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 Superior Court of California
 County of Los Angeles

AUG 14 2019

Sherri R. Carter, Executive Officer/Clerk of Court
 By Steven Drew, Deputy

8 Attorneys for Plaintiff, the People of the State of California [NO FEE - Gov. Code § 6103]

9
 10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 11 COUNTY OF LOS ANGELES, CENTRAL DISTRICT

12 THE PEOPLE OF THE STATE OF)
 13 CALIFORNIA,)

14 Plaintiff,)

15 vs.)

16 RAINBOW LIGHT NUTRITIONAL)
 17 SYSTEMS, LLC, a Delaware limited)
 18 liability company, NUTRANEXT, LLC,)
 19 a Delaware limited liability company,)
 20 NUTRANEXT BUSINESS, LLC, a)
 Delaware limited liability company, and)
 NUTRANEXT EHEALTH, LLC, a)
 Delaware limited liability company,)

21 Defendants.)

Case No.: **19STCV28214**

STIPULATION FOR ENTRY OF FINAL
 JUDGMENT AND PERMANENT
 INJUNCTION; EXHIBIT A:
 [PROPOSED] FINAL JUDGMENT AND
 PERMANENT INJUNCTION

Complaint Filed: August 14, 2019
 Trial: None set.

COPY



**STIPULATION FOR ENTRY OF FINAL JUDGMENT AND
PERMANENT INJUNCTION**

IT IS HEREBY STIPULATED by and between Plaintiff, the People of the State of California (the "People") and Defendants, Nutranext, LLC, Nutranext Business, LLC ("Nutranext Business"), Nutranext eHealth, LLC ("Nutranext eHealth"), and Rainbow Light Nutritional Systems, LLC ("Rainbow Light, LLC") (together, "Defendants") (collectively, with the People, "the Parties") through their undersigned counsel, that the Parties have agreed to settle the civil law enforcement action entitled *People v. Rainbow Light, LLC, et al.* ("Enforcement Action") pursuant to the terms contained in this Stipulation for Entry of Final Judgment ("Stipulation"), and the concurrently filed [Proposed] Stipulated Final Judgment and Permanent Injunction ("Stipulated Judgment"), which is attached hereto as Exhibit A.

WHEREAS, the People filed a Complaint in this matter, commencing this Enforcement Action, which Complaint included allegations that Defendants falsely advertised certain prenatal vitamins with respect to the presence and amounts of heavy metals contained in those vitamins;

WHEREAS, following Defendants' agreement to take steps, starting on August 1, 2019, that reduce the detectable amounts of lead in Rainbow Light Prenatal Vitamins, the Parties agreed, for valuable consideration and upon the agreed terms set forth below, to resolve this matter through settlement;

WHEREAS, for purposes of this Stipulation and the Stipulated Judgment, Defendants neither admit nor deny the allegations set forth in the Complaint, with the exception that Defendants admit the facts necessary to establish jurisdiction;

WHEREAS, the Parties have agreed that entry of the Stipulated Judgment, as provided with this Stipulation, will resolve all matters in the Enforcement Action without need for any additional trial, hearing, fact-finding by the Court, or adjudication of any issue of law or fact;

WHEREAS, the Parties have stipulated that the Stipulated Judgment may be signed by a judge commissioner, or judge pro tem of the Los Angeles County Superior Court, pursuant to Code of Civil Procedure section 579;

1 WHEREAS, the Parties stipulate that the Court retains continuing jurisdiction both as
2 authorized by California Code of Civil Procedure 664.6 and under the Court's inherent authority
3 to enforce this Stipulation and the Stipulated Judgment;

4 **NOW, THEREFORE**, in consideration of the covenants and agreements contained in this
5 Stipulation, the Parties agree as follows:

6 1. The Stipulated Judgment is a reasonable compromise of the issues between the
7 Parties as reflected in the Complaint, negotiated at arm's length and through the Parties' counsel.

