

3

4

5

6

7

8

9

10

11

12

1

1.

#### **INTRODUCTION**

#### 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 APPTIVI LLC (hereinafter "APPTIVI" or "Defendant"). Collectively KASB and APPTIVI 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, certain 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.

## 21 22

27

28

#### 1.3 <u>Covered Product Description</u>

The product that is covered by this Consent Judgment is identified as Superfood Infused
Instant Coffee - Amazing Coffee - Dietary Supplement; including but not limited to UPC #: 6 45637
99722 6. All such items shall be referred to herein as the "Covered Products."

17

18

19

20



3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

**K**TLAWGROUP

1

#### 1.4 Notices of Violation/Complaint

1.4.1 On or about March 4, 2024, KASB served APPTIVI 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 APPTIVI 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 March 4, 2025, 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. <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,

#### [PROPOSED] CONSENT JUDGMENT Keep America Safe and Beautiful v. Apptivi LLC, et al.

1

2

3

3.

IS IS INCROUP ILE Ivalagian | Thomassian IVANGROUP ILE IVANGROUP ILE IVANGROUP ILE

17

18

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.

#### **INJUNCTIVE RELIEF**

**3.1** Beginning within ninety (90) days after the Effective Date (the "Compliance Date"),
APPTIVI 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 APPTIVI 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 APPTIVI prior to the Compliance Date and all claims as to such Covered Products are released in this Consent Judgment.

**3.1.2** For purposes of 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.

27 28

#### 3.2**Clear and Reasonable Warnings**

If APPTIVI is required to provide a warning pursuant to Section 3.1, one of the following warnings must be utilized ("Warning"):

#### Option 1:

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

21

22

23

**K**TLAWGROUP

**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.

#### Option 2:

WARNING: Can expose you to lead, a [carcinogen and] reproductive toxicant. See http://www.P65Warnings.ca.gov/food

APPTIVI shall use the phrase "cancer and" or "carcinogen and" in the Warning if APPTIVI 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 be 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 20 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 24 25 warnings also appearing on the website or on the label and the word "WARNING" shall be in all 26 capital letters and in **bold** print. No statements intended to or likely to have the effect of diminishing 27 the impact of the Warning on the average lay person shall accompany the Warning. Further, no 28

8

9

10

11

12

13

14

15

16

1

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.

APPTIVI 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(s) at issue, in effect as of the Effective Date, or as such regulations may be modified or amended in the future.

17

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

18 With regard to all claims that have been raised or which could be raised with respect to failure 19 to warn pursuant to Proposition 65 with regard to lead in the Covered Product, Defendant shall pay a 20 civil penalty of \$4,000.00 pursuant to Health and Safety Code section 25249.7(b), to be apportioned 21 in accordance with California Health & Safety Code § 25192, with 75% of these funds remitted to the 22 State of California's Office of Environmental Health Hazard Assessment and the remaining 25% of 23 the penalty remitted to KASB, as provided by California Health & Safety Code § 25249.12(d) and the 24 25 instructions directly below. 26

27

28

Payments owed to KASB and OEHHA shall be made to counsel for KASB, who will distribute payments in accordance with the terms of this Consent Judgment. All payments shall be

delivered to the following payment address:

KJT LAW GROUP LLP 230 N. Maryland Avenue, Suite 306 Glendale, CA 91206

4

LIAWGROUP LE

5.

#### REIMBURSEMENT OF FEES AND COSTS

5 The parties reached an accord on the compensation due to KASB and its counsel under the 6 private attorney general doctrine and principles of contract law. Under these legal principles, 7 Defendant shall reimburse KASB's counsel for fees and costs, incurred as a result of investigating, 8 9 bringing this matter to Defendant's attention, and negotiating a settlement in the public interest. 10 Defendant shall pay KASB's counsel \$36,000.00 for all attorneys' fees, expert and investigation fees 11 and related costs associated with this matter and the Notice. Defendant shall mail checks payable to 12 "KJT Law Group," via certified mail to the address for KASB's counsel referenced above according 13 to the following schedule: 14 (1) \$10,000 to be paid within 30 days following the Effective Date; 15 (2) \$15,000 to be paid within 60 days following the Effective Date; and 16 17 (3) \$15,000 to be paid within 90 days following the Effective Date. 18 Other than the payment required hereunder, each side is to bear its own attorneys' fees and 19 costs. 20 6. **RELEASE OF ALL CLAIMS** 21 6.1 **KASB's Public Release** 22 This Consent Judgment is a full, final and binding resolution between KASB, acting in the 23 public interest, and APPTIVI, of any violation of Proposition 65 that was or could have been asserted 24 25 by KASB on behalf of itself, its past and current clients, agents, representatives, attorneys, successors, 26 and/or assignees, against (a) APPTIVI, Amazon.com Services LLC, and their respective owners, 27 shareholders, representatives, directors, officers, employees, attorneys, members, partners, agents, 28 7

#### [PROPOSED] CONSENT JUDGMENT Keep America Safe and Beautiful v. Apptivi LLC, et al.

1

2

3

4

5

6

7

8

9

10

11

principals, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, assigns, and (b) each entity to or through which APPTIVI directly or indirectly distributes or sells Covered Products, including but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, licensees, dealers, vendors, owners, shareholders, purchasers, and users (collectively, "Releasees") from all claims for violations of Proposition 65, based on alleged exposure to lead contained in the Covered Products as alleged in the Notice and Complaint that were manufactured for sale by APPTIVI through the Compliance Date.

