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FILED
LOS ANGELES SUPERIOR COURT

APR 29 2008
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15
16 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

17 FOR THE COUNTY OF LOS ANGELES

18
19 PEOPLE OF THE STATE OF CALIFORNIA, ex
 rel. EDMUND G. BROWN JR., Attorney
 20 General, and ROCKARD J. DELGADILLO,
 Los Angeles City Attorney,

CASE NO. BC352402

**[REDACTED] CONSENT
JUDGMENT**

21 Plaintiffs,

22 v.

23 THE COCA-COLA COMPANY and Does 1
 24 through 150, inclusive,

25 Defendant.
26
27
28

[REDACTED] CONSENT JUDGMENT

1 Plaintiffs, the People of the State of California, ex rel. Edmund G. Brown Jr., Attorney
2 General; and Rockard J. Delgadillo, Los Angeles City Attorney ("Plaintiffs" or "People"); and
3 defendant, The Coca-Cola Company ("Defendant" or "TCCC") enter into this Consent Judgment
4 as follows:

5 **1. Introduction**

6 1.1 On May 15, 2006, the People filed their complaint, captioned *People of the State of*
7 *California v. The Coca-Cola Company*, Case No. BC 352402 in the Los Angeles County Superior
8 Court. Plaintiffs allege that Defendant violated the California Safe Drinking Water and Toxic
9 Enforcement Act, California Health & Safety Code section 25249.5 *et seq.* ("Proposition 65"),
10 Business & Professions Code section 17200 *et seq.* ("Unfair Competition Law") and Business &
11 Professions Code section 17500 *et seq.* ("False Advertising Law") by exposing California
12 consumers to lead and cadmium through the manufacture, distribution and sale of beverages
13 bottled in Mexico in refillable, returnable glass bottles with exterior colored decorations that
14 contain lead and cadmium, without first providing "clear and reasonable" warnings. Plaintiffs
15 further allege that "Mexico Coke," as defined in Subsection 2.11 herein, contains detectable
16 amounts of lead and cadmium. Lead and cadmium are listed under Proposition 65 as "chemical[s]
17 known to the State of California to cause cancer and birth defects or other reproductive harm."

18 1.2 The People filed their complaint after commencing their own investigation,
19 examining the "Sixty-Day Notice of Violation" (the "Notice") that Dr. Whitney R. Leeman
20 ("Dr. Leeman") served on public enforcement agencies and Defendant, and engaging in
21 discussions with Dr. Leeman, who had undertaken efforts to investigate and document exposures
22 to lead and cadmium from Mexico Coke in refillable, returnable glass bottles. On July 21, 2006,
23 Dr. Leeman filed a complaint in intervention seeking recovery of her attorneys' fees and costs
24 incurred prior to the filing of the Plaintiff's complaint. On February 22, 2008, the People filed an
25 amended complaint in Los Angeles Superior Court, alleging the same causes of actions as their
26 original complaint (both complaints will be collectively referred to herein as the "Complaint").

27 1.3 Defendant employs ten or more persons and is a person in the course of doing
28 business for purposes of Proposition 65.

1 1.4 Plaintiffs and Defendant have negotiated settlement of this matter based on the
2 following understanding: Defendant asserts that it does not intend Mexico Coke in refillable,
3 returnable glass bottles to be sold in California; that if such bottles are sold in California, it is in
4 violation of TCCC's Standard International Bottler's Agreement and that such products are
5 imported into the United States and distributed and sold in California without TCCC's consent or
6 authorization, and despite TCCC's long-standing effort to stop such unauthorized sales.
7 Defendant further asserts that it has introduced a Coca-Cola™ product, intended to displace
8 unauthorized Mexico Coke from the California market, that is bottled in Mexico and authorized
9 for sale in California ("Authorized Mexico Coke") in non-refillable glass bottles with Decoration
10 that is "Cadmium Free" and "Lead Free" as those terms are defined in Sections 2.2, 2.5 and 2.9 of
11 this Consent Judgment.

12 1.5 For purposes of this Consent Judgment only, the parties stipulate that (a) this Court
13 has jurisdiction over the allegations of violations contained in the Complaint and the Notice, (b)
14 this Court has personal jurisdiction over Defendant for the purposes of enforcing the terms of this
15 Consent Judgment, (c) venue is proper in the County of Los Angeles, and (d) this Court has
16 jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations
17 contained in the Complaint, and of all claims which were or could have been raised by any person
18 or entity based in whole or in part, directly or indirectly, on the facts alleged in the Notice and the
19 Complaint, or arising therefrom or related thereto. Defendant agrees not to challenge or object to
20 entry of this Judgment by the Court unless Plaintiffs have notified Defendant in writing that
21 Plaintiffs no longer support entry of this Consent Judgment or that Plaintiffs seek to modify or
22 support modification of this Judgment, in which case Defendant may, at its option, withdraw from
23 this Consent Judgment. Defendant agrees not to challenge this Court's jurisdiction to enforce the
24 terms of this Consent Judgment once it has been entered.

25 1.6 Defendant disputes the allegations of the Complaint and the Notice, and contends
26 that Defendant's conduct and all products authorized to be sold under Defendant's trademarks in
27 California comply with all applicable laws, including Proposition 65 and the Unfair Competition
28 Law. However, the Parties enter into this Consent Judgment pursuant to a settlement of certain

1 disputed claims between the Parties as alleged in the Complaint and Notice, for the purpose of
2 avoiding prolonged and costly litigation, and to resolve all claims arising from the facts alleged in
3 the Complaint and Notice. By execution of this Consent Judgment, the Defendant does not admit
4 any fact, conclusion of law, or violation of law, including, but not limited to, any violations of
5 Proposition 65, the Unfair Competition Law or any other statutory, regulatory, common law or
6 equitable requirements. Neither this Consent Judgment, nor the Parties' compliance with this
7 Judgment, shall be construed as an admission by Defendant of any fact, conclusion of law, issue
8 of law or violation of law. Except as explicitly set forth herein, nothing in this Consent Judgment
9 shall prejudice, waive or impair any right, remedy, argument or defense the Parties may have in
10 this or any other pending or future legal proceedings; nor shall anything in this Consent Judgment
11 preclude the People from opposing any such defense or argument. Nevertheless, Defendant's
12 obligations, responsibilities and duties shall remain as set forth in this Consent Judgment unless
13 (a) a modification has been entered by a court of law as set forth in Section 13 (Modification),
14 below; or (b) the Court has terminated this Consent Judgment pursuant to Section 6 (Termination
15 of Judgment for Repeated or Severe Violations), below.

16 **2. Definitions**

17 For the purposes of this Consent Judgment, the following terms shall have the indicated
18 meanings:

19 2.1 "Beverage Bottle" refers to all Refillable Bottles and Non-Refillable Bottles, as
20 those terms are defined herein.

21 2.2 "Cadmium Free" shall mean either (a) Decoration that contains forty-eight one-
22 hundredths percent (0.48%) cadmium by weight or less, as measured either before or after the
23 Decoration is fired onto (or otherwise affixed to) the Beverage Bottle, using a sample size of the
24 materials in question measuring approximately 50-100 milligrams ("mg") and a test method of
25 sufficient sensitivity to establish a limit of quantitation of less than 600 parts per million ("ppm")
26 or (b) the NIOSH Method No. 9100 test of the Decoration of the Beverage Bottle results in
27 8.0 micrograms of cadmium or less per sample, provided that the Attorney General, after receipt
28 of a written request from Defendant, expressly approves the use of this method based on a

1 showing by Defendant that the standard is expected to be met after the Refillable Bottles have
2 been reused. The Attorney General's approval shall not be unreasonably withheld, and
3 notification of approval shall be provided within thirty (30) days of the Attorney General's receipt
4 of Defendant's request, absent a written explanation of the defects in Defendant's data, analysis or
5 results.

6 2.3 "Compliance Documentation" shall mean the certifications and reports that
7 Defendant is required to submit pursuant to the provisions of Section 3 of this Consent Judgment
8 (Injunctive Relief).

9 2.4 "Covered Products" shall mean all carbonated beverages bottled under the
10 authority of TCCC outside of the United States in Refillable Bottles and marketed under
11 trademarks owned or licensed by TCCC, including, but not limited to, Mexico Coke. "Covered
12 Products" includes the beverage contained within the Refillable Bottle, as well as the Refillable
13 Bottle itself. Covered Products shall not include beverages bottled in the United States.

14 2.5 "Decoration" shall mean the label and any other material that is painted on or
15 affixed to a Beverage Bottle.

16 2.6 "Effective Date" of this Consent Judgment shall be December 31, 2006.

17 2.7 "Independent Food Processing Auditor" shall mean an auditing company that
18 (a) has extensive knowledge of good manufacturing practices in the food processing industry and
19 significant experience in inspecting food processing facilities to ensure compliance with good
20 manufacturing practices, (b) has provided a resume of its qualifications to the Attorney General,
21 and (c) has received the Attorney General's approval to conduct the Lead GMP Audits required by
22 Subsection 3.1.9 of this Consent Judgment. For purposes of this Consent Judgment, the following
23 auditors are deemed approved by the Attorney General as Independent Food Processing Auditors:
24 Lloyd's Register Quality Assurance, SGS, and the American Institute of Baking International.
25 Defendant retains the right to seek the Attorney General's approval of an Independent Food
26 Processing Auditor other than those listed above. If the Attorney General approves another
27 Independent Food Processing Auditor, Defendant is not required to retain one of the Independent
28 Food Processing Auditors identified in this Section 2.7.

1 2.8 “Independent Compliance Auditor” shall mean the Independent Food Processing
2 Auditor or such other auditing firm that (a) has experience in auditing and verifying industrial
3 practices in the food processing industry, (b) has provided a resume of its qualifications to the
4 Attorney General, and (c) has received the Attorney General’s approval to conduct the Interim and
5 Final Compliance Audits required by Subsection 3.1.4 of this Consent Judgment. For purposes of
6 this Consent Judgment and in addition to the auditors deemed approved in Section 2.7, the
7 following auditor is deemed approved by the Attorney General as an Independent Compliance
8 Auditor: Exponent. Defendant retains the right to seek the Attorney General’s approval of an
9 Independent Compliance Auditor other than those identified in this Section and in Section 2.7 and
10 is not required to retain one of the pre-approved entities.

11 2.9 “Lead Free” shall mean either (a) Decoration that contains six one-hundredths
12 percent (0.06%) lead by weight or less, as measured either before or after the Decoration is fired
13 onto (or otherwise affixed to) the Beverage Bottle, using a sample size of the materials in question
14 measuring approximately 50-100 mg and a test method of sufficient sensitivity to establish a limit
15 of quantitation of less than 600 ppm, or (b) the NIOSH Method No. 9100 test of the Decoration on
16 the Beverage Bottle results in 1.0 microgram of lead or less per sample, provided that the Attorney
17 General, after receipt of a request from Defendant, expressly approves the use of this method
18 based on a showing by Defendant that the standard is expected to be met after the Refillable
19 Bottles have been reused. The Attorney General’s approval shall not be unreasonably withheld,
20 and notification of approval shall be provided within 30 days of the Attorney General’s receipt of
21 Defendant’s request, absent a written explanation of the defects in Defendant’s data, analysis or
22 results.

23 2.10 “Mexico Bottler” shall mean any bottling facility located in Mexico authorized by
24 TCCC to manufacture, distribute or sell Mexico Coke. A complete list of all Mexico Bottlers is
25 provided as Exhibit A. TCCC shall provide an updated version of this list to the Attorney General
26 upon request and annually, for five years, on the anniversary of the Effective Date.

27 2.11 “Mexico Coke” shall mean any Coca-Cola™, Coca-Cola Light™, Fanta™,
28 Sprite™, or Fresca™ branded products bottled by a Mexico Bottler. The definition of “Mexico

1 Coke" is limited to these five brands of carbonated soda based upon TCCC's representation that it
2 is unaware of any other brands of Covered Products from Mexico that have been widely-
3 distributed in California within the last two years preceding the Effective Date of this Consent
4 Judgment.

5 2.12 "Non-Refillable Bottles" shall mean the glass bottles that are explicitly marked "No
6 *Retornable*", "*Reciclable*", "*Recyclable*" or "No Refill" or are otherwise intended, designated or
7 marked to indicate that the bottles are designed to be recycled, or otherwise disposed of, after one
8 use.

9 2.13 "Old Decorated Bottles" shall mean Refillable Bottles that bear Decoration that is
10 not Lead Free.

11 2.14 "Parties" shall mean Plaintiffs, the People of the State of California, ex rel.
12 Edmund G. Brown Jr., Attorney General, and Rockard J. Delgadillo, Los Angeles City Attorney;
13 and Defendant, The Coca-Cola Company.

14 2.15 "Refillable Bottle" shall mean the glass bottles that are explicitly marked
15 "*Retornable*" or "*Refillable*", or are otherwise intended, designated or marked to indicate that the
16 bottles are designed to be returned to be refilled.

17 **3. Injunctive Relief**

18 3.1 Lead and Cadmium Reduction Measures. The Parties agree that compliance with
19 the injunctive relief requirements set forth below at the times set forth below will reduce the lead
20 and cadmium content in Mexico Coke to levels sufficiently low that no warnings are required.
21 The Parties agree that the Covered Products shall be deemed to comply with Proposition 65 with
22 respect to lead and cadmium beginning immediately and continuing so long as Defendant
23 complies and remains in compliance with the requirements of Subsections 3.1.1 through 3.1.11.

24 3.1.1 Lead Free Decorations on Non-Refillable Bottles. As of the Effective
25 Date, all Decoration on Non-Refillable Bottles of Mexico Coke will be Lead Free. Within
26 60 days following the entry of this Judgment, Defendant will supply Plaintiffs with written
27 certification, in a form satisfactory to the Attorney General, that it has complied with this
28 requirement.

1 3.1.2 Lead Free Decorations on Newly-made Refillable Bottles. All Decoration
2 on Refillable Bottles of Mexico Coke manufactured on or after the Effective Date will be Lead
3 Free. Within 60 days following entry of this Judgment, Defendant will supply Plaintiffs with
4 written certification, in a form satisfactory to the Attorney General, that it has complied with this
5 requirement.

6 3.1.3 Cadmium Free Decorations on Newly-made Refillable Bottles. All
7 Decoration on Beverage Bottles of Mexico Coke manufactured on or after the third annual
8 anniversary of (i.e., three years from) the Effective Date will be Cadmium Free. Within 60 days
9 after such third anniversary date, Defendant will supply Plaintiffs with written certification, in a
10 form satisfactory to the Attorney General, that it has complied with this requirement.

11 3.1.4 Phase-out of Old Decorated Bottles of Mexico Coke. All Decoration on
12 Beverage Bottles of Mexico Coke that are filled on or after the fifth anniversary of the Effective
13 Date will be Lead Free as further described in this Subsection 3.1.4 and the Final Compliance
14 Audit set forth in Subsection 3.1.4(B). For purposes of demonstrating interim and ultimate
15 compliance with Subsection 3.1.4, Defendant shall conduct compliance audits to confirm the
16 phase-out of Old Decorated Bottles ("Compliance Audits"). The Compliance Audits shall be
17 conducted in accordance with the sampling and analytical protocol set forth as Exhibit B to this
18 Consent Judgment, unless Defendant or the Independent Compliance Auditor recommends and
19 the Attorney General agrees to an alternative protocol that is equally reliable. Before each
20 Compliance Audit is conducted, the Independent Compliance Auditor shall consult with the
21 Attorney General, the City Attorney and the Attorney General's designees, regarding the
22 Compliance Audit, the application of the sampling protocol, results of the pilot study and related
23 analyses. At the conclusion of each such consultation, Defendant shall compensate the Attorney
24 General's designee(s) for consulting with the Independent Compliance Auditor, in a dollar
25 amount approved by the by the Attorney General, provided that the aggregate amount that
26 Defendant must pay for all consultations required by this subparagraph 3.1.4 shall not exceed
27 \$6,000.

28

1 A. Interim Compliance Audit. The Interim Compliance Audit shall be
2 conducted within 34 months after the Effective Date pursuant to the protocol attached as
3 Exhibit B. Defendant shall provide the Parties with a report from the Independent Compliance
4 Auditor of its findings (the "Interim Compliance Audit Report") in accordance with the protocol
5 in Exhibit B within 60 days of completion of the Interim Compliance Audit.

6 B. Final Compliance Audit. The Final Compliance Audit shall be
7 conducted within 62 months following the Effective Date pursuant to the protocol attached as
8 Exhibit B for the purpose of confirming that Decoration on Refillable Bottles of Mexico Coke is
9 Lead Free. Within 60 days of the Final Compliance Audit, Defendant shall provide the Parties
10 with a report from the Independent Compliance Auditor of its findings ("Final Compliance Audit
11 Report") in accordance with the protocol in Exhibit B. If the Final Compliance Audit Report
12 confirms that Decoration on 95% of Refillable Bottles of Mexico Coke is Lead Free as defined in
13 Section 2.9, TCCC shall be in compliance with this Subsection 3.1.4. In the event that the Final
14 Compliance Audit Report demonstrates Defendant is not in compliance with this Subsection,
15 TCCC will (1) be subject to the penalty set forth at Section 4.4, (2) submit with its Final
16 Compliance Audit Report a plan for achieving compliance within six months, and (3) submit
17 within 72 months following the Effective Date a Supplemental Final Compliance Audit Report
18 demonstrating compliance. Failure to satisfy the requirements in (2) and (3) of this Subsection
19 3.1.4(B) and to pay any penalty imposed pursuant to Section 4.4 may be grounds for Plaintiffs to
20 make a motion seeking termination of the Consent Judgment pursuant to Section 6 (Termination
21 of Judgment for Repeated or Severe Violations).

