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6 KEEP AMERICA SAFE AND BEAUTIFUL

7  
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 COUNTY OF MARIN

10 KEEP AMERICA SAFE AND BEAUTIFUL,  
11 Plaintiff,  
12 v.  
13 AZURE FARMS, INC.; and DOES 1-30,  
14 inclusive,  
15 Defendants.

Case No. CV0004587

**[PROPOSED] CONSENT JUDGMENT**

(Health & Safety Code § 25249.6 et seq. and  
Code of Civil Procedure § 664.6)

1     **1.     INTRODUCTION**

2             This Settlement Agreement (“Agreement”) is entered into by and between Keep America  
3     Safe and Beautiful (“KASB”) and Azure Farms, Inc. (“Azure”), with KASB and Azure each  
4     individually referred to as a “Party” and, collectively, as the “Parties” to resolve the allegations in  
5     the September 9, 2024 60-Day Notice of Violation (“Notice”) in compliance with the Safe  
6     Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6 *et seq.*  
7     (“Proposition 65”).

8             **1.1     The Parties**

9             KASB is a California-based non-profit corporation proceeding in the public interest  
10     pursuant to California Health & Safety Code § 25249.7(d) to ensure chemicals known to the State  
11     of California to cause cancer, birth defects or other reproductive harm are disclosed in or  
12     eliminated from consumer products sold in California. Azure is an Oregon limited liability  
13     company, and Azure is a person in the course of doing business for purposes of California Health  
14     & Safety Code § 25249.11(b).

15            **1.2     Consumer Product Description**

16            KASB alleges Azure imported, distributed, sold, and offered for sale, in or into California,  
17     flax seeds containing the heavy metal, Cadmium, including, but not limited to, the *Azure Market*  
18     *Organics Flax Seeds, Organic, 33 oz. SKU: SE081 Lot# nn00099 UPC: 6 85051 55050 8* Best By:  
19     09/20/2024, without providing a warning pursuant to California Health & Safety Code § 25249.5  
20     *et seq.* (“Proposition 65”). Hereinafter, all such flax seeds are referred to, collectively, as the  
21     “Products.” Cadmium is listed pursuant to Proposition 65 as a chemical known to the State of  
22     California to cause cancer and birth defects or other reproductive harm.

23            **1.3     Notice of Violation**

24            On September 9, 2024, KASB served Azure, the California Attorney General, and the  
25     requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”), alleging  
26     Azure violated Proposition 65 by failing to warn customers and consumers in California that the  
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1 Products can expose users to Cadmium. To the best of the Parties' knowledge, no public enforcer  
2 has commenced and is diligently prosecuting an action to enforce the allegations in the Notice.

#### 3 **1.4 No Admission**

4 Azure denies the factual and legal allegations contained in the Notice and maintains that  
5 all products it sold or distributed for sale, in or into California, including the Products, have been,  
6 and are, in compliance with all laws. Nothing in this Agreement shall constitute or be construed  
7 as, nor shall compliance with this Agreement constitute or be construed as, an admission by  
8 Azure of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall  
9 not, however, diminish or otherwise affect Azure's obligations, responsibilities, and duties under  
10 this Agreement.

#### 11 **1.5 Effective Date**

12 For purposes of this Agreement, "**Effective Date**" shall mean the date that is 14 days  
13 after this Consent Judgment is entered by the Court.

### 14 **2. INJUNCTIVE RELIEF: REFORMULATION, WARNINGS & NOTIFICATION**

#### 15 **2.1 Commitment to Reformulate or Warn**

16 Commencing on or before the Effective Date, and continuing thereafter, all Products, as  
17 defined above at Section 1.2, that Azure manufactures, distributes, sells or offers for sale, in or  
18 into California, directly or to one or more third party retailers or e-commerce marketplaces, shall  
19 either: (a) meet the Reformulation Standard for Reformulated Products, as defined by Section  
20 2.2; or (b) be accompanied by a clear and reasonable health hazard warning pursuant to the  
21 following Sections 2.3 through 2.6.

#### 22 **2.2 Reformulation Standard & Reformulated Products Defined**

23 For purposes of this Agreement, "Reformulated Products" are defined as Products which  
24 contain:

25 (a) Cadmium (Cd) of no more than 4.1 micrograms per day, based on consumption of a  
26 "Single Serving."

