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 Email: gianna@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	Case No. 24CV103502
14	ADVOCATES, INC.,	[PROPOSED] CONSENT JUDGMENT
15	Plaintiff,	(Health & Safety Code § 25249.6 <i>et seq.</i> and
16	V.	Code Civ. Proc. § 664.6)
17 18	HOLLANDIA PRODUCE, LLC, a Delaware corporation; GROCERY OUTLET INC., a California corporation; and DOES 1 through 100, inclusive,	
19	Defendants.	
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1. <u>INTRODUCTION</u>

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1.1 Parties

This Consent Judgment is entered into by and between Environmental Health Advocates, Inc., ("EHA" or "Plaintiff"), on the one hand, and Hollandia Produce, LLC ("Hollandia") and Grocery Outlet, Inc. ("Grocery Outlet") (jointly, "Defendants"), on the other hand. EHA, Hollandia, and Grocery Outlet are 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

Hollandia and Grocery Outlet each employ ten or more individuals and for purposes of this Consent Judgment only, are each 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 Hollandia and Grocery Outlet each manufactures, imports, sells, or distributes for sale Humble Roots Living Butter Lettuce that contains lead. EHA further alleges that Hollandia and Grocery Outlet each do so without providing a sufficient health hazard warning as required by Proposition 65 and related Regulations. Hollandia and Grocery Outlet deny these allegations and asserts that their products are safe and in compliance with all applicable laws, rules and regulations.

1.5 Notice of Violation

On or around September 5, 2024, EHA served Defendant Hollandia, Defendant Grocery Outlet,
the California Attorney General, and certain City and/or District Attorneys with a 60-Day Notice of
Violation of Proposition 65 ("Notice"). The Notice alleged that Hollandia and Grocery Outlet had
violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards
associated with exposures to lead contained in the Humble Roots Living Butter Lettuce product, which

EHA alleges contains lead and which EHA alleges is manufactured, 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.

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1.6 Product Description

The product covered by this Consent Judgment is the Humble Roots Living Butter Lettuce, which EHA alleges contains lead and which EHA alleges is manufactured, imported, sold, shipped, delivered, or distributed for sale to consumers in California by Releasees (as defined in section 4.1) ("Covered Product").

1.7 State of the Pleadings

On or around December 17, 2024, EHA filed a Complaint against Hollandia and Grocery Outlet for the alleged violations of Proposition 65 that are the subject of the Notice ("Complaint").

1.8 No Admission

Hollandia and Grocery Outlet deny the material factual and legal allegations of the Notice and Complaint and maintain that all of the products that they have manufactured, imported, sold, and/or distributed for sale in California, including the Covered Product, have been, and are, in compliance with all applicable laws, rules and regulations. 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, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect Hollandia's or Grocery Outlet'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 Hollandia and Grocery Outlet 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.

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1.10 **Effective Date**

For purposes of this Consent Judgment, the term "Effective Date" means 30 days from the date on which this Consent Judgment is approved by and entered as a judgment of the Court, as discussed in Section 5.

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INJUNCTIVE RELIEF

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2.1 **Reformulation of the Covered Product (the "Reformulation Standard")**

Beginning on or before the Compliance Date, Hollandia shall be permanently enjoined from manufacturing, distributing, or directly selling and Grocery Outlet shall be permanently enjoined from 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 (defined as 85 grams) unless such Covered Product complies with the warning requirements of Section 2.2. The "Daily Lead Exposure Level" shall be calculated by multiplying the recommended serving size of the Covered Product by the concentration of lead in the Covered Product. As used in this Section 2, "distributed for sale in CA" means to directly ship the Covered Product into California or to sell the Covered Product to a distributor Defendants knows will sell the Covered Product in California.

In the event the State of California determines that the Maximum Allowable Dose Level, as that term is defined by Proposition 65 and its regulations, for exposure to lead is greater than 0.5 micrograms per day, the "Daily Lead Exposure Level," as defined above, shall be increased to equal the Maximum Allowable Dose Level established by the State.

2.2 **Clear and Reasonable Warnings**

For any Covered Product that contains lead in a concentration exceeding the Reformulation Standard set forth in section 2.1 above, and which is distributed or directly sold by Hollandia or Grocery 22 23 Outlet in the State of California on or after the Compliance Date, Hollandia and Grocery Outlet (to the extent not already provided by Hollandia) agrees to provide a "clear and reasonable" Proposition 65 24 warning, within the meaning of California Health and Safety Code § 25249.6, subject to Section 2.3 of 25 this Agreement. Hollandia and Grocery Outlet agree that each warning shall be prominently displayed 26 with such conspicuousness as compared with other words, statements, designs, or devices on the label, 27 28 labeling, or sign, 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 that lead is implicated, so as to minimize the risk of consumer confusion.