22 3.1.5 No Increase in Cadmium Levels. Existing cadmium levels in the
23 Decoration on Refillable Bottles of Mexico Coke will not increase as a result of the transition
24 from the current Decoration to Lead Free Decoration. Within 60 days following entry of this
25 Judgment, Defendant will supply Plaintiffs with written certification, in a form satisfactory to the
26 Attorney General, that it has complied with this requirement.

27 3.1.6 No Decorations in Lip and Rim Area. As of the Effective Date, no
28 Beverage Bottles will have Decoration in the top 20 millimeters of the Beverage Bottle. Within

1 60 days following the entry of this Judgment, Defendant will supply Plaintiffs with written
2 certification, in a form satisfactory to the Attorney General, that all Mexico Bottlers have
3 complied with this requirement.

4 3.1.7 Lead Reduction Processes. On or before the Effective Date, Defendant
5 will have implemented for Refillable Bottles of Mexico Coke the following lead reduction
6 practices at each Mexico Bottler:

7 A. An ethylenediaminetetraacetic acid ("EDTA") process, which will
8 not leave any detectable residue of EDTA at a 100 parts per billion ("ppb") limit of detection.
9 Use of the EDTA process will continue until the earliest of the following: (1) TCCC and the
10 Attorney General mutually agree that its use is no longer necessary; (2) TCCC and the Attorney
11 General mutually agree that a superior alternative should be substituted; or (3) TCCC submits a
12 successful Final Compliance Audit Report required by Subsection 3.1.4(B).

13 B. Use of a maximum level of 10 ppb lead for incoming ingredient
14 water, as well as the raw water used in the final rinse.

15 C. Use of specifications requiring that bottle closures have no
16 intentionally added lead and a maximum level of 100 ppm lead by weight.

17 Within 60 days following entry of this Judgment Defendant shall supply Plaintiffs with
18 written certification, in a form satisfactory to the Attorney General, that all Mexico Bottlers have
19 complied with the requirements of this Subsection 3.1.7.

20 3.1.8 Supply Chain Inspection and Communication Programs. Defendant agrees
21 to conduct the retail inspection and communication activities throughout California set forth in
22 this Subsection 3.1.8. TCCC shall conduct three annual enforcement surveys for the purpose of
23 reducing the number of Old Decorated Bottles of Covered Products sold in California, including
24 Covered Products that may be imported from countries other than Mexico. As a part of the
25 enforcement survey, TCCC, or its agents, will use best efforts to purchase, exchange or otherwise
26 replace ("Purchase") any Old Decorated Bottles of Covered Product discovered in the course of
27 the surveys. TCCC shall appropriately compensate all entities that surrender a Covered Product
28 pursuant to this Subsection 3.1.8, whether through payment of the market price or otherwise.

1 A. First Survey. The first enforcement survey shall take place no later
2 than 30 days following entry of this Judgment. An enforcement survey conducted in accordance
3 with the criteria of this section, after September 1, 2007, and before entry of this Judgment will
4 satisfy this requirement. TCCC will (1) inspect no fewer than a combined total of 200 retail
5 outlets and/or distributors, including at least fifty (50) retailers throughout California that are
6 known to sell, or, based on their customer population, may sell Old Decorated Bottles of Covered
7 Products that are imported from India or the Philippines ("I/P Old Decorated Bottles") and
8 Purchase all Old Decorated Bottles of Covered Products located at those establishments, and (2)
9 Purchase no fewer than 50,000 Old Decorated Bottles of Covered Products (including those
10 collected pursuant to paragraph (A)(1) of this Subsection 3.1.8). TCCC shall divide its
11 enforcement survey approximately equally among the following counties, which were selected by
12 the Attorney General: San Bernardino, Riverside, Los Angeles, Fresno and Monterey (e.g., a
13 combined total of approximately 40 retailers and/or distributors in each county). If Defendant
14 believes it will be unable to satisfy both Subsections 3.1.8(A)(1) and (A)(2) within the five
15 counties selected by the Attorney General, Defendant may request that the Attorney General
16 identify additional counties to be surveyed. In the event that TCCC is unable to Purchase 50,000
17 Old Decorated Bottles after visiting 200 retail outlets and/or distributors, TCCC will visit an
18 additional 50 retail outlets and/or distributors with like characteristics to those at which TCCC
19 has found Covered Products. If TCCC cannot Purchase the 50,000 bottles after visiting 250
20 outlets, TCCC will notify the Attorney General and, unless the Attorney General objects, TCCC
21 will be excused from the requirement of Subsection 3.1.8(A)(2). If the Attorney General objects,
22 he may specify an additional 50 outlets in one county that TCCC is required to visit in order to
23 satisfy the requirements of this Subsection.

24 B. Subsequent Surveys. The second and third enforcement surveys
25 must each take place no later than the one-year anniversary of completion of the prior survey. In
26 each such survey, TCCC must either (1) inspect no fewer than a combined total of 200 retail
27 outlets and/or distributors, including at least fifty (50) retailers or distributors who may sell I/P
28 Old Decorated Bottles, and Purchase all bottles of Old Decorated Bottles of Covered Products

1 located at those establishments, or (2) Purchase no fewer than 50,000 bottles of such Covered
2 Products (including those collected pursuant to Subsection 3.1.8(B)(1). TCCC shall divide its
3 enforcement surveys approximately equally among each of five specific counties approved by the
4 Attorney General but may request that the Attorney General identify additional or different
5 counties to be surveyed.

6 C. Communication to Retailers and Distributors. Within thirty (30)
7 days after entry of this Judgment, Defendant will provide written information, in English and
8 Spanish, to all retailers and distributors at which Defendant has found Old Decorated Bottles of
9 Covered Product in the period beginning one year prior to the Effective Date and ending the date
10 Judgment is entered. The information will inform the recipient that the product is not authorized
11 by The Coca-Cola Company for sale in the United States and will include information about the
12 alternative products available from Defendant that meet the terms of this Judgment, as
13 appropriate. Defendant will also provide this information in writing, within two months of each
14 survey completion, via certified U.S. Mail, to all retailers and distributors identified by TCCC
15 during that survey, or by the Parties, as sellers of Old Decorated Bottles of Covered Products,
16 including I/P Old Decorated Bottles. The sample communication attached to this Consent
17 Judgment as Exhibit C is deemed to satisfy the information requirements of this Subsection when
18 communicated as described herein. The Defendant may, however, provide different
19 communication so long as it meets the criteria of this Subsection and is approved by the Attorney
20 General.

21 D. Report to the Attorney General. TCCC will report the results of
22 each enforcement survey to the Plaintiffs, in a form satisfactory to the Attorney General. The
23 report to the Plaintiffs shall be provided via U.S. Mail within 30 days of the completion of the
24 enforcement survey. On request, Defendant will provide the Attorney General with copies of any
25 correspondence it has sent to retailers pursuant to this Section.

26 E. Surveillance Activities. If surveillance by the Attorney General or
27 his designees reveals the presence of Old Decorated Bottles imported from Mexico, or similar
28 bottles imported from any other country, for sale in California, the party conducting the

1 surveillance may do one or both of the following: (1) draw the retailer's attention to the Old
2 Decorated Bottles and provide the retailer with a copy of a letter, from Attorney General and on
3 California Department of Justice letterhead, that is substantially similar to the letter attached
4 hereto as Exhibit C and/or (2) provide the name and address of the retailer to Defendant via
5 certified U.S. Mail at the address identified in Section 18 (Notices). If Defendant is informed,
6 pursuant to this Subsection, that a retailer is selling Old Decorated Bottles, Defendant shall
7 provide the retailer with the information required in Subsection 3.18(C) via certified U.S. Mail
8 within 10 days of notice to Defendant.

9 3.1.9 Independent Food Processing Auditor. Defendant will retain one or more
10 Independent Food Processing Auditors to conduct audits of the Mexico Bottlers in partnership
11 with the TCCC Global Quality Audit Team to ensure that the Mexico Bottlers are employing
12 good manufacturing practices so that lead is not added to the Mexico Coke in the manufacturing
13 process ("Lead GMPs"). This audit shall be conducted according to the standards and procedures
14 set forth in Exhibit D ("Lead GMP Audit"). Before the first and second Lead GMP Audits are
15 commenced, the Independent Food Processing Auditor shall consult with the Attorney General
16 and the City Attorney, or their designee regarding the application of the Lead GMPs in the audit
17 process. At the conclusion of each such consultation, Defendant shall compensate the Attorney
18 General's designee(s) for consulting with the auditing team, in a dollar amount approved by the
19 by the Attorney General, provided that the aggregate amount that Defendant must pay for all
20 consultations required by this subparagraph 3.1.9 shall not exceed \$4,000.00.

21 3.1.10 First Lead GMP Audit. The first Lead GMP Audit of all Mexico Bottlers
22 shall be completed by September 15, 2008, with the Lead GMP Audits of at least five (5) Mexico
23 Bottlers occurring before the first anniversary of the Effective Date. Within 60 days of
24 completion of the first Lead GMP Audit, Defendant shall provide the Attorney General with a
25 written report from the Independent Food Processing Auditor that the first audits of all Mexico
26 Bottlers have been completed and has achieved Lead GMPs, or each Mexico Bottler who has not
27 complied has an acceptable and effective corrective action plan in place.

1 3.1.11 Subsequent Lead GMP Audits. Before November 15, 2009, the TCCC
2 Global Quality Audit Team, or, at the option of TCCC, an Independent Food Processing Auditor
3 shall audit each of the Mexico Bottlers to confirm that each bottler has implemented the Lead
4 GMPs as set forth in Exhibit D. In addition, if the Independent Food Processing Auditor has
5 found, during the first Lead GMP Audits, that a Mexico Bottler requires a corrective action plan
6 for achieving Lead GMPs, the Attorney General may require the presence of the Independent
7 Food Processing Auditor during the subsequent audits of such bottler until Lead GMPs have been
8 demonstrated through the audit process. Within sixty (60) days of completion of the second Lead
9 GMP Audits, Defendant shall provide the Attorney General with a report from the TCCC Global
10 Quality Audit Team and, if applicable, the Independent Food Processing Auditor that the second
11 audits for each Mexico Bottler have been completed and that each Mexico Bottler is complying
12 with this Consent Judgment and has achieved Lead GMPs, or that each Mexico Bottler who has
13 not, has an acceptable and effective corrective action plan in place. The third Lead GMP Audit
14 shall be completed no later than November 15, 2010. The third audit shall be conducted by the
15 TCCC Global Quality Audit Team or, at TCCC's option, an Independent Food Processing
16 Auditor, except that if either the Independent Food Processing Auditor or the TCCC Global
17 Quality Audit Team has found, during the second Lead GMP Audit, that a Mexico Bottler
18 requires a corrective action plan for achieving compliance with Lead GMPs, the Attorney General
19 may require the presence of the Independent Food Processing Auditor during the third audit of
20 such bottler. In addition, the Attorney General may require that the Independent Food Processing
21 Auditor be present at the Lead GMP Audits of four additional Mexico Bottlers selected by the
22 Attorney General. Within sixty (60) days of completion of the third Lead GMP Audit, Defendant
23 shall provide the Attorney General with a report from the TCCC Global Quality Audit Team, and
24 if applicable, the Independent Food Processing Auditor, that (a) the third audits for each Mexico
25 Bottler have been completed and that the Mexico Bottlers are in compliance with all Lead GMPs
26 and all injunctive relief terms set forth in this Consent Judgment and (b) the applicable
27 requirements of this Consent Judgment and the lead reduction factors identified through the
28 auditing process have been integrated into the TCCC Global Quality Audit Team's ongoing

1 internal auditing practices for Mexico Bottlers and will be implemented as a module of each
2 subsequent periodic audit (which shall be conducted at least once every 18 months) of the Mexico
3 Bottlers. In the event that the Attorney General determines that a Mexico Bottler was not in
4 substantial compliance with Lead GMPs after implementation of any corrective action plan, the
5 Attorney General may require that an Independent Food Processing Auditor conduct one or more
6 additional audits of such Mexico Bottler and report its findings to the Attorney General until such
7 time as the Attorney General determines that the Mexico Bottler is in substantial compliance with
8 the Lead GMPs.

9 4. **Settlement Payment**

10 4.1 The total settlement amount, excluding Dr. Leeman's attorneys' fees shall be
11 \$4,550,000 ("Settlement Amount"). Plaintiffs have agreed to accept this amount based on the
12 following factors: (1) Defendant's prompt cooperation with the Attorney General and the City
13 Attorney in resolving this matter, (2) Defendant's willingness to immediately enter into settlement
14 negotiations in response to the Notice provided by Dr. Leeman and the investigations undertaken
15 by the Attorney General and City Attorney, (3) Defendant's prompt agreement to implement the
16 basic terms of injunctive relief set forth in this Consent Judgment, (4) the development of Lead
17 Free Decoration for use in Refillable Bottles worldwide, (5) the complete cessation of
18 manufacture of Old Decorated Bottles in Mexico, (6) the ongoing manufacture of Lead Free
19 Refillable Bottles in Mexico, (7) the fact that TCCC and its Mexican Bottlers have already met the
20 standard and/or implemented the substantive requirements of paragraphs 3.1.1, 3.1.2, 3.1.6, 3.1.7
21 and 3.1.8(A) of this Consent Judgment, (8) the successful distribution of Lead Free Refillable
22 Bottles in Mexico, such that today, a significant portion of Refillable Bottles sold in Mexico are
23 Lead-Free; and (9) TCCC's agreement, and its unconditional guarantee of the Mexico Bottlers'
24 performance, to implement the items of injunctive relief set forth in the following paragraphs of
25 this Consent Judgment: 3.1.1 (Lead-Free Decorations on Non-Refillable Bottles); 3.1.2 (Lead
26 Free Decorations on Newly-made Refillable Bottles); 3.1.3 (Cadmium Free Decorations on
27 Newly-made Refillable Bottles); 3.1.5 (No Increase in Cadmium Levels); 3.1.7 (Lead Reduction
28 Processes); 3.1.10 (First Lead GMP Audit) and 3.1.11 (Subsequent Lead GMP Audits).

1 At Defendant's request, the Parties have agreed to not to assign a monetary value to the
2 foregoing factors, but the Parties agree that their value is substantial.

3 The Settlement Amount shall be paid by or credited to TCCC, subject to the following,
4 terms and conditions:

5 4.2 Credit for Substantial Phase out of Old Decorated Bottles in California.

6 Upon entry of this Consent Judgment, TCCC shall receive an initial credit of \$1,000,000
7 against the Settlement Amount, in light of its efforts toward removing Old Decorated Bottles of
8 Mexico Coke from the California market. This credit is based on the following factors:

9 A. Defendant has attached to this Consent Judgment as Exhibit E, a declaration
10 summarizing the efforts it has undertaken and costs it has incurred to date in removing Old
11 Decorated Bottles of Mexican Coke from the California market, including, without limitation, the
12 development of Authorized Mexico Coke to stem demand for unauthorized TCCC products from
13 Mexico. To substantiate its progress toward the early phase out of these bottles, Exhibit E also
14 contains the results of an independent survey, commissioned by Defendants in November 2006,
15 showing that Old Decorated Bottles of Mexico Coke were available in only seven of the 215
16 retailers that were visited.

17 B. Within twelve months from entry of the Judgment, Defendant agrees to provide
18 the results of a similar independent survey, which must demonstrate that Defendant's efforts
19 described in this Judgment continue effectively to limit the availability of Old Decorated Bottles
20 of Mexico Coke in California. A similar independent survey conducted after September 1, 2007,
21 and before entry of this Judgment will satisfy this requirement.

22 4.3 Settlement Payment. TCCC shall make payments totaling \$3,550,000, according
23 to the following schedule:

24 First Installment: The first installment, in the amount of \$2,075,000, shall be paid as
25 follows:

- 26 1. Civil Penalty. Within sixty (60) days of entry of this Judgment, Defendant
27 shall pay a civil penalty of \$ 1,250,000.

