ten or more individuals and for purposes of this Consent Judgment only, is a "person in the course of doing business" for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 et seq. ("Proposition 65").

1.4

General Allegations

EHA alleges that Terra Kai manufactures, imports, sells, and distributes for sale JUCE Reds Daily Superfood - Garden Berry that contains lead. EHA further alleges that Terra Kai does so without providing a sufficient health hazard warning as required by Proposition 65 and related Regulations. Terra Kai denies these allegations and asserts that its products are safe and in compliance with all applicable laws, rules and regulations.

1.5 **Notice of Violation**

On or around August 10, 2023, EHA served Defendant Terra Kai, Amazon.com, Inc., the California Attorney General, and all other required public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 ("Notice"). The Notice alleged that Terra Kai had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to lead contained in dietary supplements products, including but not limited to JUCE Reds Daily Superfood - Garden Berry manufactured or processed by Terra Kai that allegedly contain lead 26 and are imported, sold, shipped, delivered, or distributed for sale to consumers in California by Releasees (as defined in section 4.1).

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

1.6 Product Description

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The products covered by this Consent Judgment are dietary supplements products, including but not limited to JUCE Reds Daily Superfood - Garden Berry manufactured or processed by Terra Kai that allegedly contain lead and are imported, sold, shipped, delivered, or distributed for sale to consumers in California by Releasees (as defined in section 4.1) ("Covered Products").

1.7 State of the Pleadings

On or around July 10, 2024, EHA filed a Complaint against Terra Kai for the alleged violations of Proposition 65 that are the subject of the Notice ("Complaint").

1.8 No Admission

Terra Kai denies all the material factual and legal allegations of the Notice and Complaint and maintains that all of the products it has manufactured, imported, sold, and/or distributed for sale in California, including Covered Products, have been, and are, in compliance with all applicable laws, rules and regulations, including Proposition 65. Nothing in this Consent Judgment shall be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Consent Judgment be construed as an admission of any fact, finding. This Section shall not, however, diminish or otherwise affect Terra Kai's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

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

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" means the date on which this Consent Judgment is approved by the Court, as discussed in Section 5.

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1.11 Compliance Date

For purposes of this Consent Judgment, the term "Compliance Date" means ninety (90) days from the date on which this Consent Judgment is approved and entered as a judgment of the Court, as discussed in Section 5.

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INJUNCTIVE RELIEF

2.1 Reformulation of the Covered Products

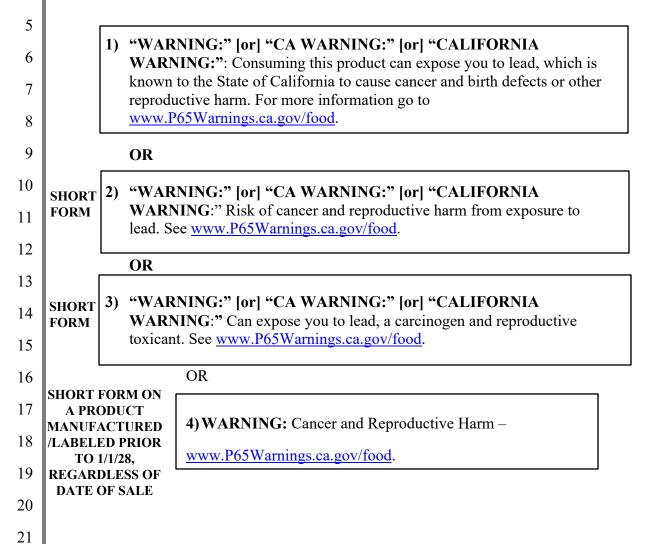
Beginning on or before the Compliance Date, Defendant shall be permanently enjoined from manufacturing, distributing, or directly selling in the State of California, any Covered Product that exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of Lead based on a single serving per day unless such Covered Products comply with the warning requirements of Section 2.2. The "Daily Lead Exposure Level" shall be calculated by multiplying the recommended serving size in Covered Product by the concentration of lead in Covered Products. As used in this Section 2, "distributed for sale in CA" means to directly ship Covered Products into California.

