1 2 3 4 5 6 7	LEXINGTON LAW GROUP, LLP Mark N. Todzo, State Bar No. 168389 Meredyth L. Merrow, State Bar No. 328337 503 Divisadero Street San Francisco, CA 94117 Telephone: (415) 913-7800 Facsimile: (415) 759-4112 mtodzo@lexlawgroup.com mmerrow@lexlawgroup.com Attorneys for Plaintiff CENTER FOR ENVIRONMENTAL HEALTH		
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9	SUPERIOR COURT FOR THE STATE OF CALIFORNIA		
10	FOR THE COUNTY OF SAN FRANCISCO		
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12	CENTER FOR ENVIRONMENTAL HEALTH,) Case No. CGC-24-619142	
13	Plaintiff,)) [PROPOSED] CONSENT	
14	v.	JUDGMENT AS TO NORTHERNER SCANDINAVIA INC.	
15 16	NORTHERNER SCANDINAVIA INC., et al.,))	
17	Defendants.))	
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20	1 INTRODUCTION		
21	1. INTRODUCTION		
22	1.1. This Consent Judgment is entered into by Plaintiff Center for Environmental Health a non-profit corporation ("CEH") and defendant Northerner Scandingvia Inc. ("Settling		
23	Health, a non-profit corporation ("CEH"), and defendant Northerner Scandinavia Inc. ("Settling Defendant") to settle claims asserted by CEH against Settling Defendant as set forth in the		
24	operative Complaint in the matter Center for Environmental Health v. Northerner Scandinavia		
25	Inc., San Francisco County Superior Court Case No. CGC-24-619142 (the "Action"). CEH and		
26	Settling Defendant are referred to collectively as the "Parties."		
27	1.2. On April 3, 2024, CEH served a 60-Day Notice of Violation relating to the		
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	CONSENT JUDGMENT AS TO NORTHERNER SCA	NDINAVIA INC. – CASE NO. CGC-24-619142	

California Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.5, *et seq.* ("Proposition 65") on Settling Defendant, the California Attorney General, the District Attorneys of every County in the State of California, and the City Attorneys for every City in State of California with a population greater than 750,000. The Notice alleges violations of Proposition 65 with regard to exposures to nicotine resulting from use of nicotine pouch products sold by Setting Defendant ("Nicotine Pouches"). On April 30, 2024, CEH served an amended 60-Day Notice of Violation ("Amended Notice") on all of the same entities listed above that included the same allegations as the Notice, but fixed a typographical error contained in the Notice.

- 1.3. On August 1, 2024, CEH served a second 60-Day Notice of Violation relating to the California Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.5, et seq. ("Proposition 65") on Settling Defendant, the California Attorney General, the District Attorneys of every County in the State of California, and the City Attorneys for every City in State of California with a population greater than 750,000 ("Second Notice"). The Second Notice alleges violations of Proposition 65 with regard to exposures to nicotine resulting from use of oral smokeless nicotine products such as gum, snus, snuff, lozenges, cotton mouth, and chewing tobacco ("Oral Smokeless Nicotine Products") by Setting Defendant. Nicotine Pouches and Oral Smokeless Nicotine Products are collectively referred to herein as the "Covered Products." The Notice, Amended Notice and Second Notice are collectively referred to herein as "Notices."
- **1.4.** On October 21, 2024, CEH filed the Action which named Settling Defendant as a defendant which includes a single cause of action under Proposition 65 based on the allegations set forth in the Notice, Amended Notice and Second Notice.
- **1.5.** Settling Defendant is a corporation that employs ten (10) or more persons and that distributes and sells Covered Products (as defined herein) in the State of California or has done so in the past.
 - **1.6.** For purposes of this Consent Judgment only, the Parties stipulate that: (i) this

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Court has jurisdiction over the allegations of violations contained in the Notices and Complaint and personal jurisdiction over Settling Defendant to the acts alleged in the Complaint; (ii) venue is proper in the County of San Francisco; and (iii) this Court has jurisdiction to enter this Consent Judgment as a full and final resolution of all claims which were or could have been raised in the Complaint based on the facts alleged in the Notices and Complaint with respect to Covered Products distributed, and/or sold by Settling Defendant.

