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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

DESIREE WORTHINGTON, individually, and on behalf of all others similarly situated,

Plaintiff,

vs.

FIJI WATER COMPANY LLC; ROLL INTERNATIONAL CORPORATION; and DOES 1-10, Inclusive,

Defendants.

Case No. **CV10-9795 SJO(JEMx)**

CLASS ACTION COMPLAINT

1. VIOLATION OF CALIFORNIA CIVIL CODE § 1750, et seq. (Consumer Legal Remedies Act)
2. FALSE AND MISLEADING ADVERTISING IN VIOLATION OF BUSINESS AND PROFESSIONS CODE § 17200, et seq.
3. FALSE AND MISLEADING ADVERTISING IN VIOLATION OF BUSINESS AND PROFESSIONS CODE § 17500 et seq.

JURY TRIAL DEMANDED

I. INTRODUCTION

1. This case is very simple: Defendants convince consumers to buy their "FIJI" brand of bottled water – and to pay more for FIJI than for competing brands – by advertising and labeling FIJI as "The World's Only CARBON NEGATIVE bottled water". In other words, Defendants claim that they remove more carbon pollution from our atmosphere than they release into it. In reality, however, FIJI water is not "Carbon Negative." Instead, Defendants justify this claim by employing a discredited carbon accounting method known as "forward crediting." Thus, Defendants do not remove more carbon pollution than they create; they simply claim credit for carbon removal that *may or may not take place* – up to several decades in the future.

2. Bottled water is a multi-billion dollar industry and the fastest growing and most profitable segment of the beverage industry. As a result of their false and misleading claims, Defendants have captured a substantial segment of that market. Plaintiff therefore brings this action to stop Defendants' deception and require them to make restitution for the false claims from which they have richly profited.

II. THE PARTIES

A. The Plaintiff

3. Plaintiff, Desiree Worthington, is a California citizen who resides in this judicial district and who has repeatedly purchased Fiji water during the class period.

B. The Defendants

4. Defendant FIJI Water Company LLC is a Delaware corporation, having its principal place of business at 11444 W. Olympic Blvd., 2nd Floor, Los Angeles, CA 90064 and doing business throughout the United States that owns, advertises, and distributes the FIJI water brand of products.

5. Defendant Roll International Corporation is a Delaware corporation, having its principal place of business at 11444 W. Olympic Blvd., Los Angeles, CA

90064 and doing business throughout the United States that owns, advertises, and distributes the FIJI water brand of products.

6. The true names and capacities, whether individual, corporate, associate, representative, alter ego or otherwise, of defendants and/or their alter egos named herein as DOES 1 through 10 inclusive are presently unknown to Plaintiff at this time, and are therefore sued by such fictitious names pursuant to California Code of Civil Procedure § 474. Plaintiff will amend this Complaint to allege the true names and capacities of DOES 1 through 10 when the same have been ascertained. Plaintiff are further informed and believe and based thereon allege that DOES 1 through 10 were and/or are, in some manner or way, responsible for and liable to Plaintiff for the events, happenings, and damages hereinafter set forth below.

III. JURISDICTION AND VENUE

7. This Court has jurisdiction over all causes of action asserted herein pursuant to the Class Action Fairness Act ("CAFA") because there exists diversity of citizenship for purposes of CAFA and because the amount in controversy exceeds $5 million. Specifically, at least one member of the putative class is a citizen of a State different from at least one of the Defendants. .

8. Venue is proper in this District under 28 U.S.C. §§1391(c) and 1395(a), because Defendants' products that are the subject of this Complaint are advertised for sale, offered for sale, and sold within this judicial district, and because a substantial portion of the events giving rise to this lawsuit occurred in this District.