2.2 Clear and Reasonable Warnings

For Covered Products that contain lead in a concentration exceeding the Reformulation Standard set forth in section 2.1 above, and which are distributed or directly sold by Terra Kai in the State of California on or after the Compliance Date, Terra Kai shall provide a "clear and reasonable" Proposition 65 warning, within the meaning of Section 25249.6 of the Act, subject to Section 2.3 of this Agreement. Terra Kai agrees that each warning shall be prominently placed with such conspicuousness, as compared with words, statements, designs, or devices as to render it likely to be seen, read, and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which specific Covered Products the warning applies, and which listed chemical(s) is/are implicated, so as to minimize the risk of consumer confusion.

For purposes of this Settlement Agreement, a clear and reasonable warning for the Covered
Products shall consist of a product-specific warning via one or more of the following methods: (1) A
posted sign, shelf tag, or shelf sign for the consumer product at each point of display of the product;
(2) Any electronic device or process that automatically provides the warning to the purchaser (not

applicable to internet purchases, which are subject to the provisions of § 25602(b)); (3) A warning
directly affixed to the product's label or tag; or (4) A short-form warning on the label that complies
with the content requirements set forth in §§ 25603(b) and 25603(a). Specifically, pursuant to §
25603(a) – (d), one of the following statements must be utilized:



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Pursuant to Section 25607.1, where the warning is provided on the food product label, it must be set off from other surrounding information and enclosed in a box. Where a specific food product sign, label, placard, or shelf tag is used to provide a warning, it must be displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual prior to sale. In no case shall a warning statement appear in a type size smaller than 6-point type. Where a sign, labeling, or label as defined in Section 25600.1 is used to provide a warning that includes consumer information about a product in a language other than
 English, the warning must also be provided in that language in addition to English.

3 As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent Covered Products are sold online, a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 must 4 be provided via of the following methods: (1) A warning on the product display page; (2) A clearly 5 marked hyperlink using the word "WARNING" or the words "CA WARNING" or "CALIFORNIA 6 WARNING" on the product display page that links to the warning; or (3) An otherwise prominently 7 8 displayed warning provided to the purchaser prior to completing the purchase. If a warning is provided using the short-form label content pursuant to Section 25602(a)(4), the warning provided on the website 9 may use the same content. For purposes of this section, a warning is not prominently displayed if the 10 purchaser must search for it in the general content of the website. For internet purchases made prior to 11 1/1/2028, a retail seller is not responsible under Section 25600.2(e)(4) for conspicuously posting or 12 displaying the new warning online until sixty (60) calendar days after the retailer receives a warning or 13 a written notice under Section 25600.2(b) and (c) which updates a short-form warning compliant with 14 Section 25603(c) with content compliant with Section 25603(b). These requirements extend to any 15 websites under the exclusive control of Terra Kai where Covered Products are sold into California. In 16 addition, Terra Kai shall instruct any third-party website to which it directly sells its Covered Products, 17 over which it has control, to include the same online warning, as set forth above, as a condition of selling 18 the Covered Products in California. 19

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2.3 Sell-Through Period

Notwithstanding anything else in this Consent Judgment, Covered Products that are manufactured, packaged, or put into commerce on or before the Compliance Date shall be subject to the release of liability pursuant to this Consent Judgment, without regard to when such Covered Products were, or are in the future, distributed or sold to customers. As a result, the obligations of Terra Kai, or any Releasees (if applicable), stated in this Section 2 do not apply to Covered Products manufactured, packaged, or put into commerce between the date this Agreement is executed and the Compliance Date.

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MONETARY SETTLEMENT TERMS

3.1 Settlement Amount

Terra Kai shall pay sixty-nine thousand dollars (\$69,000.00) in settlement and total satisfaction of all the claims referred to in the Notice(s), the Complaint, and this Consent Judgment. This includes civil penalties in the amount of seven thousand dollars (\$7,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorneys' fees and costs in the amount of sixty-two thousand dollars (\$62,000.00) pursuant to Code of Civil Procedure section 1021.5.

3.2 Civil Penalty

The portion of the settlement attributable to civil penalties shall be allocated according to Health and Safety Code section 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) of the penalty paid to EHA individually. The seven thousand dollars (\$7,000.00) in civil penalties shall be paid as follows:

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- One payment of \$5,250.00 to OEHHA, due thirty (30) days after the Effective Date.
- One payment of \$1,750.00 to EHA, due thirty (30) days after the Effective date.