1.7. The Parties enter into this Consent Judgment as a full and final settlement of all claims which were or could have been raised in the Complaint arising out of the facts or conduct related to Settling Defendant alleged therein and in the Notices. By execution of this Consent Judgment and agreeing to comply with its terms, the Parties do not admit any fact, conclusion of law, or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law, or violation of law. Settling Defendant denies the material, factual, and legal allegations in the Notices and Complaint and expressly denies any wrongdoing whatsoever. Except as specifically provided herein, nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, argument, or defense any of the Parties may have in this or any other pending or future legal proceedings. This Consent Judgment is the product of negotiation and compromise and is accepted by the Parties solely for purposes of settling, compromising, and resolving issues disputed in this Action.

2. **DEFINITIONS**

- **2.1.** "Covered Products" means nicotine pouch products, nicotine gum, nicotine lozenges, Cotton Mouth, chewing tobacco and moist smokeless tobacco, including snus and snuff, distributed and/or sold by Settling Defendant.
- **2.2.** "Defendant's website" or words to that effect means www.Nicokick.com and www.Northerner.com or another website from which the Settling Defendant sells the Covered Products into California.
- **2.3.** "Effective Date" means the date on which the Court enters this Consent Judgment.

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2.4. "Fruit Flavored Covered Product" means a Covered Product that is marketed and sold as having a fruit taste or odor and imparts a fruit taste or odor that is distinguishable by an ordinary consumer either prior to or during the consumption of the product.

3. INJUNCTIVE RELIEF

3.1. Clear and Reasonable Warnings for Covered Products.

After thirty (30) days following the Effective Date, no Covered Product shall be sold by Settling Defendant on its websites to a customer in California unless the following warning is provided:



WARNING: This product can expose you to chemicals including nicotine, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

The warning shall not be immediately preceded by, immediately surrounded by, or include any additional words or phrases that an ordinary individual under customary conditions of purchase or use would understanding as contradicting, obfuscating, or otherwise undermining the warning. The warning statement shall be displayed in such a manner that it is likely to be read and understood as being applicable to the particular Covered Product being purchased by a customer in California prior to the authorization of or actual payment. The warning language is not prominently displayed if the customer must search for the warning language in the general content of Settling Defendant's websites or if an ordinary individual under customary conditions of purchase or use cannot determine the specific Covered Product to which the warning applies. Placement of the warning statement at the bottom of an internet webpage that offers multiple products for sale does not satisfy the requirements of this Section. If consumer information on the website is in a foreign language, the warning must be given in the foreign language in addition to English. In lieu of the preceding warning language set forth above, Settling Defendant may use any specific safe harbor warning content applicable to the Covered Products set forth in Title 27, California Code of Regulations, section 25600, et seq., as amended August 30, 2018, and subsequently

thereafter. In the event Settling Defendant agrees to use the specific warning language set forth in this paragraph, it will make the reduced payments identified in Section 4.2 for the full-length warning. In the event Settling Defendant elects to use other safe harbor warning language, it shall also make payments outlined in Section 4.3.

- 3.2. Optional Additional Injunctive Relief Cessation of Sales of Fruit Flavored Covered Products. Within ninety (90) days following the Effective Date, Settling Defendant shall make its election of whether to be bound by this Optional Injunctive Relief or make the additional payments set forth in Section 4.4.
- 3.2.1. Should Settling Defendant elect to be bound by this Optional Injunctive Relief, it shall, within thirty (30) days after making the election, stop selling all Fruit Flavored Covered Products into the State of California. As to any Fruit Flavored Covered Product, the obligation to stop selling such Covered Product shall continue unless and until both of the following conditions are met: (1) FDA has expressly authorized the sale of the Fruit Flavored Covered Product; and (2) the sale of such Covered Product is not otherwise prohibited by state or federal law. To the extent that the preceding conditions (1) and (2) apply to some, but not all of the Fruit Flavored Covered Products, the sales prohibition will only apply to those Fruit Flavored Covered Products for which the two conditions have not been met.