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2. Cy Pres. Within sixty (60) days of entry of this Judgment, Defendant shall make cy pres payments in the aggregate amount of \$600,000 to be distributed as follows:

a. Public Health Trust. Defendant shall pay \$300,000 to the Public Health Trust, to provide grants, subject to the selection process described below, for the following purposes:

- i. To provide funding to appropriate and qualified organizations for expenses and staff time incurred in performing the surveillance activities described in section 3.1.8(E) (Surveillance Activities) of this Consent Judgment.
- ii. To provide subsidies to enable small companies that are domiciled in Mexico and that export food products to the United States to (i) retain qualified Independent Food Processing Auditors to conduct inspections of food production and processing activities; and (ii) to obtain laboratory testing of those products and/or ingredients.
- iii. To fund other projects designed to eliminate lead contamination in food products imported from Mexico, including, without limitation: (i) the purchase of laboratory equipment for qualified laboratories in Mexico that agree to provide services to small food producers at reduced cost ; (ii) the purchase or development of analytical equipment by or for the California Department Of Health Services Food and Drug Branch; (iii) studies designed to identify practical and cost effective methods for removing lead from ingredients used in food products that are imported from the United States from Mexico, and (iv) studies of lead uptake in agricultural produce.

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iv. Any process undertaken by the Public Health Trust to identify and choose the entity(ies) that will receive any grant to be awarded under this Subsection 4.3(2)(a) must be open to public scrutiny and subject to public notice and comment. Any use of funds must be approved by the Attorney General.

v. The Public Health Trust has received similar cy pres grants in recent settlements of cases brought by the Attorney General, the City Attorney and other Plaintiffs involving Pepsi Cola products (LASC No. BC 351120), Dr. Pepper/Seven Up Products (LASC No. BC363378) and Mexican candy products, (LASC No. BC 318207). In order to minimize any duplication of effort, the Public Health Trust will coordinate (a) the expenditure of funds received pursuant to all these and future, similar settlements, and (b) the activities that are funded by those expenditures.

b. Children's Hospital. Defendant shall pay \$300,000 to the Los Angeles Children's Hospital for a project or projects involving the treatment or prevention of cancer or reproductive harm. Defendant's check payable to the Los Angeles Children's Hospital shall be delivered to Patty Bilgin at the address set forth in section 18.1.

3. Attorney's Fees. Within sixty (60) days of entry of this Judgment, Defendant shall make the following payments to reimburse the Plaintiffs for their costs and attorneys' fees:

Attorney General: \$100,000

City Attorney: \$100,000

4. Payment to Dr. Leeman. Within sixty (60) days after entry of this Judgment or of provision by Dr. Leeman of the documentation called for in this paragraph, whichever is later, Defendant shall pay \$25,000 to Dr. Leeman, which

1 represents the full value (including her time and travel and all expenses other
2 than attorneys' costs and fees) of her assistance to Plaintiffs with respect to this
3 matter and its settlement. Dr. Leeman will provide the Court with adequate
4 documentation for this payment. This payment shall be made by check
5 payable to Dr. Whitney R. Leeman and sent to:

6 Dr. Whitney R. Leeman
7 c/o Hirst & Chanler, LLP
8 The Whitney Building
9 71 Elm Street, Suite 8
10 New Canaan, CT 06840

11 Second Installment: The second installment, in the amount of \$ 1,500,000, will be paid
12 within 30 days of the completion of the Interim Compliance Audit Report. If the timely Interim
13 Compliance Audit Report demonstrates that 50% or greater of the Refillable Bottles of Mexico
14 Coke is Lead Free, as measured in accordance with Exhibit B, then the Second Installment shall
15 be partially forgiven; \$500,000 shall be credited to the Settlement Amount as a credit for this
16 achievement; and the Second Installment payment due from Defendant will be \$ 1,000,000. If,
17 however, the timely Interim Compliance Audit Report demonstrates that 60% or greater of the
18 Refillable Bottles of Mexico Coke is Lead Free, as measured in accordance with Exhibit B, then
19 the entire Second Installment shall be forgiven and \$1,500,000 shall be credited to the Settlement
20 Amount as a credit for this achievement.

21 4.4 Additional Penalty for Failure to Phase-out Old Decorated Bottles of Mexico Coke.

22 4.4.1 TCCC shall provide the Final Compliance Audit Report required by
23 Section 3.1.4(A) within 60 days of the 62-month anniversary of the Effective Date. If TCCC
24 does not provide the Compliance Audit Report confirming that the Decoration on at least 95% of
25 the Refillable Bottles of Mexico Coke is Lead Free, then TCCC shall pay the sum of \$750,000, as
26 an additional civil penalty; otherwise, such amount shall not be paid. The Attorney General, in
27 his discretion, may waive all or part of this penalty for good cause, based on a showing by TCCC
28 that (i) it has taken good faith and reasonable measures to accelerate the retirement of Old
Decorated Bottles in a timely fashion; (ii) these measures have substantially succeeded in the

1 phase out of these bottles; and (iii) the failure to meet the 95% goal was beyond the control of
2 TCCC.

3 4.4.2 TCCC shall provide the Supplemental Final Compliance Audit Report, if
4 required, before the 72-month anniversary of the Effective Date. If TCCC does not provide the
5 Supplemental Final Compliance Audit Report demonstrating that the Decoration on at least 95%
6 of the Refillable Bottles of Mexico Coke is Lead-Free, then TCCC shall pay the sum of
7 \$1,000,000, as an additional civil penalty. The Attorney General, in his discretion, may waive all
8 or part of this penalty for good cause, based on a showing by TCCC that (i) it has taken good
9 faith and reasonable measures to accelerate the retirement of Old Decorated Bottles in a timely
10 fashion; (ii) these measures have substantially succeeded in the phase out of these bottles; and
11 (iii) the failure to meet the 95% goal was beyond the control of TCCC.

12 4.5 Dr. Leeman's Attorney's Fees and Costs

13 4.5.1 The Attorney General contends that, for providing the Notice and rendering
14 assistance to the Plaintiffs prior to the date that Defendant agreed in principle to injunctive and
15 related terms generally along the lines set forth in this Judgment, it is appropriate to make an
16 award of reasonable attorneys' fees and costs ("Attorneys' Fees") to Dr. Leeman pursuant to
17 Health and Safety code section 25249.7(j), which provides the Attorney General and the City
18 Attorney with discretion to "seek and recover costs and attorneys' fees on behalf of an party who
19 provides a [60-day] notice pursuant to subdivision (d) and provides assistance in that action. The
20 specific amount of the award of Dr. Leeman's Attorneys' Fees has not been determined by the
21 Plaintiffs, but, at Plaintiffs' request, this Judgment contains provisions, below, to allow Dr.
22 Leeman to recover Attorneys' Fees in whatever amount may be appropriate under applicable law.

23 4.5.2 Defendant contends that Dr. Leeman does not have an independent cause
24 of action under Proposition 65, nor does she have adequate interest in the litigation to justify
25 intervention or other independent recovery of her alleged Attorneys' Fees. (Code Civ. Proc. §
26 387.) Defendant further disputes that Dr. Leeman is entitled to any Attorneys' Fees, or that any
27 award of fees is appropriate pursuant to section 25249.7(j) or otherwise. Except to the extent this
28 Judgment expressly provides otherwise, Defendant reserves the right to dispute Dr. Leeman's

1 right or that of her attorneys to intervene and/or to recover Attorneys' Fees with respect to this
2 matter and/or the claims herein.

3 4.5.3 Nevertheless, Defendant agrees to proceed pursuant to this section, subject
4 to the reservation of rights in Section 4.5.2, to determine whether an award of Attorneys' Fees to
5 Dr. Leeman is warranted and, if so, the amount of such Attorneys' Fees, and Defendant further
6 agrees to pay such award, if any, to Dr. Leeman as may be required by this Judgment and by a
7 final order of this Court, unless otherwise resolved pursuant to the process set forth in this section
8 4.5.

9 4.5.4 Dr. Leeman issued a Notice to The Coca-Cola Company on May 19, 2005.
10 On or around May 24, 2005, Defendant informed Dr. Leeman that The Coca-Cola Company
11 intended to resolve this matter through a settlement that would be acceptable to Dr. Leeman and
12 the Attorney General. On June 15, 2005, The Coca-Cola Company met with representatives of
13 the Plaintiffs and informed them that Defendant intended to resolve the matter promptly, and on
14 terms satisfactory to the Plaintiffs. Shortly thereafter, The Attorney General and or the Los
15 Angeles City Attorney informed Dr. Leeman that the Plaintiffs would be prosecuting this action
16 against Defendant.
17

18 4.5.5 After the Plaintiffs assumed the prosecutorial lead in this action, they took
19 the following actions:

- 20 • Both the Attorney General and the City Attorney obtained their own samples of Mexican
21 Coke products. As part of this effort, over a two year period between June of 2005 and
22 May of 2007, the Los Angeles County Childhood Lead Poisoning Prevention Program,
23 the City Attorney, and the Attorney General conducted four separate sweeps for foreign-
24 bottled Coca-Cola products. The sweeps occurred in seventeen (17) separate counties
25 throughout California, including: Riverside, San Bernardino, Orange, San Diego, Kern,
26 Tulare, Fresno, Alameda, Contra Costa, Santa Clara, San Mateo, San Francisco, Marin,
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- 1 Sonoma, Solano, Sacramento and Stanislaus counties. As a result of this effort, over one
2 hundred (100) Old Decorated Bottles were sent to labs and tested for the presence of lead.
- 3 • The Attorney General sent the samples it collected to the National Food Laboratory for
4 testing of (i) lead content in the paint, measured in parts per million; (ii) how much of the
5 paint transfers to the hand, measured by wipe tests in micrograms per square centimeter;
6 (iii) lead content in the beverage itself, measured in parts per million. The City Attorney
7 sent bottles that it had obtained to the Los Angeles County Department of Agriculture,
8 Commissioner of Weights and Measures and to the National Foods Lab, for testing of lead
9 content on the bottle and in the beverage itself.
 - 10 • Plaintiffs reviewed laboratory results performed on at least 150 Old Decorated Bottles
11 submitted by Defendant.
 - 12 • The Attorney General and the City Attorney drafted and sent a 26-page demand letter to
13 Defendant which set forth in detail their analysis of the basis for, and extent of, The Coca-
14 Cola Company's liability under Proposition 65 and various other statutes.
 - 15 • The Attorney General and the City Attorney devised a settlement proposal, which
16 required, inter alia, the phase out of Old Decorated Bottles of Mexico Coke throughout
17 Mexico by a date certain.
 - 18 • The Attorney General and the City Attorney drafted a proposed consent judgment which
19 after negotiation, resulted in the present Judgment.
 - 20 • The Attorney General and the City Attorney held in-person settlement meetings with
21 Defendant. Dr. Leeman and/or her counsel were present at the meetings held prior to the
22 filing of the Complaint.
 - 23 • The Attorney General and the City Attorney drafted and filed the Complaint in this matter.

24
25 In analyzing Defendant's alleged liability, Plaintiffs relied on the following assistance from Dr.
26 Leeman: (i) laboratory results for seventeen (17) Old Decorated Bottles of Defendant's product,
27 submitted by Dr. Leeman's laboratory, Curtis & Tompkins and (ii) consultations and meetings
28 with Dr. Leeman's attorneys and members of their staff. Plaintiffs also had at least one telephone

1 conversation with a potential expert selected by counsel for Dr. Leeman. In addition, Plaintiffs
2 obtained specific technical assistance from Dr. Leeman personally, and Plaintiffs asked that
3 Defendant agree to the provisions of section 4.3.4 of this Judgment in order to fully compensate
4 Dr. Leeman for her individual assistance in this action, with the exception of her Attorneys' Fees.

5 4.5.6 By August 5, 2005, Plaintiffs and The Coca-Cola Company had agreed in
6 principle to the essential injunctive relief terms embodied in this Consent Judgment, the major
7 unresolved remaining issue was the amount of Dr. Leeman's Attorneys' Fees. By May 2006,
8 Plaintiffs and Defendant had agreed on all the exact terms of a consent judgment, but they were
9 unable to conclude the settlement because they could not reach agreement with Dr. Leeman on
10 the issue of her Attorneys' fees.

11 4.5.7 The Attorney General contends that an award of Attorneys' Fees to Dr.
12 Leeman is appropriate in order to reimburse the reasonable Attorney's Fees incurred to provide
13 meaningful assistance to the Plaintiffs in this action. Neither Dr. Leeman nor her attorneys will
14 be involved in the post-judicial supervision of this action, except to the extent that they apply for
15 and are awarded a grant from The Public Health Trust as described in section 4.3(2)(a) of this
16 judgment. Any attorney's fees or costs related to post-judgment activities are only reimbursable
17 through the Public Health Trust grants.

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20 4.5.8 The Attorney General also contends that, in order to prevent excessive or
21 duplicate recoveries, the following should be taken into account in determining the extent of Dr.
22 Leeman's remaining unreimbursed Attorneys' Fees: Fee recoveries received by Dr. Leeman's
23 attorneys in (a) earlier lead-in-soda cases, including settlements with Beverages and More, Dr.
24 Pepper Bottling Company of West Jefferson North Carolina, Fuddrucker, Inc., Dr. Pepper/Seven
25 Up, Inc. and PepsiCo, Inc., and (b) other cases involving lead in glassware.

26 4.5.9 With respect to any such award for Dr. Leeman's Attorney's Fees, the
27 Attorney General further contends, and Plaintiffs have informed Dr. Leeman that, in light of
28 TCCC's prompt commitment to take actions generally similar to those described in this judgment

1 and the absence of any litigation relating to Defendant's liability, the application of any positive
2 multiplier of the lodestar amount of fees claimed by Dr. Leeman is unreasonable and unjustified.
3 Plaintiffs take no position at this time on whether a negative multiplier is appropriate in this case
4 in accordance with (i) the criteria described in *Thayer v. Wells Fargo Bank* (2001) 92 Cal.App.4th
5 819, 839 (e.g., the unjustified duplication of legal work) or (ii) general equitable principles, but
6 they reserve the right to do so in the future.

7 4.5.10 Within 30 days after entry of this Judgment, Dr. Leeman shall provide
8 documentation, in a form acceptable to the Attorney General or the Court, of the Attorneys' Fees
9 for which she seeks reimbursement. In accordance with 11 Cal. Code Regs. §3001, Dr. Leeman's
10 attorneys' fee claim shall be justified by contemporaneously kept records of actual time spent,
11 which describe the nature of the work performed. Dr. Leeman's claim for cost reimbursement
12 shall be supported by documentation describing the costs incurred. For example, Dr. Leeman
13 should provide contemporaneous invoices produced from her investigation firm, analytical
14 laboratory, and other costs directly related to the assistance provided to the Plaintiffs.

15 4.5.11 Within 45 days after service of the documentation of Dr. Leeman's claim,
16 the Plaintiffs and Defendant agree to respond to Dr. Leeman's claim separately and in writing.
17 Within this time period, Defendant will also provide Dr. Leeman with documentation then in its
18 possession relevant to its response to Dr. Leeman's claim. Following the exchange of
19 information, the Parties agree to make good faith efforts to determine the amount of Attorneys'
20 Fees payable to Dr. Leeman. If the Parties and Dr. Leeman cannot agree upon the amount to be
21 paid to Dr. Leeman within 60 days of service of the documentation to support Dr. Leeman's
22 claim, the Parties and Dr. Leeman shall mediate Dr. Leeman's claim before her preferred
23 mediator selected from the following list: Hon. Edward Infante, Hon. Howard Weiner, Hon.
24 Robert Feinerman or Hon. Armand Arabian.

25 4.5.12 Dr. Leeman shall select one of the preceding mediators within 30 days
26 after service of the documentation to support her claim. Dr. Leeman, Plaintiffs and Defendant
27 shall cooperate to complete the mediation as soon as reasonably possible following selection of
28 the mediator. Representatives of the Attorney General, Los Angeles City Attorney and Defendant

1 will attend the mediation in person. Mediation fees (for preparation time and no more than two
2 days of mediation) are to be split between Defendant and Plaintiffs.

3 4.5.13 In the event that: (a) Dr. Leeman refuses to participate in the mediation, (b)
4 the mediation is not successful, or (c) Dr. Leeman refuses to provide documentation of her
5 Attorney's Fees claim, Defendant agrees to pay Dr. Leeman \$100,000 as full reimbursement of
6 her Attorneys' Fees. Provided however, that if Dr. Leeman disputes this amount as a final
7 settlement, Dr. Leeman may move the Court to award Attorneys' Fees in whatever amount may
8 be appropriate under applicable law, and nothing in this Consent Judgment shall limit the Court's
9 discretion to award fees in the amount that is required by law. If Dr. Leeman so moves the court,
10 Defendant reserves the right, to assert all of its defenses against the award of Attorneys' Fees,
11 including, without limitation, lack of standing to intervene, the absence of an independent right to
12 recover her fees, as well as arguments regarding the reasonableness, accuracy and authenticity of
13 the Attorneys' Fees claimed, and that Dr. Leeman's attorneys have already recovered all their
14 Attorneys' Fees from other sources.

15 4.5.14 In the event that Defendant and Dr. Leeman enter into a voluntary
16 settlement of Dr. Leeman's claims for fees and costs, the settlement must require that Dr.
17 Leeman will do the following: (a) report the terms of the settlement (including a copy of the
18 settlement agreement) to the Attorney General pursuant to Health and Safety Code section
19 25249.7(f), with copies to Plaintiffs at each of the addresses set forth in Section 18.1 of this
20 Consent Judgment; and (b) file declaration(s) with the Court that provide substantiation for the
21 amount of fees and costs to be paid to Dr. Leeman pursuant to the settlement.

