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Exempt from filing fee pursuant  
to Government Code §6103

RECEIVED  
APR 11 2016  
SUPERIOR COURT  
WEST DISTRICT  
SANTA MONICA  
FILED  
Superior Court of California  
County of Los Angeles  
APR 12 2016  
Sherri R. Carter, Executive Officer/Clerk  
By Nancy Lee Deputy

Attorneys for Plaintiff  
PEOPLE OF THE STATE OF CALIFORNIA

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

PEOPLE OF THE STATE OF CALIFORNIA,  
Plaintiff,  
v.  
NEUROBRANDS, LLC,  
Defendant.

Case No. SC125676  
FINAL JUDGMENT AND INJUNCTION  
PURSUANT TO STIPULATION

Plaintiff, the People of the State Of California ("the People" or "Plaintiff"), appearing  
through its attorneys, Jackie Lacey, District Attorney for the County of Los Angeles by Kathleen  
Tuttle, Deputy District Attorney and Marsha Jones Moutrie, Santa Monica City Attorney by Adam  
Radinsky and Eda Suh, Deputy City Attorneys, and having filed its complaint herein;

1 Defendant Neurobrands, LLC (“Neuro” or “Defendant”), appearing through its attorneys  
2 Liner LLP by Angela Agrusa, Esq. and having accepted service of the complaint;

3 Plaintiff and Defendant having negotiated and agreed to a settlement including stipulating to  
4 the entry of this Final Judgment and Injunction Pursuant to Stipulation (“Judgment”) prior to the  
5 taking of any proof and without trial or adjudication of any issue of fact or law, and without any  
6 admission of liability or wrongdoing regarding any issue, of fact, law or otherwise; and

7 The Court having considered the pleadings and good cause appearing,

8 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Plaintiff have Judgment  
9 against Defendant as follows:  
10

11  
12 **JURISDICTION AND VENUE**

13  
14 1. This action is brought under the laws of the State of California. This Court has  
15 jurisdiction of the subject matter and the parties. Venue is appropriate in this Court.

16  
17 **APPLICABILITY**

18 2. The provisions of this Judgment are applicable to Defendant and its officers,  
19 directors, agents, representatives, successors, and assigns acting within the course and scope of their  
20 agency or employment and in concert with Defendant.

21  
22 **MONETARY RELIEF**

23 3. Pursuant to Business and Professions Code sections 17206 and 17536, Defendant  
24 shall pay to Plaintiff the total sum of \$500,000 within 120 days of the entry of Judgment. This sum  
25 shall be paid as follows:

- 26 a. Within 30 days of the entry of Judgment, a check in the amount of \$40,000  
27 payable to the Consumer Protection Prosecution Trust Fund as *cy pres* restitution,

1 mailed to Adam Radinsky, Chief Deputy, Consumer Protection Division, Santa  
2 Monica City Attorney's Office, 1685 Main St., Room 310, Santa Monica, CA  
3 90401;

4 b. Within 30 days of the entry of Judgment, a check for \$80,000 payable to the Los  
5 Angeles County District Attorney's Office for civil penalties and investigative  
6 costs, mailed to Kathleen Tuttle, Deputy District Attorney, 211 W. Temple Street,  
7 10th Floor, Los Angeles, CA 90012;

8 c. Within 30 days of the entry of Judgment, a check for \$80,000 payable to the Santa  
9 Monica City Attorney's Office for civil penalties and investigative costs, mailed  
10 to Adam Radinsky, Chief Deputy, Consumer Protection Division, Santa Monica  
11 City Attorney's Office, 1685 Main St., Room 310, Santa Monica, CA 90401;

12 d. Within 90 days of the entry of Judgment, a check in the amount of \$60,000  
13 payable to the Consumer Protection Prosecution Trust Fund as *cy pres* restitution,  
14 mailed to Adam Radinsky, Chief Deputy, Consumer Protection Division, Santa  
15 Monica City Attorney's Office, 1685 Main St., Room 310, Santa Monica, CA  
16 90401;

17 e. Within 90 days of the entry of Judgment, an additional payment of \$120,000  
18 payable to the Los Angeles County District Attorney's Office for civil penalties  
19 and investigative costs mailed to Kathleen Tuttle, Deputy District Attorney, 211  
20 W. Temple Street, 10th Floor, Los Angeles, CA 90012;

21 f. Within 90 days of the entry of Judgment, an additional payment of \$120,000  
22 payable to the Santa Monica City Attorney's Office for civil penalties and  
23 investigative costs mailed to Adam Radinsky, Chief Deputy, Consumer Protection  
24 Division, Santa Monica City Attorney's Office, 1685 Main St., Room 310, Santa  
25 Monica, CA 90401;

26 g. The parties have stipulated and the Court finds that it is impractical and  
27 impossible to identify or to provide direct restitution to consumers who may have  
28



1 purposes of this Judgment, the term “COMPETENT AND RELIABLE  
2 SCIENTIFIC EVIDENCE” means tests, analyses, research, studies, or  
3 other evidence based upon the expertise of professionals in the  
4 relevant area that have been conducted and evaluated in an objective  
5 manner by persons qualified to do so, using procedures generally  
6 accepted in the scientific community to yield accurate and reliable  
7 results.)

