



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

January 13, 2015

DMS NOTICE
QC - 15 -03
DISCARD: RETAIN

TO: WEIGHTS AND MEASURES OFFICIALS

SUBJECT: Settlement – Johnson & Johnson Consumer Companies, Inc.; Johnson & Johnson Healthcare Products Division of McNeil-PPC, Inc.; and, Neutrogena Corporation

Enclosed is a copy of the Stipulated Final Judgment issued against Johnson & Johnson Consumer Companies, Inc. a New Jersey corporation; Johnson & Johnson Healthcare Products Division of McNeil-PPC, Inc., a New Jersey corporation and Neutrogena Corporation, a Delaware Corporation. The case was filed on December 18, 2014, by the Fresno County District Attorney Office in conjunction with the District Attorneys' offices of Yolo, Shasta, San Joaquin, and Sacramento for deceptive packaging, in violation of California Business and Professions Code Section 12606.

The California Department of Food and Agriculture, Division of Measurement Standards, worked with weights and measures investigators from the counties of Sacramento, Yolo, Contra Costa, and Shasta on this case. The total settlement was for \$506,000.00. Civil penalties amounted to \$422,800.00 and agency costs were \$83,200.00.

Fresno County should be sure to report these penalties on the County Monthly Report. All participating counties should separately record their individual investigative cost reimbursements in the appropriate columns on the report.

We appreciate the fine work done by the District Attorneys' Offices along with the state and county investigators that documented and caused to be prosecuted these violations. If you have any questions, please contact Katherine de Contreras, Supervising Special Investigator, Enforcement Branch at (916) 229-3047, or katherine.decontreras@cdfa.ca.gov.

Sincerely,

Kristin J. Macey
Director

Enclosure

cc: Gary Leslie, County/State Liaison, CDFA



1 ELIZABETH A. EGAN
District Attorney, County of Fresno
2 EDWARD T. BROWNE, State Bar No. 167638
Deputy District Attorney
929 L Street
3 Fresno, California 93721
Telephone: (559) 600-3156
4

5 JEFF W. REISIG
District Attorney, County of Yolo
LAWRENCE BARLLY, State Bar No. 114456
6 Deputy District Attorney
301 Second Street
7 Woodland, CA 95695
Telephone: (530) 666-8180
8

9 STEPHEN S. CARLTON
District Attorney, County of Shasta
ANAND "LUCKY" JESRANI, State Bar No. 238252
10 Deputy District Attorney
1355 West Street
11 Redding, CA 96001
Telephone: (530) 245-6300
12

13 JAMES P. WILLETT
District Attorney of San Joaquin County
CELESTE KAISCH, State Bar No. 234174
14 Deputy District Attorney
222 E. Weber Ave., Room 202
15 Stockton, California 95202
Telephone: (209) 468-2400
16

17 Attorneys for Plaintiff

18 SUPERIOR COURT OF THE STATE OF CALIFORNIA

19 FOR THE COUNTY OF FRESNO

14 CE CG 03799

20 THE PEOPLE OF THE STATE OF
CALIFORNIA,

21 Plaintiff,

22 vs.

23 JOHNSON & JOHNSON CONSUMER
24 COMPANIES, INC., a New Jersey corporation;
JOHNSON & JOHNSON HEALTHCARE
25 PRODUCTS DIVISION OF MCNEIL-PPC,
INC., a New Jersey corporation and
26 NEUTROGENA CORPORATION, a Delaware
corporation,