22 4.6 Payment of Settlement Payment. Civil penalties required by Subsection 4.2 shall
23 be made payable to the "Office of the California Attorney General," and shall be sent to:

24 Robert Thomas
25 Legal Analyst
26 Office of the Attorney General
1515 Clay St., 20th Floor
Oakland, California 94612

27 A copy of the check(s) and transmittal letter(s) shall be sent to Dennis A. Ragen, Deputy Attorney
28 General, 110 West A Street, Suite 1100, San Diego, CA 92101.

1 Any funds allocated as civil penalties shall be apportioned by the State in accordance with
2 Health & Safety Code section 25249.12(d), with 75% of these funds remitted to the California
3 Office of Environmental Health Hazard Assessment, and the remaining 25% apportioned evenly
4 between the Attorney General and the Los Angeles City Attorney, or according to any successor
5 provision to section 25249.12(d) in effect at the time the payment is made.

6 Any funds allocated to reimburse the Attorney General for his fees and costs shall be
7 placed in an interest-bearing Special Deposit Fund established by the Attorney General. Those
8 funds, including any interest derived therefrom, shall be used by the Attorney General, until all
9 funds are exhausted, for the costs and expenses associated with the enforcement and
10 implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986
11 ("Proposition 65"), including investigations, enforcement actions, other litigation or activities as
12 determined by the Attorney General to be reasonably necessary to carry out his duties and
13 authority under Proposition 65. Such funding may be used for the costs of the Attorney General's
14 investigation, filing fees and other court costs, payment to expert witnesses and technical
15 consultants, purchase of equipment, travel, purchase of written materials, laboratory testing,
16 sample collection or any other cost associated with the Attorney General's duties or authority
17 under Proposition 65. Funding placed in the Special Deposit Fund pursuant to this Section, and
18 any interest derived therefrom, shall solely and exclusively augment the budget of the Attorney
19 General's Office and in no manner shall supplant or cause any reduction of any portion of the
20 Attorney General's budget.

21 **5. Stipulated Penalties**

22 Defendant shall be liable for stipulated penalties, in an amount determined by the
23 Attorney General as set forth below, if the Attorney General notifies Defendant that he has
24 determined that any of the following has occurred. Defendant shall make stipulated penalty
25 payments, as set forth in Section 5, within 60 days of receiving such notification from the
26 Attorney General.

27 5.1 Defendant's Compliance Documentation reflects that a Mexico Bottler has failed to
28 timely conduct or participate in a Lead GMP Audit required by Subsection 3.1.9.

1 First Occurrence by a bottler: up to \$10,000
2 Second Occurrence by that same bottler: up to \$ 25,000
3 Third Occurrence by that same bottler: up to \$ 50,000

4 5.2 Defendant has failed to conduct a survey pursuant to Subsection 3.1.8 or has failed
5 to provide the Attorney General with a required report of the results of the survey.

6 First Occurrence: up to \$ 50,000
7 Second Occurrence: up to \$ 100,000
8 Third Occurrence and thereafter: up to \$ 150,000

9 5.3 Defendant has failed to timely provide the Attorney General with a required item of
10 Compliance Documentation, other than the Interim or Final Compliance Audit Report.

11 First Occurrence: up to \$ 5,000
12 Second Occurrence: up to \$ 10,000
13 Third Occurrence and thereafter: up to \$ 25,000

14 5.4 The Attorney General may waive or reduce, in whole or in part, any Stipulated
15 Penalty assessment authorized by Sections 5.1 through 5.3 for good cause shown.

16 5.5 Penalties to be paid pursuant to this Section shall be made payable to the "Office of
17 the Attorney General" and shall be sent by check to:

18 Robert Thomas
19 Legal Analyst
Office of the Attorney General
20 1515 Clay St., 20th Floor,
Oakland, California 94612

21 5.6 Nothing in this Section 5 is intended to waive or diminish the Plaintiffs' rights to
22 enforce the terms of this Consent Judgment. The Attorney General reserves the right
23 simultaneously to (a) collect penalties pursuant to this Section 5, and (b) seek an order of this
24 Court requiring Defendant to comply with the terms of this Judgment, including, without
25 limitation, the terms that give rise to stipulated penalties. If there is a dispute between the Parties
26 as to whether the requirements for imposition of a stipulated penalty have been met, the Parties
27 agree that the Los Angeles County Superior Court shall have continuing jurisdiction to resolve and
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1 enforce this Section of the judgment and that if the dispute cannot be resolved informally, either
2 Party shall have the right to bring the matter before the Court through noticed motion.

3 **6. Termination of Judgment for Repeated or Severe Violations**

4 The Attorney General by motion or order to show cause may seek to terminate this
5 Consent Judgment if there is substantial evidence that any of the following conditions exist:

6 (a) Defendant or a Mexico Botler has repeatedly, consistently or continuously failed to comply
7 with the audit, certification or Compliance Documentation requirements of this Consent
8 Judgment, or (b) Defendant has repeatedly, consistently or continuously failed, despite receipt of
9 written demand from any Plaintiff, to comply with the lead and cadmium reduction requirements
10 set forth in Subsections 3.1.1 through 3.1.7 of this Consent Judgment. In the event that the Court
11 allows the Attorney General to terminate this Judgment, then: (a) Plaintiffs shall retain all their
12 rights, including, without limitation, (1) the right to seek an injunction from this Court, or any
13 other competent Court, requiring Defendant to provide clear and reasonable warnings on the
14 Covered Products as required by Health and Safety Code section 25249.6, and (2) the right to
15 seek civil penalties for violations of Proposition 65, the Unfair Competition Law and/or any other
16 applicable law or regulation that occur after the entry of this Consent Judgment; and (b)
17 Defendant will retain all of its defenses to any such action. In the event that the Court terminates
18 this Judgment and assesses civil penalties or attorney's fees and costs against Defendant pursuant
19 to Proposition 65 related to the claims alleged in the Complaint, Defendant shall retain its claims
20 for, but shall not have an automatic right of offset or credit for, the amounts paid or costs incurred
21 pursuant to Sections 4 (Settlement Payment) or 5 (Stipulated Penalties) of this Consent Judgment.
22 Except as otherwise provided in this Consent Judgment, Defendant shall have no further
23 obligation to make payments required by Sections 4 or 5 that fall due after the date that this
24 Judgment is terminated.

25
26 **7. Additional Enforcement Actions; Continuing Obligations**

27 By entering into this Consent Judgment, the Plaintiffs do not waive any right to take
28 further enforcement actions regarding any violations by Defendant that are not covered by the

1 Complaint or this Consent Judgment. Except as expressly set forth herein, nothing in this
2 Consent Judgment shall be construed as diminishing Defendant's continuing obligation to comply
3 with Proposition 65 or the Unfair Competition Law in its future activities. Without in any way
4 limiting the foregoing, Plaintiffs may, after giving 60 days' notice to Defendant, move the Court
5 to obtain additional injunctive relief under this Consent Judgment to the extent that any of the
6 following occur:

7 (a) A significant number of Covered Products, imported from countries other
8 than Mexico, are located for sale in California in each of two or more non-
9 contiguous counties, and the presence of these bottles for sale in California
10 constitutes a violation of Proposition 65 or the Unfair Competition Law,

11 (b) A significant number of an individual brand of a Covered Product from
12 Mexico, *other than Mexico Coke*, is located for sale in California in each of two or
13 more non-contiguous counties, in Old Decorated Bottles and the presence of these
14 bottles for sale in California constitutes a violation of Proposition 65 or the Unfair
15 Competition Law, unless the Mexico Bottlers of such brand have, prior to receipt
16 of the notice required by this Section 7, adopted the lead reduction measures
17 described in Subsections 3.1.1 through 3.1.7.

18 (c) The U.S. Consumer Product Safety Commission lowers its standard for
19 lead in paint to be applied to consumer products comparable to those at issue in
20 this case to below the current levels of 0.06% lead by weight (*see* 16 CFR Part
21 1303 *et seq.*), and similar reductions in the levels of lead in Decoration on the
22 Covered Products are necessary in order to protect public health in California.

23 (d) Facts currently unknown to the Plaintiffs arise, and these facts, either by
24 themselves or in combination with other facts, prove that the injunctive relief
25 terms of this Judgment, once they have been fully implemented, will be
26 insufficient to reduce the lead or cadmium in Mexico Coke to below the levels set
27 forth herein at Section 3 (Injunctive Relief).

28

1 The foregoing does not in any way limit Defendant's right to oppose such modifications
2 or the Court's discretion to deny Plaintiffs' motion to modify the Consent Judgment.

3 Without limiting any other rights reserved to the Plaintiffs in this Judgment, Plaintiffs
4 reserve the right to seek penalties and injunctive relief against any independent retailer or
5 distributor that continues to sell or furnish Old Decorated Bottles, or similar bottles imported
6 from countries other than Mexico, after having received written notice pursuant to this Consent
7 Judgment to cease selling or furnishing such bottles in California. Prior to taking such action
8 against any such independent retailer or distributor, Plaintiffs will meet and confer with TCCC
9 and the affected bottler, retailer or distributor.

10 **8. Enforcement of Consent Judgment**

11 The People may, by motion or order to show cause before the Superior Court of
12 Los Angeles, enforce the terms and conditions contained in this Consent Judgment. In any action
13 brought by the People to enforce this Consent Judgment, the People may seek whatever fines,
14 costs, attorneys' fees, penalties or remedies are provided by law for failure to comply with the
15 Consent Judgment. Where said failure to comply constitutes future violations of Proposition 65
16 or other laws, independent of this Consent Judgment and/or the allegations in the Complaint, the
17 People are not limited to enforcement of this Consent Judgment, but may seek in another action,
18 subject to satisfaction of any procedural requirements, including notice requirements, whatever
19 fines, costs, attorneys' fees, penalties or remedies are provided by law for failure to comply with
20 Proposition 65 or other laws. However, the rights of Defendant to defend itself and its actions at
21 law or in equity shall not be abrogated or reduced in any fashion by the terms of this Section, and
22 Defendant shall be entitled to raise any and all applicable defenses, arising at law or in equity,
23 against the People; except that Defendant shall not contest its obligation to comply with the terms
24 of this Consent Judgment as set forth herein in any proceeding to enforce this Consent Judgment.

25 Without in any way limiting the People's rights as set forth in the preceding paragraph,
26 the Plaintiffs reserve the right to bring an action against Defendant for any violations of
27 Proposition 65 or the Unfair Competition Law that may result from Defendant's substantial and
28 continuing failure to comply with the requirements of Section 3 (Injunctive Relief).

1 **9. Application of Consent Judgment**

2 This Consent Judgment shall apply to, be binding upon, and inure to the benefit of, the
3 Parties, their divisions, subdivisions and subsidiaries and the successors or assignees of each of
4 them. Any change in ownership, partnership status or corporate status of Defendant, including,
5 but not limited to, any transfer of assets or real or personal property, shall in no way alter
6 Defendant's responsibilities under this Consent Judgment. Defendant shall be responsible and
7 shall remain responsible for carrying out all activities required of it under this Consent Judgment.

8 **10. Claims Covered**

9 Except as provided in this Consent Judgment, this Consent Judgment is a final and
10 binding resolution between the Plaintiffs on the one hand, and Defendant on the other, satisfying
11 and releasing Defendant and its subsidiaries, affiliates, divisions, predecessors, successors,
12 officers, directors, employees, and the distributors, licensees, retailers, bottlers, sellers and
13 customers of the Covered Products ("Defendant's Releasees") from any and all, causes of action,
14 damages, costs, penalties or attorneys' fees (including those of Dr. Leeman) and any other claims
15 made or that could have been made arising in or from the Notice and/or Complaint, including
16 those based upon alleged violations of Proposition 65, the Unfair Competition Law, the Sherman
17 Act (e.g., Cal. Health & Safety Code §§ 110398, 110620, 110625, 110630, 110760, 110765),
18 public nuisance (e.g., Cal. Civ. Code §§ 3479, 3480), defective product, breach of express
19 warranties and the implied warranties of merchantability and/or fitness for a particular purpose,
20 and/or false advertising (e.g., Cal. Business & Professions Code § 17500) ("Covered Laws") that
21 arise from the absence of clear and reasonable warnings with respect to the presence of lead, lead
22 compounds, and cadmium in or on the Covered Products. The Parties further agree and
23 acknowledge that this Consent Judgment is a full, final and binding resolution of any direct or
24 derivative violations of Proposition 65 or the Covered Laws that have been or could have been
25 asserted in the Complaint against Defendant or Defendant's Releasees arising out of the acts
26 alleged or that could have been alleged in the Complaint for failure to provide clear and
27 reasonable warnings of exposure to or identification of lead, lead compounds, and cadmium in the
28 Covered Products. It is specifically understood and agreed that the Parties intend that

1 Defendant's compliance with the terms of this Consent Judgment resolves all issues and liability,
2 now and in the future (so long as Defendant complies with the terms of this Consent Judgment)
3 concerning Defendant's and Defendant's Releasees' compliance with the requirements of
4 Proposition 65, the Unfair Competition Law and the Covered Laws as to lead and cadmium in the
5 Covered Products.

6 To the extent any of Defendant's Releasees take any action that impedes Defendant's
7 ability to comply with this Consent Judgment, Defendant may issue a notice of non-compliance to
8 that entity, and provide such entity with a 30-day opportunity to take appropriate steps to cease
9 the activities identified in the notice. To the extent the entity fails to adequately comply with
10 Defendant's request within the thirty (30) day period, Defendant shall issue a subsequent notice
11 of default to that entity, and the release and resolution of liability described in this Section 10
12 shall not operate to bar enforcement actions by the People against that entity for any actions by
13 that entity occurring after the date of the notice of default.

14 **11. Entire Agreement**

15 This Consent Judgment contains the sole and entire agreement and understanding of the
16 Parties with respect to the entire subject matter hereof, and any and all prior discussions,
17 negotiations, commitments and understandings related hereto. No representations, oral or
18 otherwise, express or implied, other than those contained herein have been made by any Party
19 hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be
20 deemed to exist or to bind any of the Parties.

21 **12. Authorization**

22 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the
23 Party he or she represents to enter into this Consent Judgment on behalf of the Party represented
24 and legally to bind that Party.

25 **13. Modification**

26 13.1 This Consent Judgment may be modified from time to time by express written
27 agreement of the Parties with the approval of the Court; by an order of this Court on noticed
28

1 motion from Plaintiffs or Defendant in accordance with law; or by the Court in accordance with its
2 inherent authority to modify its own judgments.

3 13.2 Without limiting the types of modification intended by Section 13.1, the Parties
4 specifically contemplate that one or more brands will be added to the definition of "Mexico
5 Coke". Such modification shall be made by a stipulation of the Parties submitted to the Court,
6 which provides that Defendant has agreed to a schedule, acceptable to the Attorney General, for
7 implementing the lead reduction measures of Subsections 3.1.1 through 3.1.7 for that particular
8 brand, and the judgment will thereupon be deemed to be modified accordingly, without additional
9 payment by Defendant.

10 **14. Entry of Judgment Required**

11 This Consent Judgment shall be null and void, and be without any force or effect, unless
12 entered by the Court in this matter. If the Consent Judgment is not entered by the Court, the
13 execution of this Consent Judgment by Defendant or the People shall not be construed as an
14 admission by Defendant or the People of any fact, conclusion of law, issue of law or violation of
15 law.

16 **15. Retention of Jurisdiction**

17 This Court shall retain jurisdiction over this matter and the Parties to this Consent
18 Judgment, in order to implement all of the terms of this Consent Judgment.

19 **16. Governing Law**

20 The terms of this Consent Judgment shall be governed by the laws of the State of
21 California and, except as otherwise provided herein, apply within the State of California.

22 **17. Comments by Dr. Leeman.**

23 After this Judgment is signed by the Plaintiffs and Defendants, but before it is submitted
24 to the Court for approval, Plaintiffs will provide a copy of this Judgment to Dr. Leeman for her
25 review and comment during a comment period of not less than twenty (20) days. Plaintiffs will
26 provide Defendant with the opportunity to respond in writing to any comments submitted by Dr.
27 Leeman. If Dr. Leeman provides Plaintiffs with written comments that disclose facts or
28 considerations indicating that this Judgment should be altered or modified, then Plaintiffs may, in

1 their sole discretion, (i) withdraw their consent to this Judgment by providing written notice to
2 Defendant, or (ii) seek to modify this Judgment with the written consent of Defendant.