8 2. The Stipulated Judgment is a final and binding resolution and settlement of all
9 known claims, violations, and causes of action arising from the allegations set forth in the
10 Complaint that the People could assert against Defendants, including their parents, subsidiaries,
11 affiliates, agents, representatives, directors, officers and employees, up to the date of entry of the
12 Stipulated Judgment ("Covered Matters"). Any claim, violation, or cause of action that is not a
13 Covered Matter is a "Reserved Claim." Nothing in the Stipulated Judgment shall prohibit the
14 People of the State of California from bringing any Reserved Claim, including but not limited to,
15 any criminal or civil law enforcement prosecution or administrative process related to a Reserved
16 Claim.

17 3. This Court may enter the Stipulated Judgment before the taking of any proof and
18 without further briefing, argument, trial, or adjudication of any fact or law.

19 4. Defendants and their officers, directors, employees, agents, representatives,
20 partners, successors and assigns, and all persons, corporations, subsequent purchasers, or other
21 entities, acting by, through, under, in concert, on behalf of, or in participation with or for them,
22 waive all rights to challenge, contest, or set aside the validity of the Stipulated Judgment,
23 including through any collateral attack, and further waive their right to appeal from the Stipulated
24 Judgment. Defendants and their successors and assigns further waive and release any claim they
25 may have against the People, their attorneys, employees, representatives or agents arising out of
26 the commencement or conduct of the Enforcement Action.

1 h. "Rainbow Light Prenatal Vitamin Restitution Fund" means the restitution fund
2 required by the terms of this Stipulation and the Stipulated Judgment.

3 i. "Rainbow Light Prenatal Vitamins" refers to all prenatal and postnatal
4 vitamins and nutritional supplements manufactured, marketed, advertised,
5 distributed, or sold by any Defendant or its respective agents, attorneys,
6 employees, representatives, officers, affiliates, assigns, heirs, successors in
7 interest, or purchasers, including all prenatal and postnatal vitamins and
8 nutritional supplements manufactured, marketed, advertised, distributed, or
9 sold by Defendant Rainbow Light, LLC. Rainbow Light Prenatal Vitamins
10 does not include general women's multivitamins or other vitamins or
11 supplements not specifically labeled as suitable for prenatal or postnatal or
12 lactating mothers.

13 j. "Restitution Time Period" means the dates including and between July 28,
14 2015 and the date of entry of the Stipulated Judgment.

15 k. "Third-Party Claims Processor" means the independent claims processor
16 selected by the People pursuant to the terms of this Stipulation and the
17 Stipulated Judgment.

18 **DEFENDANTS' COSTS**

19 9. Defendants shall bear their own attorneys' fees, costs, and any other expenses
20 related to this Enforcement Action.

21 **ALLEGATIONS**

22 10. The People's Complaint alleges that, through marketing, advertising, distributing,
23 and selling Rainbow Light Prenatal Vitamins to California consumers, Defendants have engaged
24 in unfair competition in violation of Business and Professions Code section 17200 et seq. and
25 false or misleading advertising in violation of Business and Professions Code section 17500 et
26 seq. by making and disseminating untrue or misleading statements about the presence and
27 amounts of Heavy Metals in their Rainbow Light Prenatal Vitamins. Defendants neither confirm
28 nor deny this allegation. The People have not alleged in this Complaint that any Rainbow Light

1 Prenatal Vitamins exceed the NSRL or MADL pursuant to California’s Safe Drinking Water and
2 Toxic Enforcement Act of 1986 (“Proposition 65”), California Health & Safety Code Section
3 25249.5 et. seq.