#### 6.2 KASB's Private Release of Proposition 65 Claims

In further consideration of the promises and agreements herein contained, KASB as an individual and not on behalf of the public, on behalf of itself, its past and current clients, agents, representatives, attorneys, successors, and/or assignees, hereby waives all of KASB's rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that KASB may have brought, including, without limitation, all actions, causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys' fees arising under Proposition 65, with respect to lead in the Covered Products manufactured, distributed, sold and/or offered for sale by APPTIVI, through the Compliance Date (collectively, "Claims"), against APPTIVI and Releasees.

# 20 21

17

18

19

#### 6.3 Mutual Private Release of Unknown Claims

KASB, on behalf of itself, its past and current clients, agents, representatives, attorneys,
 successors, and/or assignees and not in its representative capacity, on the one hand, and APPTIVI,
 on behalf of itself, its owners, shareholders, representative directors, officers, employees, and
 attorneys, on the other hand, provide a general release herein which shall be effective as a full and
 final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses,
 attorneys' fees, damages, losses, claims, liabilities and demands of any nature, character or kind,

#### [PROPOSED] CONSENT JUDGMENT Keep America Safe and Beautiful v. Apptivi LLC, et al.

known or unknown, suspected or unsuspected, against either Party with respect to the allegations in the Notice and Complaint, and lead in the Covered Products manufactured, distributed, sold and/or offered for sale by APPTIVI, through the Compliance Date. KASB acknowledges that it is familiar with California Civil Code section 1542, 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.

KASB, in its capacity only, and on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, on the one hand, and APPTIVI, on behalf of itself, its owners, shareholders, representatives, directors, officers, employees, and attorneys, on the other hand, expressly waive and relinquish any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of California Civil Code section 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent it may lawfully waive such rights or benefits pertaining to the released matters.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

**TLAWGROUP** 

#### 6.4 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 it in this matter with respect to the Covered Products.

24

#### 6.5 Deemed in Compliance with Proposition 65

The Parties agree that compliance by APPTIVI with this Consent Judgment constitutes
 compliance with Proposition 65 by APPTIVI with respect to the presence of lead in the Covered
 Products after the Effective Date. KASB agrees that any and all claims in the Complaint are resolved
 9

1

2

5

6

15

16

17

18

7.

#### SEVERABILITY AND MERGER

7 If, subsequent to the execution of this Consent Judgment, any of the provisions of this 8 document are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected. 9

This Consent Judgment contains the sole and entire agreement of the Parties and any and all 10 prior negotiations and understandings related hereto shall be deemed to have been merged within it. 11 No representations or terms of agreement other than those contained herein exist or have been made 12 by any Party with respect to the other Party or the subject matter hereof. 13

with prejudice by this Consent Judgment. The Parties also agree that while no Releasee is bound by

this Consent Judgment and its terms do not provide the *only* manner of compliance with Proposition

65 as to any Release, compliance by a Release with this Consent Judgment constitutes compliance

with Proposition 65 by that Release with respect to the presence of lead in the Covered Products.

#### 14 8. **GOVERNING LAW**

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

#### 9. NOTICES

19	Unless specified herein, all correspondence and notices required to be provided pursuant to			
20	this Consent Judgment shall be in writing and personally delivered or sent by: (i) first-class, (registered			
21	or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at			
22	the following addresses:			
23 24	For APPTIVI:			
25 26 27	John J. Lormon <b>PROCOPIO, CORY, HARGREAVES &amp; SAVITCH LLP</b> 525 B Street, STE 2200 San Diego, CA 92101 Phone: 619.515.3217 Email: john.lormon@procopio.com			
28	10			
	[PROPOSED] CONSENT JUDGMENT Keep America Safe and Beautiful v. Apptivi LLC, et al.			

1	and	
		For KASB:
2		<b>T V</b> <sup>1</sup> <sup>1</sup> <b>P</b>
3		Tro Krikorian, Esq. <b>KJT LAW GROUP, LLP</b>
4		230 N. Maryland Ave. Suite 306 Glendale, CA 91206
5		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.

#### 10. DRAFTING

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.

19 20

21

22

23

24

6

7

8

9

10

11

12

13

14

15

16

17

18

LIAWGROUP UP

### 11. 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.

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

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.

28

11

	1	This Consent Judgment shall not be effective until it is approved and entered by the Court			
	2	and shall be null and void if, for any reason, it is not approved and entered by the Court within			
	3	eighteen months after it has been fully executed by the Parties.			
	4	13. MODIFICATION			
	5 6	This Consent Judgment may be modified only by further stipulation of the Parties and the			
	7	approval of the Court or upon the granting of a motion brought to the Court by either Party.			
	8	14. <u>ATTORNEY'S FEES</u>			
	9	A party who unsuccessfully brings or contests an action arising out of this Consent Judgment			
	10	shall be required to pay the prevailing party's reasonable attorney's fees and costs.			
	11	15. <u>RETENTION OF JURISDICTION</u>			
đ	12	This Court shall retain jurisdiction of this matter to implement or modify the Consent			
OUP	13	Judgment.			
WGR lagian   Th	14	16. AUTHORIZATION			
	15 16	Each signatory to this Consent Judgment certifies that he or she is fully authorized by the Party			
Х,	10	he or she represents to stipulate to this Consent Judgment.			
	18	ne or she represents to suptrate to this consent judgment.			
	19	STIPULATED AND AGREED TO:			
	20				
	21	Dia Palal			
	22				
	23	KEEP AMERICA SAFE AND APPTIVI LLC BEAUTIFUL			
	24				
	25				
	26 27				
	27				
		[PROPOSED] CONSENT JUDGMENT Keep America Safe and Beautiful v. Apptivi LLC, et al.			