8 c. Making or disseminating any of the following claims, using either the  
9 same or equivalent language, with respect to Defendant’s products,  
10 unless they are supported by the results of a new clinical trial designed  
11 and executed in accordance with standards and methods generally  
12 accepted within the relevant scientific community to produce reliable  
13 and accurate results and supported by COMPETENT AND  
14 RELIABLE SCIENTIFIC EVIDENCE consistent with the standards  
15 and obligations imposed by federal and state law and other applicable  
16 rules governing the substantiation of marketing claims:

- 17 i. support(s) memory
- 18 ii. provide(s) fuel for the brain
- 19 iii. promote(s) healthy aging
- 20 iv. provide(s) mental energy
- 21 v. deliver(s) sustained focus
- 22 vi. strengthen(s) your focus and creativity
- 23 vii. enhance(s) mood
- 24 viii. daily dose of immunity
- 25 ix. relieve(s) muscle cramps
- 26 x. help(s) normalize sleep patterns

- 1 d. Unless it is supported by the results of a new clinical trial designed and  
2 executed in accordance with standards and methods generally accepted  
3 within the relevant scientific community to produce reliable and  
4 accurate results and supported by COMPETENT AND RELIABLE  
5 SCIENTIFIC EVIDENCE consistent with the standards and  
6 obligations imposed by federal and state law and other applicable rules  
7 governing the substantiation of marketing claims, using the term  
8 “reduce(s) stress” in the advertising, labeling, or course of sale of any  
9 of Defendant’s products except as follows:
- 10 i. only in reference to Neuro Bliss;
  - 11 ii. only if followed immediately by an asterisk of the same font and  
12 typeface-size as the words “reduce(s) stress”; and
  - 13 iii. only if accompanied by the following disclaimer which shall be  
14 printed on the same side of the label as the asterisk (if on a  
15 product) or in close proximity to the asterisk if in any other format  
16 (including online, screen or print) and shall be at least as large as  
17 the surrounding text: “\*May reduce stress temporarily.”
- 18 e. Using the term “dietary supplement” in the advertising, labeling, or  
19 sale of any of Defendant’s products except Neuro Sleep.

20  
21 **MARKETING OF PRODUCTS AS FOODS OR DIETARY SUPPLEMENTS**

22 6. Plaintiff and Defendant agree and acknowledge, and the Court orders, that  
23 Defendant’s products Neuro Bliss, Neuro Sonic and Neuro Daily will henceforth be labeled and  
24 marketed as conventional foods as defined under federal law including 21 U.S.C. §312(ff)(2)(B) and  
25 the other rules promulgated by the U.S. Food and Drug Administration (“FDA”) (collectively, “THE  
26 FDA RULES”). Defendant shall market those products in compliance with THE FDA RULES.  
27 Defendant shall not market those products as dietary supplements.



**COMPLIANCE**

1  
2           11. For the purpose of securing compliance with the terms of this Judgment, Defendant  
3 shall within 30 days after entry of Judgment serve each of its officers, directors, and executive  
4 managers with a copy of this Judgment.

5           12. Within 30 days after entry of this Judgment, Defendant shall serve on all of its  
6 RESELLERS in the state of California by Certified Mail a document that summarizes certain terms  
7 of this Judgment in the form attached hereto and incorporated as Exhibit A.

8           13. Within 30 days after entry of this Judgment, Defendant shall serve by Certified Mail  
9 on the corporate offices of the 21 companies listed in Exhibit B (1) a Notice regarding Neuro Sleep,  
10 in the form attached hereto and incorporated as Exhibit B, along with (2) a written request that said  
11 corporate offices forward copies of the Notice to all of their companies' Neuro RESELLERS in the  
12 U.S. and provide Neuro with documentation that said notices were given.

13           14. Defendant shall keep custody of all documentation of its compliance with the notice  
14 and recordkeeping requirements of this Judgment. Defendant shall provide such items to the  
15 People's counsel upon reasonable notice.

16           15. After the date of entry of this Judgment, Defendant shall not manufacture, produce,  
17 ship, or deliver any products not in compliance with this Judgment. The deadline in this paragraph  
18 shall be extended to June 30, 2016 for the products Neuro Bliss and Neuro Sleep only.