3 For purposes of this Consent Order, a clear and reasonable warning for the Covered Product shall consist of a product-specific warning via one or more of the following methods: (1) A posted sign, 4 shelf tag, or shelf sign for the consumer product at each point of display of the product; (2) Any 5 electronic device or process that automatically provides the warning to the purchaser (not applicable to 6 7 internet purchases, which are subject to the provisions of Cal. Code Regs. tit. 27, § 25602(b)); (3) A 8 warning on the product's label or tag; or (4) A short-form warning on the label that complies with the content requirements set forth in Cal. Code Regs. tit. 27, § 25603(b)and is at least 6-point type. 9 Specifically, pursuant to Cal. Code Regs. tit. 27, \$ 25603(a) – (d), one of the following statements must 10 be utilized: 11



Pursuant to Cal. Code Regs. tit. 27, § 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, 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.

As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent the Covered Product is sold 6 7 online, a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 must 8 be provided via of the following methods: (1) A warning on the product display page; (2) A clearly marked hyperlink using the word "WARNING" or the words "CA WARNING" or "CALIFORNIA 9 **WARNING**" on the product display page that links to the warning; or (3) An otherwise prominently 10 displayed warning provided to the purchaser prior to completing the purchase. With respect to the third 11 method, if a warning is provided using the short-form label content pursuant to Cal. Code Regs. Tit. 27, 12 13 § 25602(a)(4), the warning provided on the website may use the same content, and a warning is not prominently displayed if the purchaser must search for it in the general content of the website. For 14 internet purchases made prior to 1/1/28, a retail seller is not responsible under Cal. Code Regs. Tit. 27, 15 § 25600.2(e)(4) for conspicuously posting or displaying the new warning online until 60 calendar days 16 after the retailer receives a warning or a written notice under Cal. Code Regs. Tit. 27, § 25600.2(b) and 17 18 (c) which updates a short-form warning compliant with Cal. Code Regs. Tit. 27, § 25603(c) with content compliant with Cal. Code Regs. Tit. 27, § 25603(b). These requirements extend to any websites under 19 the exclusive control of Hollandia or Grocery Outlet where the Covered Product is sold into California. 20 In addition, Hollandia and Grocery Outlet shall instruct any third-party website to which it directly sells 21 the Covered Product to include the same online warning, as set forth above, as a condition of selling the 22 Covered Product in California. 23

The Parties recognize that the format and methods described above are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations. If OEHHA enacts new safe harbor regulations providing for different warning language and/or method of delivery applicable to the chemical and product at issue, Hollandia or Grocery Outlet may provide a warning in compliance with those regulations.

2.3 Sell-Through Period

Notwithstanding anything else in this Consent Judgment, a Covered Product that is manufactured, packaged, or put into commerce on or before sixty (60) days after the Effective Date shall be subject to the release of liability pursuant to this Consent Judgment, without regard to when such Covered Product was, or is in the future, distributed or sold to customers. As a result, the obligations of Hollandia, Grocery Outlet, or any Releasees (if applicable), stated in this Section 2 do not apply to any Covered Product manufactured, packaged, or put into commerce prior to sixty (60) days after the Effective Date.

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MONETARY SETTLEMENT TERMS

3.1 Settlement Amount

Hollandia shall pay fifty-five thousand dollars (\$55,000.00) in settlement and total satisfaction of all the claims referred to in the Notice, the Complaint, and this Consent Judgment. This includes civil penalties in the amount of six thousand dollars (\$6,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorneys' fees and costs in the amount of forty-nine thousand dollars (\$49,000.00) pursuant to Code of Civil Procedure section 1021.5.

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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 six thousand (\$6,000.00) in civil penalties shall be paid as follows:

- One payment of \$4,500.00 to OEHHA, due fourteen (14) days after the Effective Date.
- One payment of \$1,500.00 to EHA, due fourteen (14) 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

1	All payments owed to OEHHA (EIN: 68-0284486) shall be delivered directly to OEHHA		
2	(Memo Line "Prop 65 Penalties") at the following addresses:		
3	For United States Postal Service Delivery:		
4	Mike Gyurics		
5	Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment		
6	P.O. Box 4010 Sacramento, CA 95812-4010		
7			
8	For Federal Express 2-Day Delivery:		
9	Mike Gyurics Fiscal Operations Branch Chief		
10	Office of Environmental Health Hazard Assessment 1001 I Street Sacramento, CA 95814		
11	Hollandia and Grocery Outlet agree to provide EHA's counsel with a copy of the check payable		
12	to OEHHA, simultaneous with its penalty payment to EHA.		
13	Plaintiff and its counsel will provide completed IRS 1099, W-9, or other tax forms as required.		
14	Relevant information is set out below:		
15	• "Environmental Health Advocates, Inc." (EIN: 84-2322975) at the address provided above.		
16	• "Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.		
17	All payments referenced in this section shall be paid within fourteen (14) days of the date the Court		
18	approves EHA's motion to approve this Consent Judgment.		
19	3.3 Attorney's Fees and Costs		
20	The portion of the settlement attributable to attorneys' fees and costs shall be paid to EHA's		
21	counsel, who are entitled to attorneys' fees and costs incurred by it in this action, including but not		
22	limited to investigating potential violations, bringing this matter to Hollandia's and Grocery Outlet's		
23	attention, as well as litigating and negotiating a settlement in the public interest.		
24	Hollandia shall provide its payment for civil penalty and for attorneys' fees and costs to EHA's		
25	counsel by physical check or by electronic means, including wire transfers, at Hollandia's discretion,		
26	as follows: \$49,000.000 in Attorney's Fees and Costs shall be paid as one payment of \$44,000.00, due		
27	fourteen (14) days after the Effective Date, and one payment of \$5,000.00 due thirty (30) days after the		
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Effective Date. If the first payment of \$44,000.00 is timely paid, EHA agrees to waive the last payment of \$5,000.00.