1 A “Single Serving” is defined as 12 grams or approximately .42 ounces, totaling  
2 approximately one (1) to two (2) tablespoons, of the Product consumed per day. To assess  
3 whether a Product is compliant, the Product must be analyzed by a laboratory, accredited by the  
4 State of California, a federal agency, or a nationally recognized accrediting organization  
5 (“Accredited Laboratory”), using: (1) inductively coupled plasma mass spectrometry (“ICP-  
6 MS”) utilizing scientifically appropriate adherence to the protocols set forth in AOAC Method  
7 2015.01 or 2013.06 (21<sup>st</sup> Ed., 2019) with a LOD/LOQ of 0.10 ppm or less for Cadmium in foods.  
8 (“Reformulation Standard.”)

### 9 **2.3 Product Warnings**

10 For all Products that are not Reformulated Products in compliance with the  
11 Reformulation Standard set forth above at 2.2, Azure shall provide clear and reasonable  
12 warnings to customers in California in accordance with this Section, pursuant to Title 27  
13 California Code of Regulations § 25600, et seq. Each warning shall be prominently placed with  
14 such conspicuousness as compared with other words, statements, or designs as to render it likely  
15 to be read and understood by an ordinary individual under customary conditions before purchase  
16 or use and shall be provided in a manner such that it is clearly associated with the specific  
17 Product to which the warning applies. The warning content is to appear in a box as presented on  
18 the product or product packaging.

19 **(a) Warnings.** The Warning shall consist of one of the following statements:

20 **(1) For Products containing Cadmium in excess of the**  
21 **corresponding Reformulation Standard, defined Section 2.2(a),** Azure shall use one of the  
22 following warnings:

23 **WARNING [or] CA WARNING [or] CALIFORNIA WARNING:**  
24 Consuming this product can expose you to Cadmium [Cd], which is  
25 known to the State of California to cause birth defects or other  
26 reproductive harm. For more information go to:  
27 [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).  
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1 (b) **Short-Form Warnings.** As an alternative to the foregoing  
2 warnings detailed in Section 2.3(a), Azure may, but is not required to, use one of the following  
3 short-form warnings, as appropriate, subject to the additional requirements set forth in the  
4 following Sections 2.4 and 2.5:

5 **WARNING [or] CA WARNING [or] CALIFORNIA WARNING:** Risk  
6 of reproductive harm from exposure to Cadmium. See  
7 [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

8 Or

9 **WARNING [or] CA WARNING [or] CALIFORNIA WARNING:** Can  
10 expose you to Cadmium, a reproductive toxicant. See  
11 [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

12 *Or, for Covered Products manufactured and labeled prior to January 1, 2028,*

13 **WARNING [or] CA WARNING [or] CALIFORNIA WARNING:**  
14 Reproductive Harm – [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

15 (c) **Foreign Language Requirement.** Where a consumer product  
16 sign, label or shelf tag used to provide a warning includes consumer information in language(s)  
17 other than English, the warning must also be provided in the other language(s) in addition to  
18 English.

## 19 **2.4 On-Product Warnings.**

20 Azure shall affix a warning to the Product label or otherwise directly on Products  
21 provided for sale by Azure to consumers located in California and to Azure customers who  
22 Azure knows that they sell the Product in, or into, California. For purposes of this agreement,  
23 “Product label” means a display of written, printed or graphic material printed on or affixed to  
24 each of the Products or its immediate container or wrapper.

25 Warnings provided pursuant to Section 2.3 must print the words “WARNING:”, “CA  
26 WARNING:”, or “CALIFORNIA WARNING:” in all capital letters and in bold font, followed  
27 by a colon. The warning may be contained in the same section of the packaging, labeling, or  
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1 instruction booklet that states other safety warnings, if any, concerning the use of the Products  
2 and shall be at least the same size as those other safety warnings.

### 3 **2.5 Internet Warnings.**

4 For all Products manufactured, imported, distributed, sold or offered for sale via the  
5 internet to customers located in California, or sold in or into California by Azure, directly or  
6 through third-party websites over which Azure has the ability to control the application of  
7 warnings, Azure shall provide warnings for each Product, both on the Product label, in  
8 accordance with Section 2.4, and, either: (a) a warning on the Product display page; (b) a clearly  
9 marked hyperlink using the word “WARNING” or words “CA WARNING” or “CALIFORNIA  
10 WARNING “on the product display page that links to the Product warning; or (c) by an otherwise  
11 prominently displayed warning provided to the purchaser prior to completing the purchase, such  
12 that the consumer does not have to seek out the information being provided, which includes the  
13 option of a pop-up warning once a California zip code is identified with the shipping address. If  
14 the warning is provided using the Short-Form content, pursuant to Section 2.3(b), then the  
15 warning provided on the website may use the same content. “Prominently displayed” is defined to  
16 mean the consumer does not have to search for it in the general content of the website. For third-  
17 party websites where Azure knows such third-party provides the Product for sale into California,  
18 Azure will comply with either California Code of Regulations section 25600.2(b) and (c) or  
19 section 25600.2(i). The release in this Consent Judgment shall not apply to a third-party seller  
20 that either receives warning information from Azure under 25600.2(b) and fails to provide the  
21 warning to California consumers or that is under agreement pursuant to 25600.2(i) and fails to  
22 provide the warning to California consumers. Azure represents that it currently provides  
23 warnings that it believes are consistent with Proposition 65 requirements.