19           16. After the date of entry of this Judgment, Defendant shall not label, advertise or  
20 market any products not in compliance with this Judgment. However, claims appearing on the labels  
21 of Defendant's products that already were produced, packaged and labelled prior to the entry of this  
22 Judgment are exempt from the requirements of this paragraph for a period of nine months following  
23 the entry of Judgment. The deadline applicable to claims on labels in the preceding sentence shall be  
24 extended to March 30, 2017 for the products Neuro Bliss and Neuro Sleep only.

25           17. Products not in compliance with this Judgment shall not be sold after the respective  
26 deadlines contained in the preceding Paragraph. Nothing in this Paragraph creates any additional  
27



1 liability or duties on the part of Defendant as long as it complies with the remaining paragraphs of  
2 this Judgment.

3 18. Defendant shall promptly provide the production dates of products in the marketplace  
4 in response to reasonable requests from the People, to the extent possible or practicable.

5  
6 **MEET AND CONFER**

7 19. Prior to pursuing in court any action against Defendant for violating an affirmative  
8 obligation created by this Judgment other than the payment of money, the People agree first to notify  
9 Defendant in writing of the alleged violation, engage in good faith efforts informally to resolve the  
10 issue, and to allow Defendant fifteen calendar days to correct the alleged violation before seeking  
11 such relief.

12  
13 **OTHER PROVISIONS**

14 20. Nothing in the Complaint in this action, the accompanying Stipulation, this Judgment,  
15 the negotiations leading up to these filings, or any action taken to carry them out shall be construed  
16 as an admission of fault or liability by Defendant or by any entity, individual, or organization  
17 involved in the settlement of this action.

18 21. The Parties waive the right to appeal this Judgment as to form or content.

19 22. This Judgment shall constitute a release of Defendant and its officers, directors,  
20 employees, agents, representatives, parents, subsidiaries, related entities, successors and assigns  
21 from all claims by the People pertaining to or arising from any of the alleged unlawful acts and  
22 practices described in the Complaint which occurred prior to the entry of this Judgment.

23 23. Notices under this Judgment shall be served as follows:

24 **To the People or People's counsel:**

25 Adam Radinsky  
26 City Attorney's Office  
27 1685 Main Street, Room 310  
28 Santa Monica, CA 90401

To Defendant or Defendant's counsel:

Angela Agrusa  
Liner LLP  
1100 Glendon Avenue, 14th floor  
Los Angeles, CA 90024


1  
2  
3  
4 24. Nothing in this Judgment shall be construed as relieving Defendant of its obligations  
5 to comply, or as prohibiting Defendant from complying, with all applicable local, state and federal  
6 laws, regulations or rules, nor shall any of the provisions of this Judgment be deemed permission to  
7 engage in any acts or practices prohibited by such laws, regulations or rules.

8 25. Pursuant to Business and Professions Code section 17203 and the Court's inherent  
9 authority, the Court shall retain jurisdiction for the purpose of enforcing this Judgment and enabling  
10 any party to this Judgment to apply to the Court for such further orders and directions as necessary  
11 and appropriate to construe, carry out, enforce, interpret, or modify this Judgment, or to redress  
12 violations of this Judgment.

13 26. Defendant shall be bound by this Judgment immediately upon its filing and without  
14 the filing of a Notice of Entry of Final Judgment.

15 27. The parties agree that the clerk may enter this Judgment immediately.

16  
17  
18 Dated: Apr. 12, 2016

  
\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT  
LISA HART COLE

1 **EXHIBIT "A"**

2

3 **NOTICE**

4 **TO SELLERS AND DISTRIBUTORS OF NEUROBRANDS PRODUCTS**

5

6 This notice is provided by NeuroBrands LLC and pertains to the distribution and sale of the  
7 following Neuro drinks: Neuro Sonic, Neuro Bliss, Neuro Daily, and Neuro Sleep. A court-ordered  
8 judgment requires NeuroBrands to comply with the following:

9 **NEUROSLEEP: Effective July 1, 2016:**

- 10
- 11 • Neuro Sleep is the ONLY NeuroBrands drink that will be marketed as a liquid dietary  
12 supplement, marketing with the Supplement Facts and "Nutritional Supplement" standard of  
13 identity appearing on the bottom portion of the principle display panel.
  - 14 • As a liquid dietary supplement drink differing from the other Drink Neuro offerings, this  
15 product should be merchandised and displayed in a section of the store where other dietary  
16 supplement products are displayed – and not in the same location as regular beverages,  
17 whenever possible. Merchandising of Neuro Sleep will clearly display the banner "Dietary  
18 Supplement" to communicate to consumers the drink is not a conventional beverage.
  - 19 • Consumers inquiring about Neuro Sleep should be informed the drink is a liquid dietary  
20 supplement and not a conventional beverage.
  - 21 • If consumers have inquiries on the safety qualifications of Neuro Sleep, store representatives  
22 or appropriate personnel should point the consumer to the back panel of the bottle which  
23 displays the asterisk: "For more information on healthy sleep and the safe use of melatonin,  
24 visit [www.drinkneuro.com/neurosleeep](http://www.drinkneuro.com/neurosleeep)." NeuroBrands personnel will help with this  
25 transition.