3 **18. Notices.**

4 18.1 Plaintiffs. All correspondence to the People shall be mailed simultaneously to:

5 Dennis A. Ragen
6 Deputy Attorney General
7 110 West A Street, Suite 1100
8 San Diego, California 92101

9 Robert Thomas
10 Office of the Attorney General
11 1515 Clay St., 20th Floor
12 Oakland, California 94612

13 Patty Bilgin
14 Office of the Los Angeles City
15 Attorney
16 500 City Hall East, 200 N. Main Street
17 Los Angeles, California 90012

18 18.2 Dr. Whitney Leeman. All correspondence to Dr. Leeman or the Noticing Parties
19 shall be sent to:

20 Whitney R. Leeman, Ph.D.
21 c/o Clifford A. Chanler
22 Hirst & Chanler LLP
23 71 Elm Street Suite 8
24 New Canaan, CT 06840

25 18.3 Defendant. All correspondence to Defendant shall be sent to:

26 Russell Bonds
27 The Coca-Cola Company
28 P.O. Box 1734
Atlanta, Georgia 30301

Michèle Corash
Morrison & Foerster LLP
425 Market Street, 35th Floor
San Francisco, California 94105

18.4 Compliance Documentation. TCCC shall assemble all Compliance
Documentation that this Consent Judgment requires from TCCC and the Mexico Bottlers, and
TCCC shall provide this documentation to Plaintiffs in an organized and accessible format. All
Compliance Documentation relating to the surveys conducted pursuant to Subsection 3.1.8 or the
findings of the Independent Food Processing Auditor, Independent Compliance Auditor or TCCC
Global Quality Audit Team, shall be clearly and conspicuously designated by TCCC as

1 confidential trade secret/business information, and its confidentiality shall be maintained by all
2 individuals or entities who have access to such information to the extent allowed by law, except
3 that the Plaintiffs may provide such information to the Court as part of any motion to enforce or
4 terminate this Consent Judgment.

5 **19. Counterparts and Facsimile**

6 This Consent Judgment may be executed in counterparts and facsimile, each of which
7 shall be deemed an original, and all of which, when taken together, shall constitute one and the
8 same document.

9 **IT IS SO ORDERED, ADJUDGED AND DECREED**

10
11 Dated: APR 29 2008

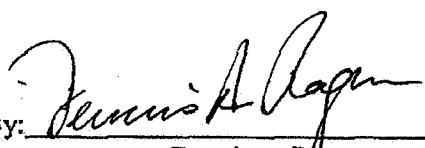


Judge of the Superior Court
KENNETH R. FREEMAN

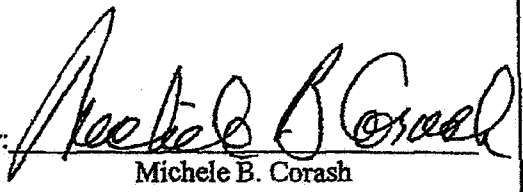
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13 **AGREED TO:**
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15 EDMUND G. BROWN,
16 Attorney General
17 THOMAS GREENE
18 Chief Assistant Attorney General
19 THEODORA BERGER
20 Senior Assistant Attorney General
21 EDWARD G. WEIL
22 DENNIS A. RAGEN
23 Deputy Attorneys General

AGREED TO:

THE COCA-COLA COMPANY

24
25 By: 

Dennis A. Ragen
Deputy Attorney General

By: 

Michele B. Corash
MORRISON & FOERSTER LLP

26
27 DATE: November 9, 2007

DATE: October 4, 2007

28



I certify that this is a true and correct copy of the original Judgment on file in this office consisting of 86 pages. JOHN A. CLARKE, Executive Officer/Clerk of the Superior Court of California, County of Los Angeles.

Date: MAY 02 2008

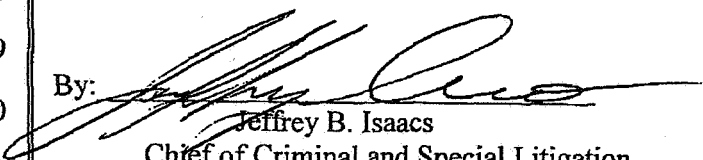
By: Annie Lee, Deputy

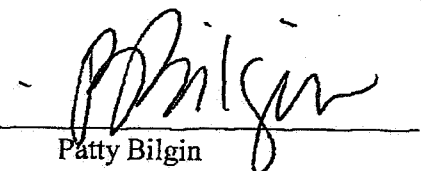
ANNIE LEE

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AGREED TO:

ROCKARD J. DELGADILLO,
Los Angeles City Attorney
JEFFREY B. ISAACS, Deputy City Attorney
PATTY BILGIN,
Deputy City Attorney
ELISE A. RUDEN
Deputy City Attorney
MICHELLE LYMAN
Deputy City Attorney

By: 
Jeffrey B. Isaacs
Chief of Criminal and Special Litigation

By: 
Patty Bilgin
Supervising Attorney, Environmental
Justice and Protection Section

DATE: 11/9/07
Attorneys for the Plaintiffs, People of the State of
California

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EXHIBIT A
(List of Mexico Bottlers)

**THE COCA-COLA COMPANY
DIVISION MEXICO**

AREA CENTRO

GRUPO EMBOTELLADOR CIMSA, S.A. DE C.V.

Planta Toluca

Tax address

Calle Cuautla No. 100
Col. Miraval
62270 Cuernavaca, Morelos
Tel: (777) 329 8900

Bottling plant facilities:

Paseo Presidente Adolfo López Mateos No. 124
Fracc. Ojuelos Zinacantepec
51350 Toluca, Edo. De México
Tel.: (722) 278 2000

GRUPO EMBOTELLADOR CIMSA, S.A. DE C.V.

Planta Cuernavaca

Tax address

Calle Cuautla No. 100
Col. Miraval
62270 Cuernavaca, Morelos
Tel: (777) 329 8900

Bottling plant facilities:

Av. Central No. 28
Fracc. Cuauhnahuac
62430 Cuernavaca, Morelos
Tel.: (777) 329 5300

EMBOTELLADORA DE COLIMA, S.A. DE C.V.

Av. Tecomán Sur No. 99
Col. El Moraleté
28060 - Colima, Colima
Tel.: (312)313-4400

EMBOTELLADORA ZAPOPAN, S.A. DE C.V.

Carretera a la Base Aérea Km. 2 No. 2000
San Juan de Ocotán
45019 Zapopan, Jalisco
Tel.: (33)3777-4020

EMBOTELLADORA SAN LUIS, S.A. DE C.V.

Manuel Gómez Morín No. 3005
Fracc. Fracción del Saucito
78110 San Luis Potosí, San Luis Potosí
Tel.: (444) 102 6000

EMBOTELLADORA LAGUNERA, S.A. DE C.V.

Planta Revolución

Tax address

Boulevard México No. 222
Col. Ex Ejido Cuba
35140 Gómez Palacio, Durango
Tel.: (871)749-2500

Bottling plant facilities:

Boulevard Revolución No. 2840 Ote.
27200 Torreón, Coahuila
Tel: (871) 749 2500

EMBOTELLADORA LAGUNERA, S.A. DE C.V.

Planta San Agustín

Tax address

Boulevard México No. 222
Col. Ex Ejido Cuba
35140 Gómez Palacio, Durango
Tel.: (871)749-2500

Bottling plant facilities:

Juan F. Brittingham y Alberto Swain S/N
Ciudad Industrial
27019 Torreón, Coahuila
Tel: (871) 749 2500

EMBOTELLADORA ZACATECAS, S.A. DE C.V.

Carretera 54 vía Corta
Zacatecas-Guadalajara Km. 306.2
98170 Zacatecas, Zacatecas
Tel.: (492) 925 6290

EMBOTELLADORA LA FAVORITA, S.A. DE C.V.

Av. Adolfo López Mateos Sur No. 6285
Col. Las Fuentes
45070 Tlaquepaque, Jalisco
Tel.: (33) 3884 1600

EMBOTELLADORA AGUASCALIENTES, S.A. DE C.V.

Planta Las Trojes

Tax address
Camino a San Bartola No. 100
Coyotes Sur
20394 Aguascalientes, Aguascalientes
Tel.: (449) 910 3520

Bottling plant facilities:

Av. Niños Héroes No. 200
Col. Trojes de Alonso
20110 Aguascalientes, Aguascalientes
Tel.: (449) 973 0088

EMBOTELLADORA LOS ALTOS, S.A. DE C.V.

Bldv. Anacleto González Flores No. 2145
Col. Las Aguilillas
47698 Tepatitlán, Jalisco
Tel.: (378) 788 8310

EMBOTELLADORA GUADIANA, S.A. DE C.V.

Carretera Durango-Mezquital Km. 3
34195 - Durango, Durango
Tel.: (618) 826 0330

REFRESCOS VICTORIA DEL CENTRO, S.A. DE C.V.

Ave. 5 de Febrero No. 1057
Zona Industrial Benito Juárez
76130 Querétaro, Querétaro
Tel.: (442)192-3400

EMBOTELLADORA DE SAN JUAN, S.A. DE C.V.

Ave. Central No. 241
Fracc. Industrial Valle de Oro
76800 San Juan del Río, Querétaro
Tel.: (427)271-8900

EMBOTELLADORA LAS MARGARITAS, S.A. DE C.V.

Planta Cuautla

Tax address
Camino a Pozos Téllez Km. 1.5 sin número
Fraccionamiento Industrial Reforma
42186 Mineral de La Reforma, Hidalgo
Tel.: (771) 716 3334

Bottling plant facilities:

San Marcos No. 1
Col. Manantiales
62746 Cuautla, Morelos
Tel.: (735) 353 4003

EMBOTELLADORA DEL NAYAR, S.A. DE C.V.

Prolongación Insurgentes No. 1100 Ote.
Col. Llanitos
63170 Tepic, Nayarit
Tel.: (311) 211 9700

YOLI DE ACAPULCO, S.A. DE C.V.

Planta Iguala

Tax address

Av. Tamarindos No. 2706
Fracc. Club Deportivo
39690 Acapulco, Guerrero
Tel: (744) 434 1100

Bottling plant facilities:

Av. Vicente Guerrero No. 117
Col. Centro
40000 Iguala, Guerrero
Tel: (733) 332 0506

YOLI DE ACAPULCO, S.A. DE C.V.

Planta Cayaco

Tax address

Av. Tamarindos No. 2706
Fracc. Club Deportivo
39690 Acapulco, Guerrero
Tel: (744) 434 1100

Bottling plant facilities:

Carretera Acapulco Pinotepa Nacional Km. 10.5
39905 El Cayaco, Guerrero

Tel.: (744)468-0510

AREA NORTE

BEBIDAS ARCA, S.A. DE C.V. (Planta Matamoros)

Prolongación Calixto-Ayala No. 200 Nte.
Col. San Rafael
87340 - Matamoros, Tamaulipas

Tel.: (868)813-9111

EMBOTELLADORA DE LA FRONTERA, S.A. DE C.V. (Planta Juárez)

Blvd. Oscar Flores No. 9755
Col. Puente Alto
32650 - Cd. Juárez, Chihuahua

Tel.: (656)649-0100

BEBIDAS ARCA, S.A. DE C.V. (Planta Guadalupe)

Av. General Lázaro Cárdenas No. 1213
Col. El Sabino
67150 - Cd. Guadalupe, Nuevo León

Tel. :(81)8337-3200

BEBIDAS ARCA, S.A. DE C.V. (Planta Insurgentes)

Av. Insurgentes No. 1618
Col. Colinas de San Jerónimo
64640 - Monterrey, Nuevo León

Tel.:(81)8337-3200

EMBOTELLADORA DE LA FRONTERA, S.A. DE C.V. (Planta Chihuahua)

Av. Cristóbal Colón No. 18701
Fracc. Las Carolinas
31109 - Chihuahua, Chihuahua

Tel.: (614)442-2800

BEBIDAS ARCA, S.A. DE C.V. (Planta Saltillo)

Francisco Murguía Sur No. 220
25000 - Saltillo, Coahuila

Tel.: (844)438-1400

BEBIDAS ARCA, S.A. DE C.V. (Planta Piedras Negras)

Av. Emilio Carranza No. 1021
Col. Burócratas
26020 - Piedras Negras, Coahuila

Tel.: (878)782-6800

BEBIDAS ENVASADAS DEL PACIFICO, S.A. DE C.V. (Planta Mexicali)

Blvd. Lázaro Cárdenas No. 2400
Col. Elías Calles
21395 - Mexicali, Baja California Norte
Tel.: (686) 562-8800

BEBIDAS ENVASADAS DEL PACIFICO, S.A. DE C.V. (Planta Hermosillo)

Blvd. Luis Encinas y Periférico Pte.
Col. El Torreón
83200 - Hermosillo, Sonora

Tel.: (662)289-9900

BEBIDAS ENVASADAS DEL PACIFICO, S.A. DE C.V. (Planta Mazatlan)

Carr. Internacional México-Nogales Km. 1192 al Sur
82060 - Mazatlán, Sinaloa

Tel.: (669)989-1000

BEBIDAS ENVASADAS DEL PACIFICO, S.A. DE C.V. (Planta Culiacan)

Calz. Aeropuerto No. 5501
Carretera a Navolato
80140 - Culiacán, Sinaloa

Tel.: (667)760-1010

BEBIDAS ENVASADAS DEL PACIFICO, S.A. DE C.V. (Planta La Paz)

Km. 1.5 Carretera a Los Planes
23050 - La Paz, Baja California Sur

Tel.: (612)123-8300

COMPAÑÍA EMBOTELLADORA DEL FUERTE, S.A. DE C.V. (Planta Tijuana)

Blvd. Los Olivos No. 17770 Nte.
Parque Industrial El Florido
22680 - Tijuana, Baja California Norte

Tel.: (664)627-6700

COMPAÑÍA EMBOTELLADORA DEL FUERTE, S.A. DE C.V. (Planta Los Mochis)

Km. 1.5 Carretera Los Mochis-Ahome
81230 - Los Mochis, Sinaloa

Tel.: (668)812-9610

COMPAÑÍA EMBOTELLADORA DEL FUERTE, S.A. DE C.V. (Planta Cuauhtemoc)

Belisario Chávez No. 1501
Col. Agrícola San Antonio
31510 - Cd. Cuauhtémoc, Chihuahua
Tel.: (625)582-3637

BEBIDAS REFRESCANTES DE NOGALES, S.A. DE C.V.

Carr. Internacional Km. 5
84000 - Nogales, Sonora

Tel.: (631)314-3333

CONSORCIO LA PUREZA DE BEBIDAS S.A. DE C.V. (Planta Altamira)

Carretera Tampico-Mante Km. 28.5
Col. Ejido San Amalia
89603 - Altamira, Tamaulipas

Tel.: (833)260-6666

CONSORCIO LA PUREZA DE BEBIDAS S.A. DE C.V. (Planta Poza Rica)

2ª. Curva Carretera a Coatzacoatlán No. 201
Fracc. Jardines de Poza Rica
93369 - Poza Rica, Veracruz

Tel.: (782)826-0500

****CONSORCIO LA PUREZA DE BEBIDAS S.A. DE C.V. (Planta Cd. Victoria)**

Av. Nuevo Santander No. 1200
87089 - Cd. Victoria, Tamaulipas
Tel.: (834)318-3550

**Will be closed on October 7, 2007

AREA SUR

PROPIMEX, S.A. DE C.V.

Blvd. Adolfo López Mateos No. 2001 Ote.
Col. Bugambillas
37200 - León, Guanajuato
Tel.: (477)710-1300

PROPIMEX, S.A. DE C.V.

Fresno No. 328
Col. Santa María la Ribera
06400 - México, D.F.
Tel.: (55)5626-6041

PROPIMEX, S.A. DE C.V.

Calz. Apizaquito Km. 2
90300 Apizaco, Tlaxcala
Tel. (241)418-8001

INMUEBLES DEL GOLFO, S.A. DE C.V.

Carr. Panamericana Km. 819.5
70030 Juchitán, Oaxaca
Tel.: (971)711-1073

INMUEBLES DEL GOLFO, S.A. DE C.V.

Carr. Luis Gil Pérez - la. Sección
R/A Ixtacomitán
86280 - Villahermosa, Tabasco
Tel.: (993)310-3000

INMUEBLES DEL GOLFO, S.A. DE C.V.
Periférico Norte Poniente No. 89
29260 -San Cristóbal de las Casas, Chiapas

Tel. (967)678-13-10

EMBOTELLADORA DEL CARIBE, S.A. DE C.V.
Km. 305/306 Carr. Valladolid - Puerto Juárez
77500 - Cancún, Quintana Roo

Tel.: (998)884-2080

CIA. EMBOTELLADORA DEL SURESTE, S.A. DE C.V.
Calle 21 No. 306
Cd. Industrial
97288 - Mérida, Yucatán

Tel.: (999)946-0909

AREA SUR

PROPIMEX, S.A. DE C.V.
Calz. Apizaquito Km. 2
90300 Apizaco, Tlaxcala

Tel. (241)418-8001

INMUEBLES DEL GOLFO, S.A. DE C.V.
Carr. Panamericana Km. 819.5
70030 Juchitán, Oaxaca

Tel.: (971)711-1073

INMUEBLES DEL GOLFO, S.A. DE C.V.
Carr. Luis Gil Pérez - la. Sección
R/A Ixtacomitán
86280 - Villahermosa, Tabasco

Tel.: (993)310-3000

INMUEBLES DEL GOLFO, S.A. DE C.V.
Periférico Norte Poniente No. 89
29260 -San Cristóbal de las Casas, Chiapas

Tel. (967)678-13-10

EMBOTELLADORA DEL CARIBE, S.A. DE C.V.
Km. 305/306 Carr. Valladolid - Puerto Juárez
77500 - Cancún, Quintana Roo
Tel.: (998)884-2080

CIA. EMBOTELLADORA DEL SURESTE, S.A. DE C.V.
Calle 21 No. 306
Cd. Industrial
97288 - Mérida, Yucatan

Tel.: (999)946-0909

PROPIMEX, S.A DE CV.
Planta Los Reyes
Km 21.5 Carretera México - Texcoco
56400 Edo de México

Tel. (55) 5857 5000

PROPIMEX, S.A DE CV. Planta Cedro (this bottling plant has 2 entrances, both addresses are below)
Cedro No. 387
Col. Santa María la Ribera
06400 México D.F

Fresno No. 328
Col. Santa María la Ribera
06400 - México, D.F.