4 **INJUNCTIVE RELIEF**

5 11. Pursuant to Business and Professions Code sections 17203, 17204, 17535, and the
6 Court’s inherent equitable powers, Defendants, and each of their agents, employees, officers,
7 representatives, partners and any person acting in concert or in participation with them, agree that,
8 immediately upon entry of the Stipulated Judgment in this action (the “Effective Date”), they will
9 be permanently enjoined from:

- 10 a. Violating California Business and Professions Code section 17200 et seq. by
11 engaging in unlawful business practices related to false or misleading
12 advertising about the presence or amounts of Heavy Metals contained in
13 Rainbow Light Prenatal Vitamins;
- 14 b. Violating California Business and Professions Code section 17500 et seq. by
15 making or disseminating, or causing to be made or disseminated, any untrue or
16 misleading statements about the presence or amounts of Heavy Metals
17 contained in Rainbow Light Prenatal Vitamins;
- 18 c. Making any advertising claim concerning any Heavy Metal related to any
19 Rainbow Light Prenatal Vitamins unless, at the time such claim is made,
20 Defendants have competent and reliable scientific evidence that supports the
21 claim; and
- 22 d. Failing to include as a mandatory term of any transfer of any ownership or
23 control of any Rainbow Light Prenatal Vitamins or the “Rainbow Light” brand
24 name or Rainbow Light, LLC, whether by merger, sale, assignment, or any
25 other form of transfer of ownership or control, that all successors or assignees
26 of any Rainbow Light Prenatal Vitamins or the “Rainbow Light” brand name
27 or Rainbow Light, LLC must abide by the terms of the Stipulated Judgment.
28

1 12. Pursuant to Business and Professions Code sections 17203, 17204, 17535, and the
2 Court's inherent equitable powers, Defendants, and each of their agents, employees, officers,
3 representatives, partners and any person acting in concert or in participation with them, further
4 agree that for a period of three (3) years following entry of the Stipulated Judgment, at six month
5 intervals commencing within 90 days of the Effective Date ("Biannual Tests"), Defendants
6 shall randomly select Rainbow Light Prenatal Vitamins for lead testing from at least three of the
7 most recently produced lots of each such product, and shall test at least three separate randomly
8 selected samples from each of those lots. Both the lots and the samples shall be randomly
9 selected using a pseudorandom number generator that is generally accepted as valid in the
10 scientific field of statistics, or by any other method reasonably acceptable to the Los Angeles City
11 Attorney. To the extent Defendants produce fewer than three lots of any Rainbow Light Prenatal
12 Vitamin during the preceding six month period, Defendants need only randomly sample such
13 Rainbow Light Prenatal Vitamin from the lots produced within the preceding six months.
14 Samples will be tested for lead in a laboratory that meets the requirements set forth in Title 27
15 California Code of Regulations section 25900(b). Defendants shall provide any test results and
16 related documentation, including any written procedures for complying with this Paragraph and
17 Paragraph 7 of the Stipulated Judgment, to the People twice a year to the Supervising Deputy City
18 Attorney of the Los Angeles City Attorney's Office's Consumer Protection Unit, and shall retain
19 all test results and documentation for Rainbow Light Prenatal Vitamins for a period of four (4)
20 years from the date of the test.

- 21 a. If the Biannual Testing results for any Rainbow Light Prenatal Vitamins exceed
22 0.2 micrograms per day (0.2 µg/day) for lead, based on the arithmetic mean
23 result obtained from the testing of each Rainbow Light Prenatal Vitamins
24 product, Defendants agree to take the following steps:
- 25 i. Notify the People within a reasonable amount of time following the test
 - 26 results, not to exceed 14 days;
 - 27 ii. Commence an internal investigation to determine whether the results of
 - 28 the Biannual Testing can be attributed to any specific cause;

1 Defendants agree that, pursuant to this notice process, they shall provide information to the Third-
2 Party Claims Processor sufficient to assist with the claims process, including but not limited to
3 information about retailers and distributors who have sold or distributed Rainbow Light Prenatal
4 Vitamins in California. Defendants further agree that, pursuant to this notice process, they will
5 clearly and conspicuously state, on a page open to public view at www.rainbowlight.com, that: (i)
6 as part of a settlement Defendants have reached with the People, eligible consumers who
7 purchased Rainbow Light Prenatal Vitamins during the Restitution Time Period may be entitled
8 to restitution from the Rainbow Light Prenatal Vitamin Restitution Fund, and (ii) provide
9 information on this page about how consumers may submit restitution claims to the Third-Party
10 Claims Processor. The amount of restitution paid to an individual consumer shall not exceed the
11 total cost of all Rainbow Light Prenatal Vitamins purchased by that consumer during the
12 Restitution Time Period.