## 24 **3. MONETARY SETTLEMENT TERMS**

### 25 **3.1 Initial Civil Penalty**

26 Pursuant to Health and Safety Code § 25249.7(b), Azure agrees to pay a civil penalty of  
27 \$4,000 within ten (10) business days of the Effective Date. Azure’s civil penalty payment will  
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1 be allocated according to Health and Safety Code §§ 25249.12(c)(1) and (d), with seventy-five  
2 percent (75%) of the penalty paid to the California Office of Environmental Health Hazard  
3 Assessment (“OEHHA”), and the remaining twenty-five percent (25%) retained by KASB.  
4 Azure shall issue its payment in two checks made payable to: (a) “OEHHA” in the amount of  
5 \$3,000; and (b) “Seven Hills in Trust for Keep America Safe and Beautiful” in the amount of  
6 \$1,000. KASB’s counsel shall deliver to OEHHA and KASB their respective portion of the  
7 penalty payment.

### 8           **3.2     Reimbursement of Attorneys’ Fees and Costs**

9           KASB and its counsel offered to resolve the allegations in the Notice without reaching  
10 terms on the amount of reimbursement of attorneys’ fees and costs. Shortly after the Parties  
11 finalized the other material settlement terms, they negotiated and reached an accord on the  
12 amount of reimbursement to be paid to KASB’s counsel, under general contract principles and  
13 the private attorney general doctrine, codified at California Code of Civil Procedure § 1021.5, for  
14 all work performed through the mutual execution and reporting of this Agreement to the Office  
15 of the California Attorney General. Within ten (10) business days of the Effective Date, Azure  
16 agrees to reimburse KASB and its counsel \$23,000 of the fees and costs incurred investigating,  
17 bringing this matter to Azure’s attention, negotiating a settlement in the public interest, and  
18 reporting its terms to Office of the California Attorney General pursuant to Section 9.

### 19           **3.3     Payments**

20           All payments payable and due under this Agreement shall be delivered to KASB’s  
21 counsel at following address:

22                               Seven Hills LLP  
23                               Attn: Kimberly Gates Johnson  
24                               1 Embarcadero Center, Suite 1200  
25                               San Francisco, CA 94111

26           KASB shall have its counsel delivered Federal Form W9s for all payees under this  
27 Agreement and shall notify counsel for Azure as to when judgment is entered by the Court, thus  
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1 instigating payment obligations under this Section 3. Notification of the entry of judgment shall  
2 be made via electronic mail, after the Notice of Entry is filed.

#### 3 **4. CLAIMS COVERED AND RELEASED**

##### 4 **4.1 KASB's Public Release of Azure**

5 This Agreement is a full, final and binding resolution between KASB, acting in the public  
6 interest, and Azure, of any violation of Proposition 65 that was or could have been asserted by  
7 KASB on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or  
8 assignees, against Azure, its owners, shareholders, representatives directors, officers, employees,  
9 attorneys, and each entity to whom Azure directly or indirectly distributes or sells Products,  
10 including, but not limited to, downstream distributors, wholesalers, customers, retailers,  
11 franchisees, cooperative members, licensors, licensees, dealers, vendors, owners, shareholders,  
12 purchasers, and users, including, but not limited to, azurestandard.com (collectively, "Releasees")  
13 from all claims for violations arising under Proposition 65 for the failure to provide a warning,  
14 based on alleged exposure to Cadmium contained in Products, as that term is used and defined at  
15 Section 1.2, that are manufactured, distributed, sold or offered for sale, in or into California, by  
16 Azure prior to the Effective Date, as alleged in the Notice.

##### 17 **4.2 KASB's Private Release of Proposition 65 Claims**

18 In further consideration of the promises and agreements herein contained, KASB as an  
19 individual and *not* on behalf of the public, on behalf of itself, its past and current agents,  
20 representatives, attorneys, successors, and/or assignees, hereby waives all of KASB's rights to  
21 institute or participate in, directly or indirectly, any form of legal action and releases all claims  
22 that KASB may have brought, including, without limitation, all actions, and causes of action, in  
23 law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties including  
24 civil penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees,  
25 and attorneys' fees arising under Proposition 65 with respect to Cadmium in Products, as defined  
26 by Section 1.2, that were manufactured, distributed, sold and/or offered for sale by Azure, in or  
27 into California, before the Effective Date (collectively, "Claims"), against Azure and Releasees.