Tel.: (55)5626-6041

Panamco Bajío S.A. de C.V
Planta León
Blvd. Adolfo López Mateos Ote. s/n
Col. bugambilias
37270 León, Guanajuato

Tel.: (477)710-1300

Panamco Bajío S.A. de C.V
Planta Morelia
Km 2 Carretera Morelia - La Huerta
58050 Morelia Michoacán

Tel. (443) 322 1910

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EXHIBIT B
(Exponent Protocol)

Food & Chemicals

Exponent[®]

**The Coca-Cola Company
Bottling Plant Audit –
Sampling protocol**

**Bottling Plant Audit –
Sampling protocol**

Prepared for

The Coca-Cola Company

Prepared by

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November 2, 2005

11/02/05

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7/10/08

Objective

At the request of counsel to The Coca-Cola Company ("TCCC"), Exponent has prepared the following design of protocol to determine the compliance with an agreement with the California Attorney General for replacement of refillable bottles of Mexico Coke within 5 years.

The purpose of the protocol is to provide a methodology to estimate the proportion of "Lead Free"¹ bottles in the system and to demonstrate progress toward compliance mid-way through the phase out period. Specifically, based on the agreement with the Attorney General, on or before 34 months from the Effective Date of the agreement, an interim compliance audit of each Mexico Bottler will be conducted to estimate the prevalence of "old" refillable bottles versus "Lead Free" bottles of Mexico Coke filled at the bottling plants and to ascertain, with a substantial degree of confidence, that 95% of refillable bottles filled at the end of the five year period will be "Lead Free."

WD00856

¹ Lead Free is defined in the agreement with the Attorney General.

Assumptions

Based on discussion with representatives from The Coca-Cola Company's Latin America division¹, the following assumptions were made in the design of the survey:

- Bottles that are filled in a specific shift are no more or less likely to be "old" bottles than bottles filled on another shift (that is, new bottles are not introduced in the line on a specific shift in preference to other shifts).
- Bottles filled on a specific day are no more or less likely to be "old" bottles than bottles filled in another (that is, new bottles are not introduced in the line on a specific day in preference to other shifts)
- It is possible to easily distinguish the "old" 355 mL Coca-Cola bottles from the Lead Free 355 mL Coca-Cola bottles for audit purposes.
- Based on information about QA/QC practices in the various bottling plants, it is possible to draw as many as 500 samples from the production line on a given day
- Plants vary with respect to the duration of production shifts: for some plants, production is in 3 shifts of 8 hours each, for others shifts lasts 12 hours.

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¹ Personal communication (10/12/2005) Luis Galguera and Nemesio Diez

Survey Design

The study will draw a representative random sample of filled refillable bottles from each Mexico Bottler. The results of this sample will be representative of the bottles of Coca-Cola from Mexico that are filled and enter commerce from each bottler. Therefore the sample can be used to estimate the proportion of "old" and "Lead Free" bottles filled out of the total number of refillable bottles filled by Mexico Bottlers. While bottles that are filled in a specific shift or day are no more or less likely to be "old" bottles than bottles filled on another shift or day, it is likely that if a "batch" of "Lead Free" bottles are introduced together on a line they would be expected to show up in proximity of each other on the production line. Thus, the survey will draw bottles from two randomly selected shifts on two randomly selected days for each bottler, to decrease the chance of "hitting" a day where "Lead Free" bottles are introduced on the line.

Each bottler will be asked to draw bottles as they are coming through the production line during the selected shifts, after they have been filled but before they are packaged in the pallets. The bottles will be drawn at specific intervals during the shift. Thus, the survey will have a stratified multi-stage design, where the strata are defined to be the 44 Mexico Bottlers¹ (or however many Mexico Bottlers are operating at the time of the audit). In the first sampling stage, each bottler will be assigned 2 randomly selected days during the study period, while in the second and third stages, each bottler will be assigned a randomly selected line and a randomly selected shift for each sampling day. During the fourth and final stage, bottles will be sampled from the selected lines and shifts. An equal number of bottles will be sampled from each bottler, and an equal number of bottles will be selected per day for each bottler.

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¹ As used in this document "bottler" and "Mexico Bottler" refers to each individual bottling plant, even though several bottling plants may be owned by the same "bottler." (e.g. FEMSA).

Sample Size

Sample size to estimate proportion of "old" bottles still in the system

The number of bottles to be drawn will depend on the proportion of "old" bottles still expected to be in the system during the two month period beginning 34 months from the Effective Date, the level of precision, and the level of confidence required in the estimation of that proportion. The number (n) of bottles to be drawn per Mexico Bottler to estimate the true proportion of "old" bottles will depend on the desired level of confidence (1- α), the size of the acceptable error (d), and the proportion of old bottles still in the system (P):

$$n = \frac{z_{\alpha/2}^2 \times P \times (1 - P)}{d^2}$$

where $z_{\alpha/2}$ denotes the z-value (standard normal) corresponding to $\alpha/2$ tail probability.

Thus, if we assume a preliminary estimate of 50% for P, the minimum sample size needed to be 95% confident that the error in the derived estimate of the proportion of old bottles still in the system the midway point (approx. 2.5 years) is at most 5% is 385 bottles. In other words, we are 95% confident, that with a sample size of 385 we can detect at least a 5% deviation from the target 50% proportion. This sample size estimate assumes simple random sampling from each bottler's production. However, the proposed survey uses a cluster (by day, line, and shift) sampling approach from each bottler's production. The estimated precision of a cluster sample is usually smaller than that of a simple random sample of the same size, hence we recommend to increase the sample size to 600 bottles per bottler (to correct for the design effect), hence 26,400 bottles will be sampled for the Interim Compliance Audit.

As mentioned above, it is likely that if a "batch" of "Lead Free" bottles are introduced together on a line they would be expected to show up in proximity of each other on the production line. If this were to occur for a given bottler, it would result in an unrepresentative estimate of the proportion of "Lead Free" bottles for that bottler. Thus, the estimate of the proportion of "Lead Free" bottles should be based on the aggregate data from all bottlers. The estimates of the proportions of "old" bottles derived for each Mexico Bottler will be combined to derive an aggregate estimate for all Mexico Bottlers. An aggregate estimate of the proportion of "Lead Free" bottles can be derived as an average of the estimates derived for each bottler.

Demographics of individual bottlers indicate a large variability in the production volume of the various bottlers, therefore, statistical weights (W_i), reflecting this variability in production, will be assigned to the estimated individual bottlers' proportions in the calculation of the aggregate proportion. In other words, the bottler's contribution to total beverage production will be used to weight the proportions estimated from each bottler.

Appendix A presents the statistical formulas used in the estimation.

Bottle Selection

First stage:

In the first sampling stage, each bottler will be assigned 2 days during the study period. The 1st day will be randomly selected by Exponent and the second day will be randomly chosen to be 2 to 6 days later. An equal number of bottles will be selected from each day. If we assume that each bottler is sampling $n=600$ bottles during the survey period, then each bottler will be sampling $n_s = n/2 = 600/2 = 300$ bottles per sampling day.

Second stage:

Some plants operate more than one line, thus in the second stage, Exponent will assign each bottler with multiple lines a randomly selected line for each sampling day. In assigning these sampling lines, the same lines will not be allowed, that is a bottler will not be asked to select bottles from, say, the first line on sampling day (1) AND from the first line on sampling day (2). An equal number of bottles will be selected from each line. The number of bottles to be sampled per line is the number of the bottles n_s to be sampled per day.

Third stage:

In the third stage, Exponent will assign each bottler a randomly selected shift for each sampling day. In assigning these sampling shifts, same shift numbers will not be allowed, that is a bottler will not be asked to select bottles from, say, the third shift on sampling day (1) AND from the third shift on sampling day (2). An equal number of bottles will be selected from each shift. The number of bottles to be sampled per shift is the number of the bottles n_s to be sampled per day.

Fourth stage:

During the fourth and final sampling stage, the 355 mL refillable Coca-Cola bottles will be sampled from the selected lines and shifts at systematic intervals. Specifically, an equal number of bottles will be drawn from the line at hourly intervals during the selected shifts. Since the duration of the production shifts vary depending on the bottlers, the number of bottles to be drawn during each sampling intervals will differ depending on the shift duration. If we assume that each bottler will be sampling 300 bottles per sampling shift, then plants that use 8 hours shifts, would sample $n_{si} = 300/8 = 37$ or 38 bottles (alternating by interval) during each sampling interval, while plants that use 12 hours shifts, would sample $n_{si} = 25$ bottles during each sampling interval.

A record sheet (Figure 1) will be filled for each sampled bottle. The sheet will include, at a minimum, a bottling plant identification number, identification of the person taking the sample,

the date and time of sampling, the line from which the bottle is drawn, the shift during which the bottle is drawn, and whether the bottle was "old" or "Lead Free". Assuming it proves to be feasible (based on testing as part of the pilot study), a digital camera will also be provided to provide each bottler and requested to take a picture of the label on each sampled bottle.

Figure 1: Sample log sheet to be used for recording bottle information
(To be translated to Spanish)

Survey of Mexico Bottlers					
Bottler ID:		Date:			
Line:					Shift:
Bottle number	Sampler ID	Interval	Bottle Type (check one)		Picture taken?
			Old	LF	
			Old	LF	
			Old	LF	
			Old	LF	
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Pilot Test of the Sampling Protocol

A pilot study will be conducted at one bottler facility to test the sampling protocol and determine whether the sampling instructions and the log sheet are easy to understand and fill or whether they need to be modified, and to determine whether drawing the bottles from the line can be done without disruption to the production. The feasibility of using a digital camera to photograph the label of each bottle will also be tested in the pilot study to determine whether the pictures will have enough clarity to allow for identification of "old" and "Lead Free" bottles.

Upon completion of the pilot study, Exponent shall make recommendations regarding any changes to the protocol or study design, which will be made with the approval of the Attorney General.

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Interim Compliance Audit

An Independent Compliance Auditor will monitor or perform audits of 20% of the bottlers during a randomly selected sampling shift/day, that is, a representative cross-section of 9 (or 20% of the existing number of bottlers) will be audited or monitored by the Independent Compliance Auditor on one of their sampling shifts/days. The bottlers to be audited or monitored by the Independent Compliance Auditor will be selected by Exponent at random to ensure a cross-section of bottlers throughout the country. The remainder of the bottlers will be audited by The Coca-Cola Company Global Quality Audit Team in accordance with this protocol.

At Coca-Cola's option, the auditor will either be present during the entire sampling shift thus effectively auditing 10% of the sampled bottles, or during a subset (e.g., 50%) of the sampling occasions during that shift, and in that case 5% of the sampled bottles would be monitored.

Each bottler, including the bottlers monitored by the Independent Compliance Auditor, will be provided with a digital camera that will be used to take pictures of the sampled bottles. The date and time stamp on the pictures can be used to confirm that the sampling was indeed done during the right day, shift, and interval, and to confirm that the bottles' classification as "old" or "Lead Free" (LF) is correct. The Independent Compliance Auditor would review the pictures and log sheets to confirm that (1) that the date and time stamps on the pictures correspond to the assigned sampling dates and times, and (2) that the information recorded in the log sheets is accurate.

The Independent Compliance Auditor's report will include the results of all bottler audits and contain an opinion as to whether the numbers and findings are reliable and will make recommendations for changes that are necessary to ensure that the results are reliable (such as for additional plants to be audited or observed by the Independent Compliance Auditor in the Final Compliance Audit or changes to the sampling instructions). The recommended changes will be implemented with the approval of the Attorney General.

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Final Compliance Audit

An Independent Compliance Auditor will monitor or perform audits of 20% of the bottlers during a randomly selected sampling shift/day, that is, a representative cross-section of 9 (or 20% of the existing number of bottlers) will be audited or monitored by the Independent Compliance Auditor on one of their sampling shifts/days. At Coca-Cola's option, the auditor will either be present during the entire sampling shift thus effectively auditing 10% of the sampled bottles, or during a subset (e.g., 50%) of the sampling occasions during that shift, and in that case 5% of the sampled bottles would be monitored. The remainder of the bottlers will be audited by The Coca-Cola Company Global Quality Audit Team in accordance with this protocol.

Each bottler, including the bottlers monitored by the Independent Compliance Auditor, will be provided with a digital camera that will be used to take pictures of the sampled bottles. The date and time stamp on the pictures can be used to confirm that the sampling was indeed done during the right day, shift, and interval, and to confirm that the bottles' classification as "old" or "Lead Free" (LF) is correct. The Independent Compliance Auditor would review the pictures and log sheets to confirm that (1) that the date and time stamps on the pictures correspond to the assigned sampling dates and times, and (2) that the information recorded in the log sheets is accurate.

ENCLOSURE

Appendix A: Statistical Methods

Sample size estimation

From Cochran, W. G.. *Sampling Techniques*. John Wiley & Sons, New York, NY. 1977. p. 73-74

“The principal steps involved in the choice of a sample size are as follows:

1. There must be some statement concerning what is expected of the sample. The statement may be in terms of desired limits of error, ...,
2. Some equation that connects n with the desired precision of the sample must be found...
3. This equation will contain, as parameters, certain unknown properties of the population. These must be estimated in order to give specific results.
4. It often happens that data are to be published for certain major subdivisions of that population and that desired limits of error are set up for each subdivision. A separate calculation is made for the n in each subdivision, and the total n is found by addition.
5. More than one item or characteristic is usually measured in a sample survey: sometimes the number of items is large. If a desired degree of precision is prescribed for each item, the calculations lead to a series of conflicting values of n , one for each item. Some method must be found for reconciling these values.
6. Finally, the chosen n must be appraised to see whether it is consistent with the resources available to take the sample.”

An initial value of n when the purpose is to estimate a proportion is given by:

$$n_0 = \frac{z_{\alpha/2}^2 \times P \times (1-P)}{d^2}, \quad (1)$$

where:

- $z_{\alpha/2}$ denotes the standard normal) corresponding to $\alpha/2$ tail probability (reflects the confidence level 95%, hence $z_{\alpha/2} = 1.96$)
- P denotes the proportion of the population that has the characteristic of interest (unknown, assumed to be 50% in our calculation)
- d is the margin of error we are willing to accept (5% in our case).

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Substituting in (1) we get $n_0 = 385$.

In the case of a finite population, that is where the population size N is small and the sampling fraction n_0/N is not negligible, the sample size is given by:

$$n = \frac{n_0}{1 + \frac{n_0 - 1}{N}} \quad (2)$$

Information available from the bottlers indicates that the average speed of the lines per hour, that is the number of bottles that can be produced per hour per line, is very large (varies from 16,800 to 99,000). The population size for given bottler, defined as the number of bottles produced by that bottler on during a given shift (or a given week) is expected to be larger than the hourly line capacity of the plants, and hence is extremely large relative to the estimated sample size. Thus, formula (1) can be used.

In fact, if we used the hourly line capacity as an estimate of the population size (the population size is expected to be *much* larger than the line capacity), then the estimate of n (based on formula (2)), would range from 377 to 384, instead of the initial estimate of $n_0 = 385$ that we calculated using formula (1).

Thus while formula (2) for the minimum sample size needed to meet a given level of precision with a given level of confidence includes the population size (N), and implies that a larger sample size is required from a larger population relative to the sample size required from a smaller population, the impact of the population size N on the estimated sample size is minimal when N is large. Here, N is far larger than the line capacity and the estimated sample size of 385 is appropriate.

As see in equation (1) above, the number of bottles to be drawn depends on the proportion of "old" bottles still expected to be in the system during the selected two month period, the level of precision and the level of confidence required in the estimation of that proportion.

The following table presents sample size estimates corresponding to various degrees of confidence and acceptable precision levels (error):

Confidence level	Acceptable error		
	5%	7.5%	10%
80%	165	73	42
90%	271	121	68
95%	385	171	97

The above sample estimates assume simple random sampling from each bottler's production. However, the proposed survey uses a cluster (day and shift) sampling approach within each bottler's production. The estimated precision of a cluster sample is usually smaller than that of

a simple random sample of the same size, hence we recommend to increase the sample size to 600 bottles per bottler.

Estimation of the proportion of "old" bottles in the system

All formulas presented in this Appendix are based on *Sampling Techniques* (Cochran, W.G. 1977, John Wiley & Sons, New York, NY).