All payments owed to EHA shall be delivered to the following address:

Environmental Health Advocates 225 Broadway, Suite 2100 San Diego, CA 92101

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

For United States Postal Service Delivery:

Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment P.O. Box 4010 Sacramento, CA 95812-4010

For Federal Express 2-Day Delivery:

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

Terra Kai agrees to provide EHA's counsel with a copy of the check payable to OEHHA, simultaneous with its penalty payment to EHA.

Plaintiff and its counsel will provide completed IRS 1099, W-9, or other tax forms as required, prior to any payment becoming due. Relevant information is set out below:

• "Environmental Health Advocates, Inc." (EIN: 84-2322975) at the address provided above.

• "Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.

All payments referenced in this section shall be paid within thirty (30) days of the date the Court approves EHA's motion to approve this Consent Judgment.

3.3

Attorney's Fees and Costs

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

Terra Kai shall provide its payment for civil penalty and for attorneys' fees and costs to EHA's counsel by physical check or by electronic means, including wire transfers, at Terra Kai's discretion. The sixty-two thousand dollars (\$62,000.00) in Attorney's Fees and Costs shall be paid as follows:

- One payment of \$16,000.00 due thirty (30) days after the Effective Date.
- One payment of \$23,000.00 due ninety (90) days after the first installment.
- One payment of \$23,000.00 due one hundred eighty (180) days after the first installment.

The attorney fee payments shall be made payable to Entorno Law, LLP and delivered to:

Noam Glick Entorno Law, LLP 225 Broadway, Suite 1900 San Diego, CA 92101

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CLAIMS COVERED AND RELEASE

4.1 EHA's Public Release of Proposition 65 Claims

The Parties have entered this Consent Judgment as a full final and binding resolution of all claims arising under Proposition 65 relating to the alleged exposure to lead from Covered Products, and as to all claims pursuant to Health and Safety Code Sec. 25249.7(d) that were raised or could have been raised in the Notice(s) arising from failure to warn under Proposition 65 regarding the alleged presence of lead in the Covered Products. Plaintiff, acting on its own behalf and in the public interest, releases Terra Kai, and its owners, shareholders, parents, subsidiaries, members, divisions, subdivisions, affiliates, its directors, officers, principals, agents, employees, attorneys, insurers, accountants, predecessors, successors, and assigns ("Defendant Entities"), and each entity to whom Defendant directly or indirectly distributes, ships, or sells the Covered Products, including but not limited to downstream distributors, wholesalers, customers, retailers (including but not limited to Terra Kai Organics, Inc.), and marketplaces franchisees, franchisors, cooperative members, suppliers, licensees, and licensors, and all of the foregoing entities' owners, directors, officers, agents, principals, employees, attorneys, insurers, accountants, representatives, predecessors, successors, and assigns (collectively referred to as the "Releasees") from all claims for violations of Proposition 65 up through the Effective Date based on exposure to lead from Covered Products as set forth in the Notice(s). Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to exposures to lead from Covered Products as set forth in the Notice(s). This release does not extend to any third-party retailers under the control of Terra Kai, selling Covered Products on a website who, after receiving instruction from Terra Kai to include a warning as set forth above in section 2.2, do not include such a warning.

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4.2 EHA's Individual Release of Claims

EHA, in its individual capacity, also provides a release to Terra Kai, Defendant Entities, and Releasees, which shall be a full and final accord and satisfaction of, as well as a bar to, all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities, and demands of every nature, character, and kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to lead in Covered Products manufactured, imported, sold, or distributed by Terra Kai before the Effective Date.

4.3

Terra Kai's Release of EHA

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

4.4 No Other Known Claims or Violations

In addition to the foregoing, EHA on behalf of itself, its past and current agents, representatives, attorneys and successors and assigns, and not in its representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases Terra Kai, Defendant Entities, and Releasees from any and all manner of actions, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, know or unknown, in law or in equity, fixed or contingent now or in the future, with respect to any alleged violations of Proposition 65 or any other statutory or common law claims related to or arising from Covered Products manufactured, distributed or sold by Terra Kai, Defendant Entities, or Releasees that have been or could have been asserted by EHA regarding the failure to warn about alleged exposure to lead arising in connection to the Covered Products manufactured, distributed, sold, or offered for sale by Terra Kai prior to the Compliance Date. With respect to the foregoing waivers and releases in this paragraph, EHA hereby specifically waives any and all rights and benefits which it now has or in the future may have, conferred by virtue of provisions of Sec. 1542 of the California Civil Code, which provides 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.