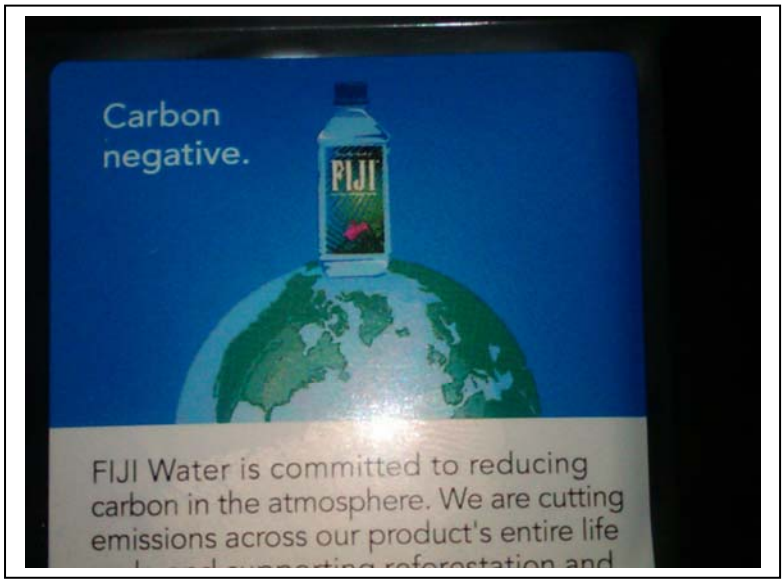
9. Plaintiff has filed concurrently herewith the declaration of venue required by Civil Code Section 1780(d).

IV. BACKGROUND FACTS

10. Defendants manufacture, market, and distribute the "FIJI" brand of bottled water. A liter of FIJI bottled water retails for approximately $2.59, well above comparable brands of bottled water.

11. Defendants justify the inflated cost of FIJI water and cause consumers to purchase FIJI water by claiming that FIJI is "CARBON NEGATIVE", which refers to the impact of the company's global carbon footprint. Defendants likewise advertise that FIJI water is the "first and only major bottled water company to make this commitment, under which we will continue to offset 120% of our emissions." Defendants then boast, "[t]hat means we are not only mitigating our environmental impact but also making up for a little bit of someone else's." (*See* Exhibit 1.)

12. Many bottles of FIJI water are boldly labeled "CARBON NEGATIVE", as shown by the following picture:



(*See* Exhibit 2.)

13. To reasonable consumers, the "Carbon Negative" claim means that Defendants' ***current*** operations remove more carbon from the atmosphere than they release into it. Consumers are fully aware of the environmental impact associated with bottled water and many are willing to purchase FIJI water at a higher price than its competitors based upon the claim that FIJI water is currently "carbon negative." Indeed, several studies have shown that consumers associate bottled water with environmental consciousness, social status, and healthy living." Defendants charge a huge premium for FIJI water relative to their competitors. Indeed, a FIJI water

executive once boasted that "What Fiji Water's done is go out there with a package that clearly looks like it's worth more money, and we've gotten people to pay more for us." For example, the following prices are representative of the leading brands of bottled water:

Brand of Bottled Water	*Price Per Liter*	*Price Per Fluid Ounce*
FIJI	$2.59	8 ¢ per oz.
Aquafina	$1.89	5 ¢ per oz.
Dasani	$1.69	5 ¢ per oz.
Nestle	$1.39	4 ¢ per oz.
Arrowhead	$1.45	4 ¢ per oz.

The average price of FIJI water's competitors is 4.5 cents per oz. That means that FIJI water charges nearly twice as much as its competitors at approximately 8¢ a fluid ounce.

14. Defendants' carbon-negative claim is deceptive and misleading. As stated, reasonable consumers of FIJI water understand Defendants' "carbon-negative" claim as meaning that FIJI water's ***current*** operations remove more carbon from the atmosphere than they release into it. This is simply not the case; in reality, FIJI water's operations do **not** remove more carbon from the atmosphere than they release into it. Instead, they use a discredited carbon accounting method called "forward crediting." (*See* Exhibit 3.)

15. To reduce their carbon footprint, corporations purchase carbon "offset credits," which is a generic term for any tradable certificate or permit representing the right of the purchaser to emit one ton of carbon dioxide. "Standard offset credits" represent carbon reductions that have already taken place. By contrast, "forward offset credits" represent carbon reductions that *may or may not take place* up to several decades in the future. The Stockholm Environment Institute (or SEI, a non-profit, independent research and policy institute specializing in sustainable development and environmental issues) is instructive on the dubious nature of forward offset credits:

> *Forward Purchasing of Offsets (FPO) carries the risk of buying credits that might not happen …With forward crediting, the buyer pays and also gets the offsets credited upfront, despite the fact that they will only be produced in the future … The quantity of offsets may not be guaranteed. Marketers of offsets (and the projects for which the future offsets model is most useful), are typically not well enough capitalized to guarantee a project's future performance …**Clearly forward crediting carries the risk of claiming credits as real that may or may not happen in the future**.* (*See* Exhibit 4.) (emphasis added.)