Within strata

The survey uses a stratified multistage design, where the strata are represented by the bottlers. The number of "old" and "Lead Free" bottles will be compiled for each bottler on each of his two sampling days. A simple ratio of "old" bottles to total bottles will be computed for each bottler and sampling day:

$$p_{ij} = a_{ij}/n_s$$

where a_{ij} denotes the number of "old" bottles sampled on day (j) for bottler (i), n_s denotes the total number of bottles sampled on day (j) for bottler (i) (an equal number of bottles (300) will be drawn per bottler per sampling day), and p_{ij} represents the proportion of "old" bottles out of all bottles sampled by bottler (i) on day (j).

The proportion of "old" bottles out of all bottles sampled by bottler (i) will be estimated by:

$$p_i = (p_{i1} + p_{i2})/2 \quad (3)$$

The standard error of p_i will be derived as:

$$SE(p_i) = \sqrt{\frac{\sum_{j=1}^2 (p_{ij} - p_i)^2}{2}} \quad (4)$$

Adjusting the estimated proportion to correct for the impact of the sales decline

Data from Mexico Bottlers indicate that sales of glass bottled coke products have been declining. The rate of decline varies from bottler to bottler. It will therefore be necessary to correct the estimates of the proportions of "Lead Free" bottles that are derived from the data collected by the survey, before deriving an estimate of the aggregate proportion.

For a given plant, the proportion of "Lead Free" bottles j years after initiation of the bottle replacement program will depend on the age distribution of the bottles at the time of the initiation of the program and on the rate of change in sales.

If sales remain constant the expected proportion (π_Y) of "Lead Free" bottles Y years from initiation of the bottle replacement program is:

$$\pi_Y = \sum_{i=1}^Y B_i, \quad (5)$$

where B_1, B_2, B_3, \dots represent the proportion of bottles that are 1, 2, 3, ... year old at the time of initiation of the program.

However, if sales are expected to decline, then it can be shown that the proportion ($N_{r,Y}$) of "Lead Free" bottles Y years after initiation of the bottle replacement program, assuming an annual rate of decline (r), is:

$$\pi_{r,Y} = \frac{\sum_{i=1}^Y B_i - 1 + (1-r)^Y}{(1-r)^Y}. \quad (6)$$

The first term in the numerator of equation (6) is simply the expected proportion of "Lead Free" bottles, had the sales remained constant (equation (5)). Thus, if sales have declined annually since the initiation of the program, an estimate of the proportion of "Lead Free" bottles Y years after initiation of the program, had the sales remained constant can be calculated using the estimate $\pi_{r,Y}$ derived from the survey as:

$$\pi_Y = 1 - (1-r)^Y (\pi_{r,Y} - 1). \quad (7)$$

The adjustment defined in equation (7) will be applied to the estimated proportions p_{ij} in formulas (3) and (4) above.

Aggregate estimate

Demographics of individual bottlers indicate a large variability in the production volume of the various bottlers, therefore, statistical weights (W_i), reflecting this variability in production, will be assigned to the estimated individual bottlers' proportions in the calculation of the aggregate proportion, that is the bottler's contribution to total beverage production will be used to weight the proportions estimated from each bottler. Specifically, an aggregate estimate of the proportion of "old" bottles out of total bottles will be derived as:

$$p = \sum_{i=1}^m W_i p_i,$$

where m is the number of bottlers included in the survey, p_i denotes the estimate of the proportion of old bottles out of all bottles sampled by bottler (i), and W_i denotes the share of bottler (i)'s production to total production of all m bottlers.

The standard error of the estimate will be derived as:

$$SE(p) = \sqrt{\sum_{i=1}^m W_i^2 [SE(p_i)]^2}.$$

A 95% confidence interval estimate of the true aggregate proportion of "old" bottles will be derived as $(p \pm 1.96 \times SE(p))$ where p and $SE(p)$ are derived as described above. The target proportions of 50% (for the 2008 audit) and 5% (for the 2011 audit) will be considered achieved if the calculated confidence interval includes the target proportions.

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EXHIBIT C
(Retailer Letter)

[COCA-COLA LETTERHEAD]

[*** Sent pursuant to an Agreement with the California Attorney General ***]

or

[*** Required by the California Attorney General ***]

Dear [Retailer and/or Distributor]:

This letter regards your sale of Coca-Cola products made in Mexico **in returnable bottles**. It applies only to **returnable** bottles of Mexico Coke, Mexico Fanta, Mexico Sprite and Mexico Fresca - *none* of which are authorized for sale in California.

This letter is to inform you that

- the **returnable/unauthorized** bottles of Mexico Coke, Fanta, Sprite and Fresca must **not** be sold in California; and
- there is an easier and better way for you to acquire authentic and authorized Coca-Cola products made in Mexico that **can** be legally sold in California.

REASONS MEXICO COCA-COLA PRODUCTS IN RETURNABLE BOTTLES CANNOT BE SOLD IN CALIFORNIA.

The Coca-Cola Company ("TCCC") distributes its products through authorized bottlers who operate in exclusive territories. [Bottler name] has the sole distribution rights for this location. Any resale of any Mexican-produced Coca-Cola products that are not produced or distributed by [Bottler] violates the TCCC-bottler contracts. Moreover, in the view of the California Attorney General, sales of Mexico products **in returnable bottles** may violate California law because of the inks used on the label of the refillable bottles. These inks are being changed and until that process is complete, the California Attorney General **prohibits** the sale of Mexico products **in returnable bottles** in California.

Accordingly returnable bottles of Coca-Cola products originating in Mexico may not be sold in California.

IDENTIFYING WHICH BOTTLES ARE AUTHORIZED (LEGAL) AND WHICH ARE NOT.

Bottles you can sell: Bottles of **authorized** Coca-Cola products from Mexico imprinted with the words "*No Returnable*" and displaying the Universal Product Code (bar code) beginning with "49000" imprinted on the side of the bottle. Please see the attached photographs.

Bottles you cannot sell: Bottles made in Mexico marked "*Returnable*."

EXC

The attached photographs will help you in distinguishing authorized v. unauthorized products.

HOW TO GET MEXICO PRODUCTS THAT CAN BE SOLD IN CALIFORNIA

Your customers want these products and we want you to provide it to them lawfully. Coca-Cola products manufactured in Mexico are now available and can be sold in California. These product will be imported lawfully, and will comply both with TCCC contractual agreements and with the California information and labeling laws. The new, authorized Mexico products from Coca-Cola will be sold in non-returnable bottles. These products, which will be competitively priced and distributed exclusively through Coca-Cola authorized distributors, are the only Coca-Cola products bottled in Mexico that should be sold in California.

If you would like to distribute authorized Coca-Cola products from Mexico, please immediately contact your Coca-Cola Enterprises Inc. representative, XXXXXXXX, in XXXXXXXX at XXX-XXX-XXXX. Upon delivery of your first order, Coca-Cola Enterprises (CCE) will remove all unauthorized products in your possession. **In exchange, cases removed will be replaced -- at no cost to you and on a one time only basis -- one for one with Mexico Coca-Cola in either 355ml or 500 ml bottles.** Authorized Mexico Sprite, Mexico Fanta, and Mexico Fresca will soon be available as well.

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EXHIBIT D
(Lead GMP Audit)

Good Manufacturing Practices Assessment: Lead
(Rev. September 21, 2007)

This audit checklist serves as a guide to the auditor in completing a general assessment of the practices utilized to reduce the risk of lead integration.

Plant Name:	Plant Location:	Audit Company / Auditor Name:
Audit Date:	Management Plant Personnel:	

Question	Guidelines	Yes	No	Comments
1. Are the operational requirements for refillable glass bottle washing that impact lead reduction met?	<ul style="list-style-type: none"> Recommended EDTA concentration met. Recommended temperature and pH for prefinal rinse water met. Routine established and maintained for monitoring tank washer temperatures Piping for water used in the final rinse is constructed of materials that do not contribute to lead integration in the refillable glass bottles. 			
2. Have monitoring frequencies been established for checking the effectiveness of refillable glass bottle cleaning?	<ul style="list-style-type: none"> Frequencies established and monitoring occurring for key parameters: <ul style="list-style-type: none"> EDTA concentration Bottle soak contact time pH of prefinal rinse Raw water used for the final rinse of refillable glass bottles is less than 10 ppb lead (tested every 12 months). 			
3. Are empty, cleaned refillable glass bottles protected from lead integration prior to filling?	<ul style="list-style-type: none"> The path of empty refillable glass bottles to the filling area is designed to avoid integration of lead-containing materials (e.g. dust) to the bottles 			
4. Is the design of the filling area adequate to prevent lead integration into the bottles?	<ul style="list-style-type: none"> Filling area separated from non-processing areas Positive pressure ventilation system Minimal gaps between walls and roofs or floors Covering for unsealed filled package conveyors up to the sealer Food contact surfaces are constructed of suitable materials that do not contribute to lead integration Protective shield to keep glass fragments, oil, grease, dust or debris from scattering. 			

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EXD

Good Manufacturing Practices Assessment: Lead
(Rev. September 21, 2007)

5.	<i>Is the filling area for glass bottles free of any obvious sources of potential lead integration to the glass bottles?</i>	<ul style="list-style-type: none"> • Treated water used for beverage preparation for final refillable glass bottles is less than 10 ppb lead (tested every 12 months). • No possible contamination from fuel emission (e.g. conveyor motors) • Lubricants, sealants are suitable for food contact and do not contribute to lead integration 			
6.	<i>Is equipment maintenance conducted in a manner to prevent lead integration to the glass bottles?</i>	<ul style="list-style-type: none"> • Repairs to equipment made with materials suitable for food contact that do not contribute to lead integration. 			
7.	<i>Are procedures in place to ensure that the newly manufactured refillable and non-refillable bottles comply with lead content specifications?</i>	<ul style="list-style-type: none"> • Documentation that new bottlers are sources from authorized supplier of "Lead Free" bottles. • Documentation that supplier has provided bottles that comply with applicable specification. 			
8.	<i>Is the final product monitored for lead?</i>	<ul style="list-style-type: none"> • Final product is sampled on a quarterly basis and tested for lead. • Materials specifications prohibit added lead or cadmium 			

CONFIDENTIAL

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Exhibit E
**(Declaration re Progress Toward Removal of Old
Decorated Bottle from California Market**

1 MICHELE B. CORASH (BAR NO. 103653)
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4 Telephone: (415) 268-7000
Facsimile: (415) 268-7522

5 Attorneys for Defendant
6 THE COCA-COLA COMPANY

7

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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

9

FOR THE COUNTY OF LOS ANGELES

10

11 PEOPLE OF THE STATE OF CALIFORNIA, ex
rel. EDMUND G. BROWN JR., Attorney
12 General, and ROCKARD J. DELGADILLO,
Los Angeles City Attorney,

CASE NO. BC 352402

13

Plaintiffs,

**DECLARATION OF PAUL
BRENNAN IN SUPPORT OF
CONSENT JUDGMENT**

14

v.

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16 THE COCA-COLA COMPANY and Does 1
through 150, inclusive,

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Defendant.

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DECLARATION OF BRIAN HENRY IN SUPPORT OF CONSENT JUDGMENT

1 1. I, Paul Brennan, an International Transshipping Manager for The Coca-
2 Cola Company (also "Company"). As part of my responsibilities, I oversee the
3 Transshipping Department, which is responsible for monitoring and maintaining
4 the integrity of the contractually defined market territories served by the
5 various bottlers of Coca-Cola products. I make this declaration from my own
6 personal knowledge, as well as the documents available to me in my position.
7 If called upon to testify to the matters declared herein, I could and would
8 competently testify thereto.

9 2. The unauthorized transshipment of genuine Coca-Cola brand products
10 from Mexico into the United States is a serious commercial issue for The Coca-
11 Cola Company. The Company's distribution system depends heavily on its
12 bottlers and their investments in developing the Coca-Cola brand within their
13 assigned exclusive territories. To protect and encourage these investments, the
14 Coca-Cola Company's distribution agreements with its bottlers prohibit them
15 from selling, or allowing the sale, outside their territories of The Coca-Cola
16 products they bottle. The agreements contain provisions for The Coca-Cola
17 Company to impose financial assessments on a strict liability basis if their
18 bottles are found outside their territories. Part of my responsibility is to assure
19 that these agreements are enforced.

20 3. Coca-Cola is the leading carbonated beverage in Mexico and, in fact,
21 Mexico has the highest per capita consumption of Coca-Cola in the world.
22 Coca-Cola bottled in Mexico for resale in Mexico ("Mexico Coke") differs from
23 the Coca-Cola typically bottled in the United States and intended for
24 consumption in the U.S: A significant portion of it is sold in recyclable glass
25 bottles with decoration and Spanish language branding embossed on the glass
26 ("Mexico Coke Bottles" or "Bottled Mexico Coke"). Also, the Mexico Coke is
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1 made with sugar, while the U.S. bottled Coca-Cola product is made with high
2 fructose corn syrup.

3 4. While some Mexico Coke has long been imported into the U.S. in
4 violation of the Coca-Cola Company's trademark rights and its bottler
5 agreements, and without the approval or authority of the Coca-Cola Company,
6 the problem became more acute starting in approximately 1995, when large
7 amounts of Mexico Coke began to appear in markets serving Mexican-American
8 consumers in the United States. To the best of my knowledge, the Coca-Cola
9 bottlers in Mexico were neither shipping nor authorizing the sale of this
10 Mexico Coke in the United States. Rather, it appeared that the product was
11 purchased by third parties in Mexico and independently transshipped into the
12 United States ("illegal transshipment").

13 5. The Coca-Cola Company has devoted significant effort to stopping this
14 illegal transshipment including filing and prosecuting law suits against
15 unauthorized distributors of Coca-Cola products bottled outside the United
16 States and sold in the United States, but the practice has persisted; in one of
17 these cases, even a court order failed to stop illegal transshipment by the
18 defendant. The Coca-Cola Company also consulted with the United States
19 Customs Service and the Food and Drug Administration. Unfortunately,
20 however, the U.S. government currently places little resources towards
21 assisting companies in addressing the importation of grey market goods. In
22 addition, the Transshipping Department continually trains United States'
23 bottlers and their representatives to identify unauthorized Coca-Cola products
24 from Mexico and encourages reporting of offending transshipped products to
25 the Company so that the Company can assess contractual penalties against
26 bottlers whose products are imported to the United States. Because the number
27 of potential importers is virtually unlimited -- the only requirement is a mode

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1 of transporting the product -- these efforts have not succeeded in stopping
2 illegal transshipment.

3 6. Ultimately, in 2005, the Coca-Cola Company, in partnership with
4 domestic bottler Coca-Cola Enterprises, Inc. and Mexican bottler
5 Embotelladoras ARCA, S.A. developed a comprehensive program to import
6 authorized Coca-Cola products bottled in Mexico into the United States.
7 Specifically, the Mexican product that is authorized by The Coca-Cola
8 Company for sale in the United States is a non-refillable glass bottle that
9 resembles the classic contour style of the refillable glass bottles sold
10 throughout Mexico and other parts of the world. This new, non-refillable bottle
11 is decorated with Lead Free materials, as that term is defined in the Consent
12 Judgment in the above-captioned action. The Coca-Cola Company has never
13 authorized the importation of Coca-Cola products decorated with lead based
14 materials.

15 7. As a part of that effort, the authorized Coca-Cola product from Mexico is
16 being distributed by Coca-Cola Enterprises, Inc. throughout portions of its
17 authorized territories in the United States. Initial distribution of the product
18 began in September 2005. The new product is currently available in retail
19 outlets throughout the San Francisco Bay Area, the greater Los Angeles Area,
20 San Diego, as well as certain Central Valley areas. While exact sales figures
21 are unavailable, as of 07/2007 Coca-Cola had sold at least 9,000,000 cases of
22 the new Coca-Cola product from Mexico for distribution in the United States.

23 8. At the same time, the Coca-Cola Company had been investing in the
24 development of new Lead Free enamels that could be used on its refillable glass
25 bottles in Mexico and in countries throughout the world. The difficulty was to
26 develop enamels that would retain their trademark color and adhere to bottles
27 subjected to the vigorous washing necessary to assure the safety of refillable
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1 glass bottle. Over the past decade, The Coca-Cola Company has made
2 significant investments first to develop and then to implement the use of these
3 Lead Free enamels. As a result of these efforts, since October 2005, all
4 refillable bottles of Coca-Cola products newly-manufactured in Mexico use
5 these new Lead Free enamels exclusively. In August 2006, the Company
6 represented to the Attorney General that all Coca-Cola bottles filled in Mexico
7 would be Lead Free within five years.

8 9. In October 2004, The Coca-Cola Company retained investigators to
9 survey major metropolitan markets in California (as well as two other states)
10 and purchase from the retail establishments they surveyed the Coca-Cola
11 products they offered for sale that were bottled in Mexico and imported into the
12 United States by unauthorized third parties.

13 10. Over the past 12 years, The Coca-Cola Company has identified numerous
14 wholesale and retail outlets in California, through market surveys and
15 otherwise, that have sold Coca-Cola products bottled in Mexico. To deter
16 further unauthorized sales, the Coca-Cola Company sent cease and desist letters
17 to over 250 outlets identified in its past market surveys, conducted follow-up
18 surveys to assess compliance with the Company's demands and has filed six
19 lawsuits against distributors who ignored the cease and desist letters. An
20 exemplar of the letters sent to retailers is attached hereto as Exhibit 1.