27 Defendant.
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No.: _____

STIPULATED FINAL
JUDGMENT

FILED

DEC 18 2014

FRESNO COUNTY SUPERIOR COURT

By _____
DEPT. 503 - DEPUTY

1 Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA (hereafter "Plaintiff or the
2 "PEOPLE"), having filed its complaint herein, by and through its attorneys authorized to act on behalf
3 of the PEOPLE, ELIZABETH A. EGAN, District Attorney of Fresno County; by EDWARD T.
4 BROWNE, Deputy District Attorney; JEFF W. REISIG, District Attorney of Yolo County, by
5 LAWRENCE BARLLY, Supervising Deputy District Attorney; STEPHEN S. CARLTON, District
6 Attorney of Shasta County; by ANAND "LUCKY" JESRANI, Deputy District Attorney; JAMES P.
7 WILLETT, District Attorney of San Joaquin County, by CELESTE KAISCH, Deputy District
8 Attorney; and Defendants JOHNSON & JOHNSON CONSUMER COMPANIES, INC., a New Jersey
9 corporation, JOHNSON & JOHNSON HEALTHCARE PRODUCTS DIVISION OF MCNEIL-PPC,
10 INC., a New Jersey corporation and NEUTROGENA CORPORATION, a Delaware Corporation
11 (hereafter collectively referred to as the "Defendants"), appearing through its attorneys, REED
12 SMITH, LLP, by JOHN E. DITTOE, Attorney at Law; with the parties having waived their right of
13 appeal; and the Court having considered the pleadings and good cause appearing therefore;

14 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

15 JURISDICTION

16 1. This Court has jurisdiction over the subject matter hereof and the parties hereto.

17 APPLICABILITY

18 2. To the extent permitted by law, this Stipulated Final Judgment ("Final Judgment") is
19 applicable to the Defendants and their officers, directors, representatives, successors, assignees, and
20 all persons, partnerships, corporations, and other entities acting under, by through, on behalf of, or in
21 concert with Defendants, with actual or constructive knowledge of this Final Judgment. This Final
22 Judgment is also applicable to any and all subsidiaries of Defendants and its respective officers,
23 directors, representatives, successors, assignees and all persons, partnerships, corporations, and other
24 entities acting under, by through, on behalf of, or in concert with any such subsidiary with actual or
25 constructive knowledge of this Final Judgment.

26 INJUNCTION

27 3. Pursuant to Business and Professions Code sections 17203 and 17535, Defendants are
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1 permanently enjoined and restrained from packaging or causing Defendants' products as defined in
2 paragraph 4 to be packaged in violation of California Business and Professions Code §§ 17200 and
3 17500, which includes, but is not limited to, the following:

4 a) Packaging products in violation of California Business and Professions Code section
5 12602(a).

6 b) Packaging products in violation of California Business and Professions Code section
7 12606(a).

8 c) Packaging products in violation of California Business and Professions Code section
9 12606(b).

10 d) Packaging products in violation of Health and Safety Code section 110375(a).

11 e) Packaging products in violation of Health and Safety Code section 110375(b).

12 4. Defendants shall use their good faith efforts to make available and fully and clearly
13 explain the injunctive language of this Final Judgment, including the terms and conditions thereof, to
14 their management involved in supervising packaging designs for Defendants' products which is
15 defined as those packages that are offered for sale to California consumers and are labeled with the
16 name, logo, trademark, and/or brand of Johnson & Johnson Consumer Companies, Inc., Johnson &
17 Johnson Healthcare Products Division of McNeil-PPC, Inc. or Neutrogena Corporation.

18 5. At any time after the expiration of five years from the date of Entry of Judgment,
19 Defendant may request the Court order a termination of this injunction provided that:

20 (A) Written notice is served on the People at least 30 days prior to the request, and;

21 (B) The Defendant submits a certification of affidavit from a responsible corporate officer
22 to show that, for the last five consecutive years there have been no violations of the injunctive terms
23 and conditions herein, and it has not violated California Business and Professions Code sections
24 17200, 17500, or Business and Professions Code section 12606.2.

25 (C) The People will not oppose Defendant's request absent evidence in opposition to
26 paragraph 5 (B) above.

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1 COMPLIANCE PERIOD

2 6. Defendants shall be permitted 24 months from the date of Entry of this Final Judgment
3 to bring the packaging of its products, as defined in paragraph 4, into compliance with the terms of
4 this Final Judgment. Defendants and their customers, vendors and retailers can continue to ship,
5 distribute and sell in California Defendants' products (with the existing packaging) that have been
6 manufactured and packaged during that 24 month period.