13 17. Defendants agree that the People may apply to the Court as necessary for further
14 specific orders, if any, required to effectuate the distribution of the Rainbow Light Prenatal
15 Vitamins Restitution Fund after having given notice to Defendants.

16 18. At the conclusion of the earlier of either fourteen (14) months following the entry
17 of the Stipulated Judgment or on the date on which the People determine that the claims process
18 has been completed, any funds remaining undisbursed in the Rainbow Light Prenatal Vitamin
19 Restitution Fund shall be donated to the Children's Hospital Los Angeles' Institute for Maternal
20 and Fetal Health, to be used for the benefit of prenatal and maternal health.

21 **Civil Penalties**

22 19. Defendants are each jointly and severally liable to pay civil penalties in this
23 Enforcement Action pursuant to the UCL and the FAL in the total amount of one hundred thirty
24 thousand dollars (\$130,000), and shall make payment of these civil penalties in accordance with
25 Business and Professions Code sections 17206 and 17536, in accordance with the following
26 schedule:

- 27 a. No later than twenty-one (21) days after the entry of the Stipulated Judgment,
28 Defendants shall deliver payments totaling one hundred thirty thousand dollars

1 (\$130,000), in the sums of: (i) sixty-five thousand dollars (\$65,000), payable to
2 "City of Los Angeles," and (ii) sixty-five thousand dollars (\$65,000), payable to
3 "Los Angeles County Treasurer and Tax Collector."

4 20. Defendants shall deliver the payments referenced in Paragraph 19 and Paragraph
5 14 of the Stipulated Judgment in cashier's checks, wire transfers, or other certified funds delivered
6 by overnight mail or courier to: Christina Tusan, Supervising Deputy City Attorney, Office of the
7 Los Angeles City Attorney, Criminal and Special Litigation Branch, 200 N. Main Street, 500 City
8 Hall East, Los Angeles, California 90012-4131.

9 **Costs and Fees**

10 21. Defendants agree to pay investigative costs and fees in this Enforcement Action in
11 the amount of twenty thousand dollars (\$20,000), and shall make and deliver payment of these
12 costs and fees, payable to "City of Los Angeles," no later than twenty-one (21) days after the
13 entry of the Stipulated Judgment, in cashier's checks, wire transfers, or other certified funds
14 delivered by overnight mail or courier to: Christina Tusan, Supervising Deputy City Attorney,
15 Office of the Los Angeles City Attorney, Criminal and Special Litigation Branch, 200 N. Main
16 Street, 500 City Hall East, Los Angeles, California 90012-4131.

17 **RETENTION OF JURISDICTION AND ENFORCEMENT**

18 22. Pursuant to California Code of Civil Procedure section 664.6 and the Court's
19 inherent authority, the Court shall retain jurisdiction over this Enforcement Action to entertain
20 such further proceedings and enter such further orders as may be necessary or appropriate to
21 enforce the Stipulated Judgment. The People shall retain exclusive jurisdiction to enforce the
22 terms of the Stipulated Judgment.

23 23. Defendants shall be jointly and severally liable for reasonable attorneys' fees and
24 costs incurred by the People for the enforcement of any violation of the injunction set forth in the
25 Stipulated Judgment.