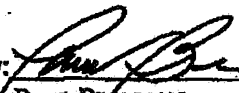
21 11. In November 2006, The Coca-Cola Company retained an investigation
22 firm to visit 215 separate retailers in California who had either sold Coca-Cola
23 products from Mexico in the past, or were identified as possible outlets for
24 illegally transshipped products imported from Mexico. Of the 215 retailers
25 surveyed, Coca-Cola from Mexico in Old Decorated Bottles (as that term is
26 defined in the Consent Judgment) was only found in 8 of the 215 retailers.
27 Detailed results of the survey are attached to this declaration as Exhibit 2.

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1 12. In support of the above efforts to remove Old Decorated Bottles from the
2 California market, The Coca-Cola Company and its partners have expended
3 more than \$2.5 million dollars and will expend an additional 16 million dollars
4 over the next five years.

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6 I declare under the penalty of perjury under the laws of the State of
7 California that the foregoing is true and correct.

8 Executed in Atlanta, Georgia on August 21, 2007.
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12 By: 
13 PAUL BRENNAN
14 THE COCA-COLA COMPANY
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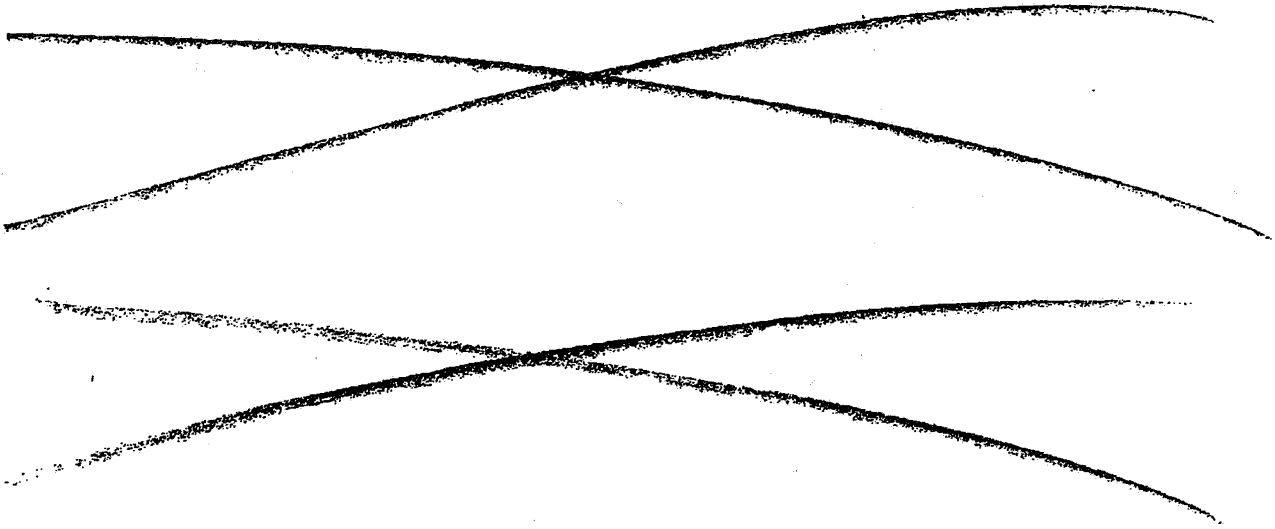


Exhibit "1" to the Brennan Declaration

SECRET

The Coca-Cola Company

COCA-COLA PLAZA
ATLANTA, GEORGIA

BRIAN K. HENRY
SENIOR COUNSEL
COMPETITION/RETAIL & DISTRIBUTION
LEGAL DIVISION

ADDRESS REPLY TO
P.O. BOX 1734
ATLANTA, GA 30301
404 876-2976
FACSIMILE 404 876-2194

March 26, 2006

Anita's Kitchen
10427 San Sevaine Way, Suite L
Mira Loma, CA 91752

RE: Demand to Cease the Sale of Unauthorized Coca-Cola Products Made in Mexico and Availability of Authorized Coca-Cola from Mexico

Dear Sir or Madam:

It has come to the attention of The Coca-Cola Company ("TCCC"), that you may be selling Coca-Cola products from Mexico (including, at least, Coca-Cola®) in refillable, returnable glass bottles. The sale of these products in California and elsewhere in the United States illegally interferes with The Coca-Cola Company's rights and is *unauthorized*. Accordingly, The Coca-Cola Company requires that Anita's Kitchen (and any individual or entity operating in conjunction with it) immediately and permanently cease and desist the sale of *unauthorized* Coca-Cola products from Mexico. If such activity is not immediately stopped, The Coca-Cola Company will take all actions necessary to protect its rights, including instituting legal proceedings against Anita's Kitchen to enjoin such activity and to recover monetary damages incurred by The Coca-Cola Company and its bottlers as a result of such wrongful conduct. You must sign and return a copy of this letter by **April 20, 2007** acknowledging that you are no longer selling *unauthorized* Coca-Cola products from Mexico.

Authorized vs. Unauthorized

Authorized Coca-Cola products made in Mexico and bottled in non-refillable 355ml glass bottles are available to you from your local Coca-Cola bottler, Coca-Cola Enterprises Inc. These Coca-Cola products can be legally sold in California. The demand that you stop selling Coca-Cola from Mexico applies only to *unauthorized* Coca-Cola products. To assist you in determining whether your product is authorized, all bottles of newly authorized Coca-Cola products from Mexico are imprinted with the words "No Returnable" and display the Universal Product Code (bar code) beginning with "49000" imprinted on the side of the bottle

NO-0415

Ex 1

The Legal Basis for TCCC's Contractual Rights

TCCC has distributed its soft drink products for over 100 years through an extensive system of bottlers who operate in exclusive territories granted by TCCC. The United States Congress established the legality of this exclusive territory system in the Soft Drink Interbrand Competition Act of 1980, 15 U.S.C. §§ 3501-3503. The Act further upheld the right of soft drink manufacturers, such as TCCC, to enforce exclusive territories that they grant to bottlers.

Specific TCCC Rights at Issue

TCCC entered into written bottle contracts with bottlers throughout the U.S. and Mexico, including with Coca-Cola Enterprises Inc. operating in the State of California. In these contracts, TCCC granted bottlers the sole, exclusive, and perpetual right and license to distribute Coca-Cola products in their contractually-defined territories. These bottle contracts also obligate TCCC to enforce the exclusivity of the bottlers' territories. Any resale of any Coca-Cola product outside of the bottler's territory in which it was produced interferes with the existing contractual relationship between TCCC and the affected bottlers.

To the extent that Anita's Kitchen is involved in importing Coca-Cola products, including Sprite, Fanta, and Fresca, into the U.S. from Mexico, Anita's Kitchen is also in violation, at least, of the trademark infringement laws contained in the Lanham Act, 15 U.S.C. § 1114 and 1125(a), and U.S.C. § 1526.

Harm Caused by Unlawful Activities

TCCC has evidence or other reasons to believe that Anita's Kitchen may be acquiring Coca-Cola products from Mexico that are not authorized for resale in the U.S. and may be distributing those products in the U.S. within the territories granted exclusively to Coca-Cola Enterprises Inc. and other Coca-Cola bottlers.

Anita's Kitchen's continued distribution and wholesaling of unauthorized Coca-Cola products directly interferes: (a) with the contractual obligations of Mexico bottlers to TCCC not to sell to third parties that directly or indirectly sell into the exclusive territories of other Coca-Cola bottlers; (b) with TCCC's contractual obligation to enforce the exclusivity of its bottlers' territories; and (c) with U.S. bottlers' contractual right to distribute, sell, and promote Coca-Cola products in their contractually-defined exclusive territories.

As such, the activity of Anita's Kitchen is improperly and tortiously interfering with long-standing contracts that exist between TCCC and Coca-Cola Enterprises Inc. and other Coca-Cola bottlers. Such conduct violates the laws of California and of other states that make it unlawful for a party to act to cause another to breach or fail to perform any lawful contract.

Written Agreement to Halt Unlawful Activities

Accordingly, TCCC demands that Anita's Kitchen (and any and all individuals or entities acting in its behalf) immediately and permanently cease and desist in the distribution and sale of

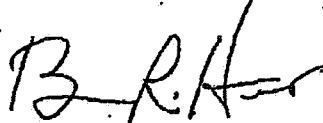
unauthorized Coca-Cola trademarked products anywhere in the United States and its possessions. TCCC requires immediate written confirmation that Anita's Kitchen has taken the required action by the signature of an authorized agent of Anita's Kitchen in the space provided below. To this end, I have enclosed two original counterparts of this letter. Please sign and return one to Brian R. Henry, USA 1108B, The Coca-Cola Company, P.O. Box 1734, Atlanta, GA 30301. The other is for your records.

Consequences to Anita's Kitchen of Non-Compliance

If we do not receive such written confirmation by *March 6, 2006*, and/or if TCCC learns that Anita's Kitchen has continued distribution of unauthorized product after this date, then TCCC will take all actions necessary to protect its contractually protected rights and trademarks. Such actions could include instituting legal proceedings against Anita's Kitchen to enjoin such activity and to recover monetary damages incurred by TCCC and its bottlers as a result of the tortious and unlawful conduct and trademark infringement of Anita's Kitchen.

If you would like to discuss this matter, please call Paul Brennan, Manager, International Transshipping, The Coca-Cola Company, at 404-676-3345.

Sincerely,



Brian R. Henry
Senior Counsel
Competition/Retail & Distribution
The Coca-Cola Company

I hereby certify that I am authorized on behalf of Anita's Kitchen to state that Anita's Kitchen has ceased all distribution and sale of unauthorized Coca-Cola products anywhere in the United States and its possessions.

Printed Name

Signed Name (Signature)

Title and Company

Date

100-214-1

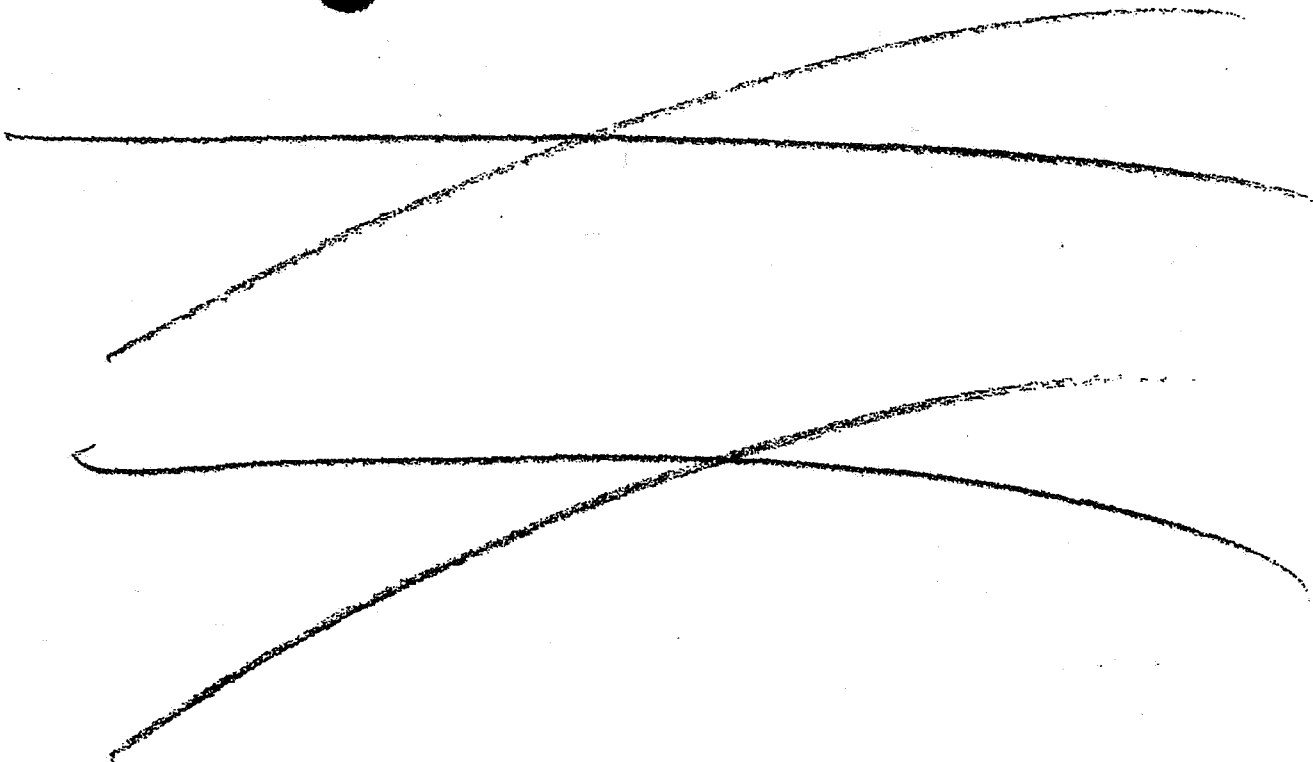


Exhibit "2" to the Brennan Declaration

1850-00000000

California Mexico Coke Assignment November 2006

Indicate total # of Cases

Name of Outlet	Address	City	State	Zip	Cola 355 ml MX-05	Cola 355 ml Non-MX-05	Cola 500ml MX-05	Cola 500ml Non-MX-05	Sprite 355ml	Sprite 500ml	Fanta 355ml	Fanta 500ml	Fresca 355ml	Fresca 500ml	Cola 600ml	1, 2, or 3 liter PET	237ml No Return	Comments	Medico Paper (Y/N)	355 ml no return Glass
John's Liquor	8551 1/2 Telegraph Rd.	Pico Rivera	CA		0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Lolitas Market	6950 1/2 Whittier Blvd.	Los Angeles	CA	90680	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Beverage Center	6033 Whittier Blvd.	Los Angeles	CA	90640	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Tom's Liquor	6267 Whittier Blvd.	Los Angeles	CA		0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
The Jewel Market	218 Whittier Blvd.	Montebello	CA	90640	0	0	0	0	0	0	0	0	0	0	0	0	0		1	0
Luck Market	4435 Olympic Blvd.	Los Angeles	CA	90022	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Olympic Market	4825-A Olympic Blvd.	Los Angeles	CA	90680	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Safety Liquor	4835 Whittier Blvd.	Los Angeles	CA	90680	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Anast Liquor	9416 Telegraph Rd.	Downey	CA	90290	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Pueblo Liquor	4600 Whittier Blvd.	Los Angeles	CA	90680	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Patty's Liquor	6151 Whittier Blvd.	Los Angeles	CA	90680	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
NC Liquor	9125 Telegraph Rd.	Pico Rivera	CA		0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Rosewood Liquor	9140 Telegraph Rd.	Downey	CA	90240	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Pico Liquor Market	8143 Paramount Blvd.	Pico Rivera	CA	90240	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Liquor Store	8320 Rosemead Blvd.	Pico Rivera	CA		0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
T & K Liquor	5949 Rosemead Blvd.	Pico Rivera	CA	90680	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
JB Liquor & Market	8728 Washington Blvd.	Pico Rivera	CA	90680	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Mercado Liquor	1530 Greenville St.	Santa Ana	CA	92704	1	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Lucky Center Market	3502 5th St.	Santa Ana	CA	92703	0	0	0	0	0	0	0	0	0	0	0	0	0		0	1
Carretero Gonzalez (no longer in business)	901 S. Bristol	Santa Ana	CA	92703	0	0	0	0	0	0	0	0	0	0	0	0	0	No Longer in Business	0	0
Bristol Liquor	323 S. Bristol	Santa Ana	CA	92703	0	0	0	0	0	0	0	0	0	0	0	0	0		0	1
WM Market	1340 W 1st St.	Santa Ana	CA	92703	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
1st Aqua & Ice	1801 W 1st St.	Santa Ana	CA	92703	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Rubios Market	1041 W. 1st St.	Santa Ana	CA	92703	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
El Progreso Market	1134 W 1st St.	Santa Ana	CA	92703	0	0	0	0	0	0	0	0	0	0	0	0	0		0	2
Santa Ana Market	1216 W. 1st St.	Santa Ana	CA	92701	0	0	0	0	0	0	0	0	0	0	0	0	0		0	1
C & C Market	2329 1st St.	Santa Ana	CA	92703	0	0	3	1	0	0	0	0	0	0	0	0	0		2	0
El Toro	1340 W 1st St.	Santa Ana	CA	92703	0	0	0	0	0	0	0	0	0	0	0	0	0		1	1
Santa Ana Farmers Market	2201 1st St.	Santa Ana	CA	92703	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
La Monita	4304 Washington Blvd.	Orange	CA	97889	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Presidente Market	11922 Earl Ham	Orange	CA	92869	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Market	18551 Center	Orange	CA	92869	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
El Tortito Market	3848 E. Chapman	Orange	CA	92869	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
La Sabrosa Market	4004 E. Chapman	Orange	CA	92869	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
International Catering	16221 Construction Circle	Irvine	CA	92606	0	0	0	0	0	0	0	0	0	0	0	0	0		0	36
Pomona Meat Market	155 W. Pomona	Santa Ana	CA	92707	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0

EX2