4. PAYMENTS

- **4.1. Payments by Settling Defendant.** Within 10 days of the Effective Date, Settling Defendant shall pay the total sum of \$90,000 and no cents as a settlement payment as further set forth in this Section. Any payment by Settling Defendant shall be deemed to be timely and not subject to a late charge and/or other penalty if (1) postmarked (if sent by the United States Postal Service) or (2) delivered to an overnight carrier (e.g. Fed Ex), on or before the deadline set forth in this paragraph.
- **4.2. Allocation of Payments.** The total settlement amount for Settling Defendant of \$90,000 shall be paid in five separate checks in the amounts specified below and delivered as set forth below. Any failure by Settling Defendant to comply with the payment terms herein shall be

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Fund and use them to: (1) support CEH programs and activities that seek to educate the public about nicotine in nicotine pouches and other toxic chemicals in consumer products that are marketed to, or used by youth; (2) expand its use of social media to communicate with Californians about the risks of exposures to nicotine and other toxic chemicals in the products they and their children use and about ways to reduce those exposures; and (3) work with industries that market products to youth to reduce exposures to nicotine and other toxic chemicals, and thereby reduce the public health impacts and risks of exposures to nicotine and other toxic chemicals in consumer products that are marketed to, or used by youth in California. CEH shall obtain and maintain adequate records to document that ASPs are spent on these activities and CEH agrees to provide such documentation to the Attorney General within thirty (30) days of any request from the Attorney General. The payment pursuant to this Section shall be made payable to the Center for Environmental Health

- **4.2.4.** \$68,690 as a reimbursement of a portion of CEH's reasonable attorneys' fees and costs. The attorneys' fees and cost reimbursement shall be made in two separate checks as follows: (a) \$57,850 payable to the Lexington Law Group, LLP and associated with taxpayer identification number 88-4399775; and (b) \$10,840 payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. Both of these payments shall be delivered to Lexington Law Group, LLP, 503 Divisadero Street, San Francisco, CA 94117.
- **4.3.** If Settling Defendant elects to use any other safe harbor warning language other than the specific warning language set forth in Section 3.1, Settling Defendant shall make an additional payment of \$5,000 and no cents to be split between a civil penalty, ASP and attorneys' fees and costs as set forth herein. Of the additional payment, \$2,500 shall be a civil penalty, apportioned in accordance with Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of the civil penalty payment of \$1,875 shall be made payable to OEHHA, associated with taxpayer identification number 68-0284486, and sent to the OEHHA

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address set forth in section 4.2.1 above. The CEH portion of the additional civil penalty payment of \$625 shall be made payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. \$1,000 of the additional payment shall be made payable to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117 for fees and costs associated with the additional payment. The remaining \$1,500 of the additional payment shall be made payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981 and shall be used as set forth in Section 4.2.2 above. Both payments to CEH shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

4.4. If Settling Defendant elects not to be bound by the Optional Additional Injunctive relief, Settling Defendant shall make an additional payment of \$50,000 and no cents to be split between a civil penalty, ASP and attorneys' fees and costs as set forth herein. Of the additional payment, \$15,000 shall be a civil penalty, apportioned in accordance with Health & Safety Code § 25249.12 (25% to CEH and 75% to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of the civil penalty payment of \$11,250 shall be made payable to OEHHA, associated with taxpayer identification number 68-0284486, and sent to the OEHHA address set forth in section 4.2.1 above. The CEH portion of the additional civil penalty payment of \$3,750 shall be made payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. \$25,000 of the additional payment shall be made payable to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117 to reimburse it for a portion of its outstanding fees and costs as well as those associated with the additional payment. The remaining \$10,000 of the additional payment shall be made payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981 and shall be used as set forth in Section 4.2.3 above. Both payments to CEH as well as the one to Lexington Law Group shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

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5. ENFORCEMENT OF CONSENT JUDGMENT

5.1. CEH may, by motion or application for an order to show cause before the Superior Court of San Francisco County, enforce the terms and conditions contained in this Consent Judgment. Prior to bringing any motion or application to enforce the requirements of Section 3 above applicable to Settling Defendant, CEH shall provide Settling Defendant with a Notice of Violation and a copy of any photographs or other documents which support CEH's Notice of Violation. The Parties shall then meet and confer regarding the basis for CEH's anticipated motion or application in an attempt to resolve it informally, including providing Settling Defendant a reasonable opportunity of at least thirty (30) days to cure any alleged violation. Should such attempts at informal resolution fail, CEH may file its enforcement motion or application. In the event that CEH is successful in any enforcement motion under this Section, it shall be entitled to recover any remedies available to it under Proposition 65 or any other laws.