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

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4.1

EHA's Public Release of Proposition 65 Claims

Plaintiff, acting on its own behalf and in the public interest, releases Hollandia and Grocery 9 Outlet, and each of its parents, subsidiaries, affiliated entities under common ownership or control, its 10 11 directors, officers, principals, agents, employees, attorneys, insurers, accountants, predecessors, successors, and assigns ("Defendant Entities"), each entity to whom Defendants directly or indirectly 12 13 distributes, ships, or sells the Covered Product, including but not limited to downstream distributors, 14 wholesalers, customers, retailers, and marketplaces franchisees, franchisors, cooperative members, suppliers, licensees, and licensors, and all of the foregoing entities' owners, directors, officers, agents, 15 principals, employees, attorneys, insurers, accountants, representatives, predecessors, successors, and 16 assigns (collectively referred to as the "Releasees") from all claims for violations of Proposition 65 up 17 18 through the Effective Date based on exposure to lead from the Covered Product as set forth in the Notice. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 19 65 with respect to exposures to lead from the Covered Product as set forth in the Notice. This Consent 20 Judgment is a full, final, and binding resolution of all claims under Proposition 65 that were or could 22 have been asserted against Hollandia, Grocery Outlet, and/or Releasees for failure to comply with 23 Proposition 65 for alleged exposure to lead from the Covered Product. This release does not extend to any third-party retailers selling the product on a website who, after receiving instruction from Hollandia 24 25 or Grocery Outlet 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 Hollandia, Grocery Outlet, and 27 28 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 the Covered Product manufactured, imported, sold,
 or distributed by Hollandia or Grocery Outlet before the Effective Date.

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4.3 Hollandia's and Grocery Outlet's Release of EHA

Hollandia and Grocery Outlet on their own behalf, and on behalf of their respective Releasees as well as their 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 Product.

4.3 Section 1542 Waiver

The Parties acknowledge that they are familiar with the provisions of California Civil Code Section 1542 ("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."

The Parties expressly waive any rights they may have under Section 1542, as well as under any other statutes or common law principles of similar effect with the respect to the claims released herein.

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4.4 No Other Known Claims or Violations

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

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COURT APPROVAL

This Consent Judgment is not effective until thirty (30) days after it is approved and entered as a judgment of 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. 2

6. <u>SEVERABILITY</u>

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

7 The terms of this Consent Judgment shall be governed by the laws of the state of California as 8 applied within the state of California. In the event that Proposition 65 is repealed, or is otherwise 9 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 10 an interpretive guideline that exempts the Covered Product from meeting the requirements of 11 Proposition 65; or if lead cases are permanently enjoined by a court of competent jurisdiction; or if 12 13 Proposition 65 is determined to be preempted by federal law or a burden on First Amendment rights with respect to lead in the Covered Product or products substantially similar to the Covered Product, 14 then Hollandia and/or Grocery Outlet may seek relief from the injunctive obligations imposed by this 15 Consent Judgment to the extent any Covered Product is so affected by modifying the agreement via 16 17 the mechanisms set forth in Section 12.

8. **ENFORCEMENT**

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 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 the following addresses:

If to Hollandia and Grocery Outlet:

 Stacy W. Harrison Orrick
 355 S. Grand Avenue Los Angeles, CA 90071
 wharrison@orrick.com

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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.

10. COUNTERPARTS; DIGITAL SIGNATURES

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.

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 which they will each bear their own attorneys' fees and costs. For purposes of this Section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to any objection that any thirdparty may make, and appearing at the hearing before the Court if so requested.

12. MODIFICATION

This Consent Judgment may only 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.

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.

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GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

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. If any Party refuses or fails to meet and confer about the dispute within ten (10) business days after a Party's request or the dispute is not resolved within ten (10) business days after the meet and confer, the Party requesting the meet and confer may proceed to file an action or motion with respect to the dispute. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand.

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ENTIRE AGREEMENT

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.

AGREED TO:

AGREED TO:

16 7/11/2025 July 10, 2025 Date: Date: 17 Signed by 18 kathleen Valiasek By: By: 19 HOLLANDIA PRODUCE, LLC ENVIRONMENTAL HEALTH ADVOCATES, INC. 20 **AGREED TO:** 21 22 7/10/2025 | 15:37:00 PDT Date: 23 ocuSigned by 24 alejandro Rodriane Bv: GROCERY OUTLET. INC. 25 26 27 28 13