EHA and EHA's counsel affirm that they are not presently aware of any actual or alleged violations of Proposition 65 by Terra Kai or for which Terra Kai bears legal responsibility other than those that are fully resolved by this Consent Judgment.

COURT APPROVAL 5.

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

6. SEVERABILITY

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

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GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the state of California as applied within the state of California. In the event that Proposition 65 is repealed, or is otherwise rendered inapplicable for reasons, including but not limited to changes in the law; or in the event the California Office of Health Hazard Assessment adopts a regulation or safe use determination, or issues an interpretive guideline that exempts Covered Products from meeting the requirements of Proposition 65; or if lead cases are permanently enjoined by a court of competent jurisdiction; or if Proposition 65 is determined to be preempted by federal law or a burden on First Amendment rights with respect to lead in Covered Products or Covered Products substantially similar to Covered Products, then Terra Kai may seek relief from the injunctive obligations imposed by this Consent Judgment to the extent any Covered Products are so affected by modifying the agreement via the mechanisms set forth in Section 12.

8. ENFORCEMENT

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In any action to enforce the terms of this Consent Judgment, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

9. NOTICE

Unless otherwise specified herein, all correspondence and notice required by this Consent 27 28 Judgment shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered, or certified

mail, return receipt requested; or (iii) a recognized overnight courier; and (iv) with a copy by email; to

2 the following addresses:

If to Terra Kai:

Hazel Ocampo Greenberg Traurig LLP 12830 El Camino Real, Suite 350 San Diego, CA 92130 ocampoh@gtlaw.com If to EHA:

Noam Glick Entorno Law, LLP 225 Broadway, Suite 2100 San Diego, CA 92101 noam@entornolaw.com

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

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10. <u>COUNTERPARTS; DIGITAL SIGNATURES</u>

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

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11. <u>POST EXECUTION ACTIVITIES</u>

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

12. <u>MODIFICATION</u>

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. Additionally, if a California court enters judgment in the Action or another Proposition 65 enforcement action over exposure to lead in Covered Products or products substantially similar to Covered Products that imposes different

¹² CONSENT JUDGMENT

injunctive relief than what is set forth in this Consent Judgment, Terra Kai may seek to modify Section 2 of this Consent Judgment to conform with the injunctive relief provided in such judgment. EHA has a right to oppose any such modification but shall not withhold approval without good cause shown.

13. <u>AUTHORIZATION</u>

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.

14. <u>GOOD FAITH ATTEMPT TO RESOLVE DISPUTES</u>

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. Only EHA may enforce the terms of this Consent Judgment. If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment, the Parties shall meet and confer in writing and endeavor to resolve the dispute in an amicable manner. No action may be filed in the absence of such good faith attempt to resolve the dispute beforehand. Should a violation of Section 2 be alleged, Terra Kai must be provided with written notice and data supporting such an allegation and thirty (30) days to address the allegations before an enforcement motion may be filed. No violation of this Consent Judgment shall be deemed to occur if Terra Kai demonstrates compliance with Section 2. In any action to enforce the terms of this Consent Judgment, the prevailing party shall be entitled to attorneys' fees and costs.

15. <u>FORCE MAJEURE</u>

The inability of Terra Kai to comply with any deadline set forth in this Consent Judgment due to an act of terrorism, fire, earthquake, civil disorders, war, or act of God that is beyond the reasonable control of Terra Kai shall be grounds to move for modification of the deadlines set forth in this Consent Judgment.

16. <u>ENTIRE AGREEMENT</u>

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.

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3	AGREED TO:	AGREED TO:
4 5	0/25/2025	6/24/2025
6 7 8	By: ENVIRONMENTAL HEALTH ADVOCATES, INC.	By:
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10	IT IS SO ORDERED.	
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12	Date:	
13		JUDGE OF THE SUPERIOR COURT
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