16. The SEI decries "forward crediting" as too complicated to understand and much too risky as "the successful generation of the agreed number of emission reductions is uncertain." (*See* Exhibit 5.)

17. Plaintiff has repeatedly purchased FIJI water, instead of competing brands and at a higher price than she would pay for other brands, based upon Defendants' claims that FIJI water is "Carbon Negative." Plaintiff paid a significantly higher purchase price for FIJI water than comparative bottled water choices due to FIJI water's claim that it is "Carbon Negative." Plaintiff would not have purchased FIJI water at a premium if she knew that Defendants ***current*** operations did not remove more carbon from the atmosphere than they release into it.

18. By falsely claiming that FIJI water is "Carbon Negative," Defendants have induced countless consumers to pay a premium for bottled water. Defendants' scheme was hatched by Stewart and Lynda Resnick, corporate officers who operate and control the Defendants, in 2007, and Defendants have been propagating the false "Carbon Negative" claim continuously since that time. Indeed, FIJI water's sales have skyrocketed since Defendants began making the "Carbon Negative" claim. Defendants' own website boasts of "tripling the sales" since Roll International Corporation acquired FIJI Water in 2004.

V. CLASS ACTION ALLEGATIONS

19. Plaintiffs bring this class action for damages and other monetary relief on behalf of the following class:

All persons located within California who purchased for personal use any bottle of FIJI water bearing the term "CARBON NEGATIVE" on the bottle (the "Class").

20. Excluded from the Class are governmental entities, Defendants, any entity in which defendants have a controlling interest, and Defendants' officers, directors, affiliates, legal representatives, employees, co-conspirators, successors, subsidiaries, and assigns. Also excluded from the Class is any judge, justice, or judicial officer presiding over this matter and the members of their immediate families and judicial staff.

21. NUMEROSITY: The proposed Class is so numerous that individual joinder of all its members is impracticable. Due to the nature of the trade and commerce involved, however, Plaintiffs believe that the total number of Class members is at least in the millions and members of the Class as numerous and geographically dispersed across California.

22. COMMONALITY: There is a well-defined community of interest in the questions of law and fact involved affecting the class and these common questions predominate over any questions that may affect individual Class members. Common questions of fact and law include, but are not limited to, the following:

a. Are Defendants' "Carbon Negative" claims about FIJI water false?

b. Are Defendants' "Carbon Negative" claims about FIJI water misleading?

c. Do Defendants have adequate substantiation to support the "Carbon Negative" FIJI water claims?

d. When and to what extent did Defendants know that the FIJI water "Carbon Negative" claims were false or misleading?

23. TYPICALITY: Plaintiff's claims are typical of the claims of the members of the Class. Plaintiff and all members of the Class have been similarly affected by

Defendants' common course of conduct since they all purchased FIJI water for personal use and paid more for Fiji than for competing brands.

24. ADEQUACY: Plaintiff will fairly and adequately represent and protect the interests of the Class. Plaintiff has no interests adverse to that of the class. Plaintiff has retained counsel with substantial experience in handling complex class action litigation. Plaintiff and her counsel are committed to vigorously prosecuting this action on behalf of the Class.

25. SUPERIORITY: A class action is superior to other available methods for the fair and efficient adjudication of the present controversy. Individual joinder of all members of the class is impracticable. Even if individual class members had the resources to pursue individual litigation, it would be unduly burdensome to the courts in which the individual litigation would proceed. Individual litigation magnifies the delay and expense to all parties in the court system of resolving the controversies engendered by Defendants' common course of conduct.