7 MONETARY PROVISIONS

8 7. Defendants are jointly and severally liable to pay a total of \$506,000 in settlement of
9 this matter as set forth below and pursuant to Business and Professions Code sections 12015.5, 17206
10 and 17536. Delivery shall be made, on or before the date of January 9, 2015, to the Office of the Fresno
11 County District Attorney, 929 L Street, Fresno, CA 93721, attention Edward T. Browne. Payment
12 shall be made as follows:

13 a) A check for \$100,000.00 payable to the Fresno County District Attorney's Office of
14 which \$85,000.00 is for civil penalties and \$15,000.00 is for costs;

15 b) A check for \$100,000.00 payable to the Yolo County District Attorney's Office of
16 which \$85,000 is for civil penalties and \$15,000.00 is for costs;

17 c) A check for \$100,000.00 payable to the Shasta County District Attorney's Office of
18 which \$85,000.00 is for civil penalties and \$15,000.00 is for costs;

19 d) A check in the amount of \$85,000.00 payable to the Treasurer of San Joaquin for civil
20 penalties, and a check in the amount of \$15,000.00 made payable to the San Joaquin County District
21 Attorney's Office for costs.

22 e) A check for payable \$77,953.00 to the Sacramento County District Attorney's Office
23 of which \$70,000.00 is for civil penalties and \$7,953.00.00 is for costs.

24 f) A check for payable \$16,000.00 to the Contra Costa County District Attorney's Office
25 of which \$12,800.00 is for civil penalties and \$3,200.00 is for costs.

26 g) As reimbursement for costs of investigation, Defendants shall make check payable to
27 the following agencies in the following amounts:

| | | |
|---|--|-------------|
| 1 | Sacramento County Department of Weights & Measures: | \$5,134.68 |
| 2 | Yolo County Agricultural Commissioner: | \$ 710.00 |
| 3 | Contra Costa County Department of Weights & Measures | \$ 2,265.59 |
| 4 | Shasta County Department of Weights & Measures | \$1,536.73 |
| 5 | State of California, Department of Agriculture | |
| 6 | Division of Weights and Measures: | \$2,400.00 |

7 8. Except as otherwise expressly provided herein, each party shall bear its own attorneys'
8 fees and costs.

9 9. The language used for the obligations set forth in the Final Judgment are solely for the
10 purposes of settlement and compromise and are in no way intended to be an alteration of California
11 law in any other action. If an ambiguity arises regarding any provisions of the Final Judgment that
12 requires interpretation, there is no presumption that documents should be interpreted against any party.
13 The presumption set forth in Civil Code section 1654 is not applicable.

14 10. The failure of the Plaintiff to enforce any provision of this Final Judgment, shall neither
15 be deemed a waiver of such provision, nor shall it in any way affect the validity of this Final Judgment.
16 The failure of the Plaintiff to enforce any provision shall not preclude it from later enforcing the same
17 or other provisions of this Final Judgment.

18 11. Jurisdiction is retained for the purpose of enabling any party to the Final Judgment to
19 apply to the Court for such further orders and directions as may be necessary and appropriate for the
20 construction and carrying out of the Final Judgment, for the modification or dissolution of any
21 injunctive provisions hereof, for enforcement of compliance herewith, or for the punishment of
22 violations hereof.

23 12. The parties waive the right to appeal this Final Judgment as to both form and content
24 and the serving and filing of a notice of Entry of Judgment.

25 13. As to the matters alleged in the Complaint, the Parties agree that this Final Judgment
26 is intended to provide full, fair and adequate relief to protect the interests of Plaintiff and members of
27 the public who may have been misled by the packaging of Defendants' products at any time prior to,
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1 and including the date of entry of this Final Judgment.

2 14. This Final Judgment has been reviewed by the Court, and based upon the
3 representations of the parties, the Court finds that it has been entered in good faith and is, in all
4 respects, fair, just, and equitable to protect the public and the individuals who may have been affected
5 by the issues related as more fully described in the Complaint.

6 15. This Final Judgment is not an admission of liability by the Defendants but instead
7 represents a compromise of disputed claims.

8 16. The clerk is directed to enter this Final Judgment forthwith.

9 DATED: Dec. 18, 2014 By: MARION SNAPE
10 JUDGE OF THE SUPERIOR COURT

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