26 **NEUROSONIC: Effective as of January 1, 2017:**

- 27 • Any Neuro Sonic bottles MUST display a Nutrition Facts panel and be represented as a  
28 conventional food. Product displaying "Supplement Facts" and displaying "Nutritional  
Supplement" on the principle display panel must not be merchandised or sold;
- The following claims are no longer permitted with the merchandising and/or sale of Neuro  
Sonic until such time as NeuroBrands has been authorized:
  - Supports memory
  - Provides fuel for the brain
  - Promotes healthy aging
  - Provides mental energy
  - Delivers sustained focus
  - Strengthens your focus and creativity

1 NEURODAILY: Effective as of January 1, 2017:

- 2 • Any Neuro Daily bottles MUST display a Nutrition Facts panel and be represented as a
- 3 conventional food. Product displaying "Supplement Facts" and displaying "Nutritional
- 4 Supplement" on the principle display panel must not be merchandised or sold;
- 5 • The following claims are no longer permitted with the merchandising and/or sale of Neuro
- 6 Daily until such time as NeuroBrands has been authorized:
  - 7 ○ A Daily Dose of Immunity

8 NEUROBLISS: Effective as of March 30, 2017:

- 9 • Any Neuro Bliss bottles MUST display a Nutrition Facts panel and be represented as a
- 10 conventional food. Product displaying "Supplement Facts" and displaying "Nutritional
- 11 Supplement" on the principle display panel must not be merchandised or sold.
- 12 • Any merchandising of Neuro Bliss in store must include the statement "\*May reduce stress
- 13 temporarily" on the same side as the principle display panel of the Neuro Bliss bottle.
- 14 • The following claims are no longer permitted with the merchandising and/or sale of Neuro
- 15 Bliss until such time as NeuroBrands has been authorized:
  - 16 ○ Enhanced Mood

17 If you have any questions regarding this Notice, please contact Zach Hotle, zach@drinkneuro.com.

18 Thank you for your cooperation and for your continued business with NeuroBrands LLC.

**EXHIBIT "B"**

1  
2 Notice to be served on the corporate offices of the following companies:

- 3 1. Wal-Mart  
4 2. Kroger  
5 3. Target  
6 4. Albertsons Safeway  
7 5. Publix  
8 6. Quick Trip  
9 7. CVS  
10 8. Walgreens  
11 9. Sheetz  
12 10. Marathon Petroleum  
13 11. Rite Aid  
14 12. Race Trac  
15 13. Chevron  
16 14. Ahold Giant  
17 15. Delhaize  
18 16. HEB  
19 17. Love's  
20 18. Ahold Stop & Shop  
21 19. Winn Dixie BiLo  
22 20. Circle K  
23 21. Amazon.com  
24  
25  
26  
27  
28

**NOTICE  
TO SELLERS AND DISTRIBUTORS OF NEUROBRANDS PRODUCTS**

This notice is provided by NeuroBrands LLC and pertains to the sale of Neuro Sleep. A court-ordered judgment requires that effective July 1, 2016:

- Neuro Sleep is the ONLY NeuroBrands drink that will be marketed as a liquid dietary supplement, marketing with the Supplement Facts and “Nutritional Supplement” standard of identity appearing on the bottom portion of the principle display panel.
- As a liquid dietary supplement drink differing from the other Drink Neuro offerings, this product should be merchandised and displayed in a section of the store where other dietary supplement products are displayed – and not in the same location as regular beverages, whenever possible. Merchandising of Neuro Sleep will clearly display the banner “Dietary Supplement” to communicate to consumers the drink is not a conventional beverage.
- Consumers inquiring about Neuro Sleep should be informed the drink is a liquid dietary supplement and not a conventional beverage.
- If consumers have inquiries on the safety qualifications of Neuro Sleep, store representatives or appropriate personnel should point the consumer to the back panel of the bottle which displays the asterisk: “For more information on healthy sleep and the safe use of melatonin, visit [www.drinkneuro.com/neurosleep](http://www.drinkneuro.com/neurosleep).” NeuroBrands personnel will help with this transition.

If you have any questions regarding this Notice, please contact Zach Hotle, zach@drinkneuro.com. Thank you for your cooperation and for your continued business with NeuroBrands LLC.