VI. CAUSES OF ACTION

FIRST CAUSE OF ACTION

VIOLATION OF CALIFORNIA CONSUMER LEGAL REMEDIES ACT

(On Behalf of Plaintiff and Class against Defendants)

26. Plaintiff re-alleges the preceding paragraphs and incorporates them herein by reference.

27. Plaintiff has standing to pursue this claim as Plaintiff has suffered injury in fact and has lost money as a result of Defendants' actions as set forth herein. Specifically, prior to the filing of this action, Plaintiff purchased FIJI water for her own personal use. In so doing, she reviewed, believed, and relied upon each of the preceding marketing claims.

28. Prior to filing this action, Plaintiff's counsel mailed to Defendant, by certified mail, return receipt requested, the written notice required by Civil Code

Section 1782(a). An accurate copy of that letter is attached to this Complaint as Exhibit 6.

29. Plaintiff has filed concurrently herewith the declaration of venue required by Civil Code Section 1780(d).

30. Defendants' wrongful business practices constituted, and constitute, a continuing course of conduct in violation of the California Consumer Legal Remedies Act since Defendant continuously and falsely represented FIJI water as having characteristics and benefits that it does not. Specifically, the policies, acts, and practices heretofore described were intended to result in the sale of FIJI water to the consuming public, particularly those interested in offsetting carbon emissions, and violated and continue to violate *California Civil Code* §1770(a)(5) by representing that FIJI water has characteristics, benefits and uses which it does not have, and *California Civil Code* §1770(a)(7) by representing that FIJI Water is of a particular standard or quality.

SECOND CAUSE OF ACTION

VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTIONS 17200, ET SEQ.

(By Plaintiff and Class Against Defendants)

31. Plaintiff re-alleges the preceding paragraphs and incorporates them herein by reference.

32. This cause of action is brought on behalf of Plaintiff individually and on behalf of all others similarly situated, and members of the general public pursuant to Business and Professions Code § 17200, et seq., which provides that "unfair competition shall mean and include any unlawful, unfair or deceptive business act or practice and unfair, deceptive, untrue or misleading advertising and any act prohibited by Chapter I (commencing with Section 17500) as Part 3 of Division 7 of the Business and Professions Code."

33. Plaintiff has standing to pursue this claim as Plaintiff has suffered injury in fact and has lost money as a result of Defendants' false advertising and unfair business practices. Specifically, prior to the filing of this action, Plaintiff purchased FIJI water for her own personal use.

34. Defendants' actions as alleged in this Complaint constitute an unfair or deceptive business practice within the meaning of California Business and Professions Code section 17200 in that Defendants' actions are unfair, unlawful, and misleading, and because the advertising statements are false and misleading within the meaning of California Business and Professions Code sections 17200, et seq.

35. Based on the foregoing, Defendants' false and misleading marketing scheme violates California *Civil Code* §1770, et seq. in that it represents that FIJI water has characteristics and benefits that it does not and is of a particular quality or standard which it is not. As a result, Defendants' conduct constitutes an unlawful business practice within the meaning of Calif*ornia Busines*s & Profession Code § 17200 *et seq*.

36. Based on the foregoing, Defendants' conduct violates the policy or spirit of California's consumer protection laws, and significantly threatens or harms consumers. The benefits of Defendants' conduct are outweighed by the harm it causes, and as such, Defendants' conduct is unfair within the meaning of California *Business & Professions Code* §17200, et seq.

37. Based on the foregoing, Defendants fraudulently deceived Plaintiff and the Class by representing that FIJI water has certain characteristics, benefits, uses and qualities which it does not have and is of a particular quality or standard which it is not. In doing so, Defendants misrepresented and concealed material facts from Plaintiff and the Class.

38. Plaintiff seeks all remedies available under Section 17200 of the California Business and Professions Code, including restitutionary and injunctive relief, as well as attorneys' fees and costs.

THIRD CAUSE OF ACTION

VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTIONS 17500, ET SEQ.

(Against All Defendants)

39. Plaintiff repeats and realleges the preceding paragraphs and incorporates them herein by reference.

40. This cause of action is brought pursuant to Business and Professions Code § 17500, et seq., on behalf of Plaintiff individually and on behalf of all California consumers similarly situated who purchased FIJI water for personal use at any time during the four years preceding the filing of this Complaint.