26

27 **STIPULATED AND AGREED TO BY:**

28 Dated: August 13, 2019

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THE PEOPLE OF THE STATE OF CALIFORNIA

By: Christina V. Tusan
Christina V. Tusan, Supervising Deputy City Attorney
Los Angeles City Attorney's Office
Attorney for Plaintiff, THE PEOPLE OF THE STATE
OF CALIFORNIA

Dated: August 10, 2019

RAINBOW LIGHT NUTRITIONAL SYSTEMS, LLC
By: [Signature]

Dated: August 10, 2019

NUTRANEXT, LLC
By: [Signature]

Dated: August 10, 2019

NUTRANEXT BUSINESS, LLC
By: [Signature]

Dated: August 10, 2019

NUTRANEXT EHEALTH, LLC
By: [Signature]

APPROVED AS TO FORM

Dated: August 12, 2019

By: [Signature]
Attorneys for Defendants, NUTRANEXT, LLC.
NUTRANEXT BUSINESS, LLC, NUTRANEXT
EHEALTH, LLC, and RAINBOW LIGHT
NUTRITIONAL SYSTEMS, LLC

EXHIBIT A

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

vs.

RAINBOW LIGHT NUTRITIONAL SYSTEMS, LLC, a Delaware limited liability company, NUTRANEXT, LLC, a Delaware limited liability company, NUTRANEXT BUSINESS, LLC, a Delaware limited liability company, and NUTRANEXT EHEALTH, LLC, a Delaware limited liability company,

Defendants.

Case No.:

[PROPOSED] STIPULATED FINAL JUDGMENT AND PERMANENT INJUNCTION

Complaint Filed: August 14, 2019
Trial Date: None set.

Upon the submission of a joint stipulation from Plaintiff, the People of the State of California (the "People"), together with Defendants Nutranext, LLC, Nutranext Business, LLC ("Nutranext Business"), Nutranext eHealth, LLC ("Nutranext eHealth"), and Rainbow Light Nutritional Systems, LLC ("Rainbow Light, LLC") (together, "Defendants") (collectively, with the People, "the Parties"), which stipulation, in order to resolve this matter, requests entry of this Final Judgment and Permanent Injunction ("Stipulated Judgment") at the soonest possible date convenient for the Court, and having considered the joint stipulation, the record in this matter, arguments of counsel, if any, and for good cause,

1 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

2 **JURISDICTION AND STANDING**

- 3 1. The Court has jurisdiction over Defendants and the subject matter of this action.
- 4 2. The Los Angeles City Attorney's Office has standing to bring this action in the
- 5 name of the People of the State of California.

6 **DEFINITIONS**

- 7 3. The following definitions shall apply to this Stipulated Judgment:
- 8 a. "Biannual Tests" means the testing required by the terms of this Stipulated
- 9 Judgment.
- 10 b. "City" refers to the City of Los Angeles, both geographically and as a
- 11 municipal corporation.
- 12 c. "City Attorney's Office" refers to the Los Angeles City Attorney's Office.
- 13 d. "Defendants" means Defendants Nutranext, LLC, Nutranext Business, LLC
- 14 ("Nutranext Business"), Nutranext eHealth, LLC ("Nutranext eHealth"), and
- 15 Rainbow Light Nutritional Systems, LLC ("Rainbow Light, LLC").
- 16 e. "Enforcement Action" refers to this civil law enforcement action, entitled
- 17 *People v. Rainbow Light, LLC, et al.*
- 18 f. "Heavy Metals" means the chemicals Arsenic (As), Cadmium (Cd), Mercury
- 19 (Hg), and Lead (Pb), in the forms listed by the California Office of
- 20 Environmental Health Hazard Assessment (OEHHA) pursuant to Health &
- 21 Safety Code section 25249.8 and its implementing regulations with reference
- 22 to "No Significant Risk Levels" (NSRLs) and "Maximum Allowable Dose
- 23 Levels" (MADLs) set pursuant to Title 27, Cal. Code of Regulations, sections
- 24 25705, 25709, and 25805.
- 25 g. "People" refers to the People of the State of California. (Gov. Code, § 100.)
- 26 h. "Rainbow Light Prenatal Vitamin Restitution Fund" means the restitution fund
- 27 required by the terms of this Stipulated Judgment.
- 28

1 i. "Rainbow Light Prenatal Vitamins" refers to all prenatal and postnatal
2 vitamins and nutritional supplements manufactured, marketed, advertised,
3 distributed, or sold by any Defendant or its respective agents, attorneys,
4 employees, representatives, officers, affiliates, assigns, heirs, successors in
5 interest, or purchasers, including all prenatal and postnatal vitamins and
6 nutritional supplements manufactured, marketed, advertised, distributed, or
7 sold by Defendant Rainbow Light, LLC. Rainbow Light Prenatal Vitamins
8 does not include general women's multivitamins or other vitamins or
9 supplements not specifically labeled as suitable for prenatal or postnatal or
10 lactating mothers.

