[PROPOSED] CONSENT JUDGMENT
Keep America Safe and Beautiful v. David Rio Coffee & Tea, Inc.

1. **INTRODUCTION**

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1.1 The Parties

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 DAVID RIO COFFEE & TEA, INC. (hereinafter "DAVID RIO" or "Defendant"). Collectively KASB and DAVID RIO 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, alleges that it is 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 Allegations and Representations

KASB alleges that Defendant has offered for sale in the State of California and has sold in California, certain products containing lead, and that it does so without providing a clear and reasonable warning that Plaintiff alleges is required under Proposition 65. 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 Covered Product Description

The product that is covered by this Consent Judgment is identified as David Rio - Super Blends - Beet Latte - Lightly Sweetened - UPC #: 6 58564 52405 2. All such items shall be referred to herein as the "Covered Products."

Notices of Violation/Complaint 1.4

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On or about October 19, 2023, KASB served DAVID RIO 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 DAVID RIO 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.

On October 18, 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 **Effective Date:**

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.

2. STIPULATION TO JURISDICTION/NO ADMISSION

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.

Defendant denies the material allegations contained in KASB's Notice and Complaint and maintains that it has not violated Proposition 65. 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

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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

Beginning on the Effective Date, DAVID RIO agrees to discontinue manufacturing, distributing or selling the Covered Products. Any claim as to Covered Products that are no longer under the control or possession of DAVID RIO prior to the Effective Date are released in this Consent Judgment.

4. 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 \$4,000.00 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 ("OEHHA") 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.

5. REIMBURSEMENT OF FEES AND COSTS

The parties reached an accord on the compensation due to KASB and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Defendant shall reimburse KASB's counsel for fees and costs, incurred as a result of investigating, bringing this matter to Defendant attention, and negotiating a settlement in the public interest. Defendant shall pay KASB's counsel \$36,000.00 for all attorneys' fees, expert and investigation fees and related costs associated with this matter and the Notice.

6. PAYMENT PROCEDURES

Within fifteen (15) days of the Effective Date, Defendant shall make a total payment of forty thousand dollars (\$40,000.00) for the civil penalties and attorney's fees and costs set forth in Sections 4 and 5 above by electronic money transfer to KASB's counsel, KJT Law Group, LLP, pursuant to the electronic money transfer instructions to be provided by KJT Law Group, LLP on or before the Effective date. KJT Law Group, LLP shall be responsible for forwarding the respective payments to OEHHA and KASB.

7. TAX DOCUMENTATION

Defendant agrees to provide a completed IRS 1099 Form for its payment to, and KASB agrees to provide all relevant IRS W-9 Forms for each of the payees under this Settlement Agreement.

8. <u>RELEASE OF ALL CLAIMS</u>

8.1 KASB's Release of Defendant, Releasees, and Downstream Releasees

As to those matters raised in the Complaint and in the Notice of Violation, KASB, on behalf of itself, and on behalf of the public interest, hereby waives and releases any and all claims against Defendant, its parent companies, corporate affiliates, subsidiaries, predecessors, successors and assigns (collectively "Releasees") and each of its distributors, wholesalers, licensors, licensees, auctioneers, retailers, franchisees, dealers, customers, owners, purchasers, and users (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,

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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 Releasee 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, representatives, officers, directors, employees, attorneys, and successors and/or assignees, 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 any other Claims that it could make against Defendant, Releasees or Downstream Releasees with respect to violations of Proposition 65 based upon the Covered Products. With respect to the foregoing waivers and releases in this paragraph, KASB hereby specifically waives any and all rights and benefits which it now has, or in the future may have, conferred by virtue of the provisions of Section 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.

8.2 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.

9. SEVERABILITY AND MERGER

If, subsequent to the execution of this Consent Judgment, any of the provisions of this

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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.

10. **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.

11. **NOTICES**

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:

For DAVID RIO:

Aaron Belzer Seyfarth Shaw LLP 2029 Century Park East, Suite 3500 Los Angeles, California 90067 Phone: 310-201-1546 Email: ABelzer@seyfarth.com

and

For KASB:

Tro Krikorian, Esq. KIT LAW GROUP, LLP 230 N. Marvland Ave. Suite 306 Glendale, CA 91206 Phone: 818-507-8528 Email: Tro@KJTLawGroup.com

Any party, from time to time, may specify in writing to the other party a change of address to

which all notices and other communications shall be sent.

12. **DRAFTING**

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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 an 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 participated equally in the preparation and drafting of this Consent Judgment.

13. COUNTERPARTS; EMAIL OR FACSIMILE SIGNATURES

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

COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)/COURT APPROVAL 14.

KASB agrees to comply with the requirements set forth in California Health & Safety Code \$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.

15. **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.

16. <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.

17. RETENTION OF JURISDICTION

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

18. AUTHORIZATION

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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2/24/25

STIPULATED AND AGREED TO:

Date:	2/26/2025		
By:		By:	
KEEP AMERICA SAFE AND BEAUTIFUL		DAVID RIO COFFEE & TEA, INC	C.

APPROVED AS TO FORM:

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By:	By:
TRO KRIKORIAN, ESQ.	AARON BELZER, ESQ.

ATTORNEY FOR PLAINTIFF, ATTORNEY FOR DEFENDANT, KEEP AMERICA SAFE AND BEAUTIFUL DAVID RIO COFFEE & TEA, INC.