41. As alleged herein, Plaintiff has standing to pursue this claim as Plaintiff has suffered injury in fact and has lost money as a result of Defendants' false advertising and unfair business practices in the amount of the purchase price of FIJI water.

42. Defendants, in their labeling and advertising of FIJI water, made false and misleading statements regarding its appropriate use and efficacy.

43. For a period of time from four years prior to the filing date of this lawsuit to the present, Defendants were responsible for the manufacturing, marketing, and distribution of FIJI water.

44. Defendants, through their marketing and advertising, represented that FIJI water is "Carbon Negative."

45. This marketing campaign is false and misleading because FIJI water is not "Carbon Negative."

46. Based on the foregoing, Defendants fraudulently deceived Plaintiff and the Class by representing that FIJI water has certain characteristics, benefits, uses and qualities which it does not have. In doing so, Defendants misrepresented and concealed material facts from Plaintiff and the Class.

47. Plaintiffs seek all remedies available under Section 17535 of the California Business and Professions Code, including restitutionary and injunctive relief, as well as attorneys' fees and costs.

PRAYER FOR RELIEF

Wherefore, Plaintiff and members of the Class request that the Court enter an order or judgment against Defendants as follows:

1. Certification of the proposed class and notice thereto to be paid by Defendants;

2. Adjudge and decree that Defendants have engaged in the conduct alleged herein;

3. For all legal and equitable remedies available under the Consumer Legal Remedies Act.

4. For all legal and equitable remedies available under the Unfair Business Practices Act, *Business & Professions Code* §17200, et seq.;

5. For all legal and equitable remedies available under the False Advertising Law, *Business & Professions Code* §17500, et seq.

6. For any and all other legal and equitable remedies that may be available, including damages, statutory penalties, attorneys' fees, costs, and pre-judgment and post-judgment interest; and

7. For any and all such other and further relief that this Court may deem just and proper.

Dated: December 20, 2010

NEWPORT TRIAL GROUP

By: _____
Scott J. Ferrell
Attorneys for Plaintiff and the Class

DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure Section 38(b), Plaintiff demands a trial by jury on all issues so triable.

Dated: December 20, 2010

NEWPORT TRIAL GROUP
A Professional Corporation
Scott J. Ferrell

By: _____
Scott J. Ferrell

Attorneys for Plaintiff

I, Desiree Worthington, declare as follows:

1. I am a Plaintiff in this action, and am a citizen of the State of California. I have personal knowledge of the facts herein and, if called as a witness, I could and would testify competently thereto.

2. The Complaint in this action, filed concurrently with this Declaration, is filed in the proper place for trial under Civil Code Section 1780(d) in that Los Angeles County is a county in which Defendants are doing business.

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

Desiree Worthington

CARBON NEGATIVE

Since 2008, FIJI Water has been a carbon-negative brand. We are the first only major bottled water company to make this commitment, under which v continue to offset 120% of our emissions. That means that we are not only mitigating our environmental impact but also making up for a little bit of sor else's.

In 2007, FIJI Water became the first bottled water company to analyze and publish its product's carbon footprint and report its emissions and sustainal initiatives through the Carbon Disclosure Project. In this process, we accou for the full set of activities required to get our product to consumers' hands product's entire lifecycle. We considered emissions starting with raw mater production all the way through consumption and post-consumer disposal, regardless of whether those activities are within or outside of our control. Although it is optional for companies to report emissions from steps outside control, we consider it necessary to understanding the true environmental i of the products we all use. For instance, nearly 80% of FIJI Water's emissi come from our suppliers' activities.

Every year, ICF International, a global leader in analyzing emissions data and providing advice on climate strategy, independently reviews and verifies our carbon footp This detailed understanding of our footprint gives us a trusted basis for launching comprehensive sustainability initiatives to reduce and offset our emissions.

To guarantee the quality and long-term benefits of our offset program, we have partnered with Conservation International (CI), a leading conservation organization, and invested in an extensive forest restoration project in Fiji. With the first 250 acres of new trees already planted and growing, the resulting 2,000-acre forest will deliver key global as well as regional benefits, including long-term carbon sequestration, preservation and restoration of natural wildlife habitats and biodiversity in the region, prote of critical watersheds, and income opportunities for hundreds in local Fijian communities.