11 j. "Restitution Time Period" means the dates including and between July 28,
12 2015 and the date of entry of the Stipulated Judgment.

13 k. "Third-Party Claims Processor" means the independent claims processor
14 selected by the People pursuant to the terms of this Stipulated Judgment.

15 DEFENDANTS' COSTS

16 4. Defendants shall bear their own attorneys' fees, costs, and any other expenses
17 related to this Enforcement Action.

18 ALLEGATIONS

19 5. The People's Complaint alleges that, through marketing, advertising, distributing,
20 and selling Rainbow Light Prenatal Vitamins to California consumers, Defendants have engaged
21 in unfair competition in violation of Business and Professions Code section 17200 et seq. and
22 false or misleading advertising in violation of Business and Professions Code section 17500 et
23 seq. by making and disseminating untrue or misleading statements about the presence and
24 amounts of Heavy Metals in their Rainbow Light Prenatal Vitamins. Defendants neither confirm
25 nor deny this allegation. The People have not alleged in this Complaint that any Rainbow Light
26 Prenatal Vitamins exceed the NSRL or MADL pursuant to California's Safe Drinking Water and
27 Toxic Enforcement Act of 1986 ("Proposition 65"), California Health & Safety Code Section
28 25249.5 et seq.

1 **INJUNCTIVE RELIEF**

2 6. Pursuant to Business and Professions Code sections 17203, 17204, 17535, and the
3 Court's inherent equitable powers, Defendants, and each of their agents, employees, officers,
4 representatives, partners, and any person acting in concert or in participation with them, agree
5 that, immediately upon entry of the Stipulated Judgment in this action (the "Effective Date"), they
6 will be permanently enjoined from:

- 7 a. Violating California Business and Professions Code section 17200 et seq., by
8 engaging in unlawful business practices related to false or misleading
9 advertising about the presence or amounts of Heavy Metals contained in
10 Rainbow Light Prenatal Vitamins;
- 11 b. Violating California Business and Professions Code section 17500 et seq., by
12 making or disseminating, or causing to be made or disseminated, any untrue or
13 misleading statements about the presence or amounts of Heavy Metals
14 contained in Rainbow Light Prenatal Vitamins;
- 15 c. Making any advertising claim concerning any Heavy Metal related to any
16 Rainbow Light Prenatal Vitamins unless, at the time such claim is made,
17 Defendants have competent and reliable scientific evidence that supports the
18 claim; and
- 19 d. Failing to include as a mandatory term of any transfer of any ownership or
20 control of any Rainbow Light Prenatal Vitamins or the "Rainbow Light" brand
21 name or Rainbow Light, LLC, whether by merger, sale, assignation, or any
22 other form of transfer of ownership or control, that all successors or assignees
23 of any Rainbow Light Prenatal Vitamins or the "Rainbow Light" brand name
24 or Rainbow Light, LLC must abide by the terms of the Stipulated Judgment.