6. MODIFICATION OF CONSENT JUDGMENT

6.1. This Consent Judgment may only be modified by written agreement of CEH and Settling Defendant, or upon motion of CEH or Settling Defendant as provided by law. The moving party shall bear the burden of proof on any motion to modify this Consent Judgment.

7. CLAIMS COVERED AND RELEASE

7.1. Provided Settling Defendant complies in full with its obligations under Section 4 hereof, this Consent Judgment is a full, final, and binding resolution between CEH acting in the public interest and Settling Defendant and Settling Defendant's parents, officers, directors, shareholders, divisions, subdivisions, subsidiaries, and their respective successors and assigns ("Settling Defendant's Releasees") and all entities to whom they distribute or sell or have distributed or sold Covered Products including, but not limited to, distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("Downstream Settling Defendant's Releasees"), of all claims alleged in the Complaint in this Action arising from any violation of Proposition 65 that have been or could have been asserted in the public interest against Settling Defendant and Downstream Settling Defendant's Releasees, regarding the failure

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San Francisco, CA 94117 mtodzo@lexlawgroup.com

8.2. Any Party may modify the person and address to whom the notice is to be sent by sending the other Parties notice by first class and electronic mail.

9. COURT APPROVAL

- **9.1.** This Consent Judgment shall become effective on the Effective Date, provided however, that CEH shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendant shall support approval of such Motion.
- **9.2.** If this Consent Judgment is not entered by the Court, it shall be of no force or effect and shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

10. GOVERNING LAW AND CONSTRUCTION

10.1. The terms and obligations arising from this Consent Judgment shall be construed and enforced in accordance with the laws of the State of California.

11. ATTORNEYS' FEES

- **11.1.** Except as otherwise provided in this Consent Judgment, each Party shall bear its own attorneys' fees and costs.
- **11.2.** Nothing in this Section 11 shall preclude a Party from seeking an award of sanctions pursuant to law.

12. ENTIRE AGREEMENT

- **12.1.** This Consent Judgment contains the sole and entire agreement and understanding of CEH and Settling Defendant with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein.
- **12.2.** There are no warranties, representations, or other agreements between CEH and Settling Defendant except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party hereto.

- **12.3.** No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto only to the extent that they are expressly incorporated herein.
- **12.4.** No supplementation, modification, waiver, or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound thereby.
- **12.5.** No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

RETENTION OF JURISDICTION 13.

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

AUTHORITY TO STIPULATE TO CONSENT JUDGMENT 14.

14.1. Each signatory to this Consent Judgment certifies that they are fully authorized by the Party they represent to stipulate to this Consent Judgment and to enter into and execute the Consent Judgment on behalf of the Party represented and to legally bind that Party.

15. NO EFFECT ON OTHER SETTLEMENTS

15.1. Nothing in this Consent Judgment shall preclude CEH from resolving any claim against another entity on terms that are different from those contained in this Consent Judgment.

16. EXECUTION IN COUNTERPARTS

16.1. The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

1	IT IS SO STIPULATED.	
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2 3	CENTER FOR ENVIRONMENTAL HEA	LTH
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5		Dated: December 04, 2024
6	Kizzy Charles-Guzman CEO	- 300 St December 04, 2024
7	CLO	
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9	NORTHERNER SCANDINAVIA, INC.	
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11		Dated:
12	Signature	
13		
14	Printed Name	
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18	IT IS SO ODDEDED.	
19	IT IS SO ORDERED:	
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21	Dated:, 2024	
22		Judge of the Superior Court
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1	IT IS SO STIPULATED.	
2	CENTER FOR ENVIRONMENTAL HEALTH	
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5	Kizzy Charles-Guzman	Dated:
6	CEO	
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9	NORTHERNER SCANDINAVIA, INC.	
10	Q. A.	
11	Sinter	Dated: 5 December 2024
12	Signature	
13	PETER GRAFSTRÖRT	
14	Printed Name	
15		
16		
17		
18	IT IS SO ORDERED:	
19	TI IS SO STADENCE.	
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21	Dated:, 2024	
22		Judge of the Superior Court
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