About our methodology: We used the WRI/WBCSD Greenhouse Gas Protocol to measure our carbon footprint. ICF International, a global leader in analyzing emissions inventories and providing advice on climate strategy, has independently reviewed and verified our carbon footprint.

You can download a PDF of the assurance report or read more about our methodology.

Carbon
negative.
FIJI Water is committed to reducing
carbon in the atmosphere. We are cutting
emissions across our product's entire life

EXHIBIT 2

FIJI Water

Apr 09, 2008 08:50 ET

FIJI Water Becomes First Bottled Water Company to Release Carbon Footprint of its Products

Unveils FIJIGreen.com to Report Progress on Its Carbon Negative Commitment

LOS ANGELES, CALIFORNIA--(Marketwire - April 9, 2008) -

ATTENTION: NEWS ASSIGNMENT EDITORS, BUSINESS EDITORS, LIFESTYLE EDITORS, ENVIRONMENT EDITORS, FOOD EDITORS

FIJI® Water announced today that it had joined the Carbon Disclosure Project Supply Chain Leadership Collaboration to fully disclose the carbon footprint of its products. The Carbon Disclosure Project (CDP), the world's largest investor coalition on climate change, will work with FIJI Water to engage with suppliers to disclose their emissions.

FIJI Water is the first privately-owned U.S. company to join the Supply Chain Leadership Collaboration, which uses the CDP information request to engage with suppliers to encourage them to measure and disclose their carbon emissions. Measurement is the first key step to managing emissions.

For the base year ending June 30, 2007, FIJI Water's total annual carbon footprint from every stage of its production and distribution was 85,396 metric tons of CO2eq. To put this number in perspective, according to Canada's National Greenhouse Gas Inventory it is estimated that Canada's carbon footprint in 2005 was 747,000,000 metric tons of CO2eq. This means that each person in Canada can be linked to an average of 22 metric tons of carbon emissions annually.

"Having an accurate account of our carbon footprint and ensuring transparency by reporting it annually to CDP are important steps to enable us to understand where to focus resources to reduce our carbon emissions," said Thomas Mooney, senior vice president, sustainable growth at FIJI Water. "We are very proud to be the first bottled water brand to pioneer carbon disclosure of our products."

To measure its carbon footprint, FIJI Water calculated its carbon emissions across every stage in the product lifecycle: producing raw materials for packaging, transporting raw materials and equipment to the plant, manufacturing and filling bottles, shipping the product from Fiji to markets worldwide, distributing the product, refrigerating the product in stores, restaurants, and other outlets, and disposing/recycling of the packaging waste. This comprehensive, supply chain view is important because approximately 75% FIJI Water's emissions result from the operations of supply chain partners, e.g. raw materials suppliers, rather than from the company's own operations. The company also looked at emissions from sales and administrative activities such as commuting, business travel, and office electricity usage.

In addition to disclosing its overall product lifecycle emissions for the base year, FIJI Water announced today the launch of a product-specific emissions disclosure effort via the company's www.fijigreen.com website. At this site consumers will have access to product lifecycle emissions data and analysis for each of the company's products.

Further to this initiative Mooney said, "FIJI Water believes that consumers will make environmentally responsible purchasing decisions if they have the information they need. Would we attempt to tackle the obesity epidemic by

EXHIBIT 3

removing nutrition labels from food and beverage products? Of course not, and likewise the only way consumers can turn their good environmental intentions into good decisions is to give them the information they need regarding the emissions associated with the products they buy. We sincerely hope that other companies, in our industry and beyond, will follow in providing comparable product lifecycle emissions data for all of their products."

Paul Dickinson, CEO of CDP said: "CDP's Supply Chain Leadership Collaboration is a key step to encouraging suppliers to work with their customers to measure and disclose their carbon emissions. It is only by understanding the carbon footprint of suppliers, that a company is able to measure its own carbon footprint."