25 7. Pursuant to Business and Professions Code sections 17203, 17204, 17535, and the
26 Court's inherent equitable powers, Defendants, and each of their agents, employees, officers,
27 representatives, partners and any person acting in concert or in participation with them, further
28 agree that for a period of three (3) years following entry of the Stipulated Judgment, at six month

1 intervals commencing within 90 days of the Effective Date (“Biannual Tests”), Defendants
2 shall randomly select Rainbow Light Prenatal Vitamins for lead testing from at least three of the
3 most recently produced lots of each such product, and shall test at least three separate randomly
4 selected samples from each of those lots. Both the lots and the samples shall be randomly
5 selected using a pseudorandom number generator that is generally accepted as valid in the
6 scientific field of statistics, or by any other method reasonably acceptable to the Los Angeles City
7 Attorney. To the extent Defendants produce fewer than three lots of any Rainbow Light Prenatal
8 Vitamin during the preceding six month period, Defendants need only randomly sample such
9 Rainbow Light Prenatal Vitamin from the lots produced within the preceding six months.
10 Samples will be tested for lead in a laboratory that meets the requirements set forth in Title 27
11 California Code of Regulations section 25900(b). Defendants shall provide any test results and
12 related documentation, including any written procedures for complying with this Paragraph of the
13 Stipulated Judgment, to the People twice a year to the Supervising Deputy City Attorney of the
14 Los Angeles City Attorney’s Office’s Consumer Protection Unit, and shall retain all test results
15 and documentation for Rainbow Light Prenatal Vitamins for a period of four (4) years from the
16 date of the test.

17 a. If the Biannual Testing results for any Rainbow Light Prenatal Vitamins exceed
18 0.2 micrograms per day (0.2 µg/day) for lead, based on the arithmetic mean
19 result obtained from the testing of each Rainbow Light Prenatal Vitamins
20 product, Defendants agree to take the following steps:

21 i. Notify the People within a reasonable amount of time following the test
22 results, not to exceed 14 days;

23 ii. Commence an internal investigation to determine whether the results of
24 the Biannual Testing can be attributed to any specific cause;

25 iii. Meet-and-confer with the People within 45 days following the initial
26 notification to provide a progress report on the internal investigation; and

27 iv. For any Rainbow Light Prenatal Vitamins product that tests higher than
28 0.2 µg/day for lead pursuant to the Biannual Testing conducted as

1 described in this Paragraph 7, Defendants agree to produce and test a
2 newly manufactured lot of the Rainbow Light Prenatal Vitamins product
3 that does not contain lead in excess of 0.2 µg/day within 120 days.

4 **MONETARY RELIEF**

5 **Rainbow Light Prenatal Vitamin Restitution Fund**

6 8. Pursuant to Business and Professions Code sections 17203 and 17535, Defendants
7 agree to pay restitution in the amount of one million five hundred thousand dollars (\$1,500,000)
8 into a Rainbow Light Prenatal Vitamin Restitution Fund, to be administered by an independent
9 third-party claims processor chosen at the discretion of the People and paid for by Defendants
10 (“Third-Party Claims Processor”).

11 9. Defendants shall pay the Third-Party Claims Processor for the services it provides
12 to administer the Rainbow Light Prenatal Vitamin Restitution Fund program in an amount that
13 shall not exceed one hundred thousand dollars (\$100,000). None of the costs for the Third-Party
14 Claims Processor shall be deducted from or chargeable to the Rainbow Light Prenatal Vitamin
15 Restitution Fund, but must be paid by Defendants.

16 10. For a period of fourteen (14) months following the entry of this Stipulated
17 Judgment, the Third-Party Claims Processor will make equitable payments from this Rainbow
18 Light Prenatal Vitamin Restitution Fund to eligible consumers who have purchased Rainbow
19 Light Prenatal Vitamins within the State of California between July 28, 2015, and the date of
20 entry of this Stipulated Judgment (the “Restitution Time Period”).