1 The Parties understand and agree Section 4 releases shall neither extend: (a) to upstream  
2 entities that manufactured the Products or to any distributors or suppliers who sold the Products to  
3 Azure; or (b) to downstream to Releasees who were obligated by Azure, pursuant to Section 2.5 ,  
4 to provide a warning on Products that are not Reformulated Products and failed to do so.

#### 5 **4.3 Azure's Release of KASB**

6 Azure, on behalf of itself, its past and current agents, representatives, attorneys,  
7 successors, and assignees, hereby waives any and all claims against KASB and its attorneys and  
8 other representatives, for any and all actions taken or statements made, or could have been taken  
9 or made, by KASB and its attorneys and other representatives, whether in the course of  
10 investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with  
11 respect to the above described Products, as defined by Section 1.2.

#### 12 **5. SEVERABILITY**

13 If, after the execution of this Agreement, any provision of this Agreement is deemed by a  
14 court as unenforceable, the validity of the remaining provisions shall not be adversely affected.

#### 15 **6. GOVERNING LAW**

16 The terms of this Agreement shall be governed by the laws of the State of California and  
17 apply within California. Nothing in this Agreement shall be interpreted to relieve Azure from its  
18 obligation to comply with any pertinent state or federal law or regulation.

#### 19 **7. NOTICE**

20 Unless specified herein, all correspondence and notice required by this Agreement shall  
21 be in writing and, in addition to being sent to the email addresses sent forth below, sent by: (i)  
22 first-class registered or certified mail, return receipt requested; or (ii) a recognized overnight  
23 courier to any Party by the other at the following addresses:

24 For Azure:

25 Karen L. Slusher, Chief Executive Officer  
26 Azure Farms, Inc.  
27 79709 Dufur Valley Road  
Dufur, OR 97021

For KASB:

Kimberly Gates Johnson, Partner  
Seven Hills LLP  
1 Embarcadero Center, Suite 1200  
San Francisco, CA 94111  
kimberly@sevenhillsllp.com

1 With a copy to:

2 Bradley Andersen  
3 Bradley Andersen Law, PLLC  
4 PO Box 147  
5 North Bonneville, WA 98639  
6 brad@bradandersenlaw.com

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

9 **8. COUNTERPARTS AND PDF SIGNATURES**

10 This Agreement may be executed in counterparts and by portable document format (pdf)  
11 signature, each of which shall be deemed an original and, all of which, when taken together,  
12 shall constitute one and the same document.

13 **9. COMPLIANCE WITH REPORTING REQUIREMENTS**

14 KASB and its counsel agree to comply with the reporting form requirements referenced  
15 in California Health and Safety Code § 25249.7(f).

16 **10. ENTIRE AGREEMENT**

17 This Agreement contains the sole and entire agreement and understanding of the Parties  
18 with respect to the entire subject matter hereof, and any and all prior discussions, negotiations,  
19 commitments, or understandings related thereto, if any, are hereby merged herein and therein.  
20 There are no warranties, representations, or other agreements between the Parties except as  
21 expressly set forth herein. No representations, oral or otherwise, express or implied, other than  
22 those specifically referred to in this Agreement have been made by any Party hereto. No other  
23 agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to  
24 exist or to bind any of the Parties hereto.

25 **11. MODIFICATION**

26 This Agreement may be modified only by a written agreement of the Parties.

27 **12. PUBLIC BENEFIT.**

28 It is the Parties' understanding that the commitments Azure has agreed to herein, and  
actions to be taken by Azure under this Agreement, would confer a significant benefit to the  
general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, §

3201. As such, it is the intent of the parties that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Azure's failure to provide a warning concerning exposure to cadmium prior to use of the Products it has distributed, sold, or offered for sale in California, or will distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Products addressed in this Agreement, provided that Azure is in material compliance with this Agreement.

### 13. AUTHORIZATION

The undersigned are authorized to execute this Agreement on behalf of their respective Parties and have read, understood, and agreed to all of the terms and conditions of this Agreement.

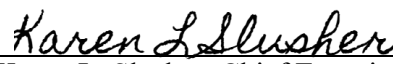
**AGREED TO:**

Date: 1/15/2026

**AGREED TO:**

Date: 01/14/2026

By:   
Lance Nguyen, Chief Executive Officer  
Keep America Safe and Beautiful

By:   
Karen L. Slusher, Chief Experience Officer  
Azure Farms, Inc.