21 11. The Third-Party Claims Processor shall develop a notice process, to be approved
22 by the People and paid for by Defendants, that is designed to reach consumers in California
23 potentially entitled to restitution from the Rainbow Light Prenatal Vitamin Restitution Fund.
24 Defendants agree that, pursuant to this notice process, they shall provide information to the Third-
25 Party Claims Processor sufficient to assist with the claims process, including but not limited to
26 information about retailers and distributors who have sold or distributed Rainbow Light Prenatal
27 Vitamins in California. Defendants further agree that, pursuant to this notice process, they will
28 clearly and conspicuously state, on a page open to public view at www.rainbowlight.com, that: (i)

1 as part of a settlement Defendants have reached with the People, eligible consumers who
2 purchased Rainbow Light Prenatal Vitamins during the Restitution Time Period may be entitled
3 to restitution from the Rainbow Light Prenatal Vitamin Restitution Fund, and (ii) provide
4 information on this page about how consumers may submit restitution claims to the Third-Party
5 Claims Processor. The amount of restitution paid to an individual consumer shall not exceed the
6 total cost of all Rainbow Light Prenatal Vitamins purchased by that consumer during the
7 Restitution Time Period.

8 12. Defendants agree that the People may apply to the Court as necessary for further
9 specific orders, if any, required to effectuate the distribution of the Rainbow Light Prenatal
10 Vitamins Restitution Fund after having given notice to Defendants.

11 13. At the conclusion of the earlier of either fourteen (14) months following the entry
12 of this Stipulated Judgment or on the date on which the People determine that the claims process
13 has been completed, any funds remaining undisbursed in the Rainbow Light Prenatal Vitamin
14 Restitution Fund shall be donated to the Children's Hospital Los Angeles' Institute for Maternal
15 and Fetal Health, to be used for the benefit of prenatal and maternal health.

16 **Civil Penalties**

17 14. Defendants are each jointly and severally liable to pay civil penalties in this
18 Enforcement Action pursuant to the UCL and the FAL in the total amount of one hundred thirty
19 thousand dollars (\$130,000), and shall make payment of these civil penalties in accordance with
20 Business and Professions Code sections 17206 and 17536, in accordance with the following
21 schedule:

22 a. No later than twenty-one (21) days after the entry of the Stipulated Judgment,
23 Defendants shall deliver payments totaling one hundred thirty thousand dollars
24 (\$130,000), in the sums of: (i) sixty-five thousand dollars (\$65,000), payable to
25 "City of Los Angeles," and (ii) sixty-five thousand dollars (\$65,000), payable to
26 "Los Angeles County Treasurer and Tax Collector."

27 15. Defendants shall deliver the payments referenced in Paragraph 14 of this
28 Stipulated Judgment in cashier's checks, wire transfers, or other certified funds delivered by

1 overnight mail or courier to: Christina Tusan, Supervising Deputy City Attorney, Office of the
2 Los Angeles City Attorney, Criminal and Special Litigation Branch, 200 N. Main Street, 500 City
3 Hall East, Los Angeles, California 90012-4131.

4 **Costs and Fees**

5 16. Defendants agree to pay investigative costs and fees in this Enforcement Action in
6 the amount of twenty thousand dollars (\$20,000), and shall make and deliver payment of these
7 costs and fees, payable to "City of Los Angeles," no later than twenty-one (21) days after the
8 entry of the Stipulated Judgment, in cashier's checks, wire transfers, or other certified funds
9 delivered by overnight mail or courier to: Christina Tusan, Supervising Deputy City Attorney,
10 Office of the Los Angeles City Attorney, Criminal and Special Litigation Branch, 200 N. Main
11 Street, 500 City Hall East, Los Angeles, California 90012-4131.

12 **RETENTION OF JURISDICTION AND ENFORCEMENT**

13 17. Pursuant to California Code of Civil Procedure section 664.6 and the Court's
14 inherent authority, the Court shall retain jurisdiction over this Enforcement Action to entertain
15 such further proceedings and enter such further orders as may be necessary or appropriate to
16 enforce the Stipulated Judgment. The People shall retain exclusive jurisdiction to enforce the
17 terms of this Stipulated Judgment.

18 18. Defendants shall be jointly and severally liable for reasonable attorneys' fees and
19 costs incurred by the People for the enforcement of any violation of the injunction set forth in this
20 Stipulated Judgment.

21
22 **IT IS SO ORDERED** this ___ day of August ___, 2019.

23
24 _____
25 HONORABLE JUDGE OF THE SUPERIOR COURT
26
27
28