As part of its sustainable growth initiative to become carbon negative, FIJI Water will offset its total carbon footprint by 120%, removing from the earth's atmosphere not only all the emissions involved in the product lifecycle, but also an additional 20%. For example, the total grams of CO2eq removed from the atmosphere for FIJI Water's 1L bottle will be 115 grams, the equivalent of the electricity saved by shutting down a laptop computer overnight instead of leaving it on. Across all products sold in 2008, the company expects to deliver a net reduction of more than 20 thousand tons of CO2eq from the atmosphere as a result of this commitment. This is equivalent to taking over 3,500 cars off the road or planting over 500,000 trees.

"As the debate on climate change and carbon emissions increases, FIJI Water believes that now is the time for companies to not only start measuring and reducing their carbon emissions, but to take action to move towards a carbon negative environment," said Mooney. "Consumers who choose FIJI Water will actually be helping the environment by taking carbon out of the atmosphere with every purchase."

Carbon Negative Strategy

In November 2007, FIJI Water announced an aggressive sustainable growth program that included a commitment to become carbon negative beginning in 2008. FIJI Water pledged to reduce actual greenhouse gas emissions 25% by 2010 by reducing packaging 20%, supplying at least 50% of the energy used at its bottling facility with renewable energy and optimizing logistics to take advantage of more carbon efficient modes of transportation.

To take immediate responsibility for its emissions, the company is partnering with Conservation International (CI), a leading conservation organization, to create a high quality, multiple benefit forest carbon project in the Yaqara Valley, Viti Levu, Fiji. The carbon offsets will be generated primarily through native species restoration on sparse grasslands. Restoration of these degraded lands will be an important means to safeguard the climate, support habitats for biodiversity, and support community livelihoods.

The offsets generated over 30 years will be used by FIJI Water to meet its "carbon negative in 2008" commitment. This is known as forward crediting. According to CI, it is the best way to ensure additionality, meaning the project is creating new emissions benefits that would not occur without carbon financing. "Sequestering carbon from the atmosphere through forest restoration helps address the greatest challenge of our time - climate change," said Glenn Prickett, Senior Vice President and Executive Director, Center for Environmental Leadership in Business, Conservation International. "In addition, it helps to ensure that Fiji, and its rich biodiversity and cultural history, will continue to thrive."

Progress to Date

Since its announcement in November, FIJI Water has already implemented several measures to reduce its carbon emissions. By optimizing its logistics, the company has reduced trucking miles from warehouses to distributors by 26% on average. In addition, the company has already started producing its 1.5 L product with an initial 7% reduction in packaging and has reduced by 70% the amount of waste materials taken to landfills. Finally, the company is using more fuel-efficient trucks in Fiji to transport its product from plant to port. This has resulted in a 50% reduction in fuel usage.

Impact of Recycling on FIJI Water's Carbon Footprint

According to the company's analysis, recycling is the biggest opportunity to reduce the carbon footprint of its product, or any packaged beverage.

Added Mooney, "Perhaps the most compelling information to come from our carbon footprint analysis is the big impact the simple act of recycling a plastic PET bottle has. By recycling the bottle, a consumer can reduce its carbon footprint at least 25%. That is why we support boosting overall recycling rates through expanding curbside recycling programs and container deposit laws that include bottled water and other non carbonated beverages.

For more information about FIJI Water's sustainability commitments, visit www.FIJIGreen.com.

About FIJI Water

FIJI® Water, a natural artesian water bottled at the source in Viti Levu (Fiji islands), is the #1 imported bottled water brand and the top selling premium bottled water in the United States. A product of one of the last virgin ecosystems

on the planet, natural pressure forces FIJI Water out of its aquifer deep below the earth's surface and into iconic square bottles through a sealed delivery system free of human contact. FIJI Water has been top-rated in taste tests among bottled waters by Chicago Magazine, Cook's Illustrated Buying Guide, Men's Health, Every Day with Rachael Ray. For more information, visit www.fijiwater.ca.

To further its ongoing mission of caring for the environment, FIJI Water is carbon negative. Carbon negative means that the production and sale of each bottle of FIJI Water results in a net reduction of carbon in the atmosphere. FIJI Water is also partnering with Conservation International and the people of Fiji to protect and preserve the Sovi Basin, the largest remaining pristine rainforest in Fiji. Learn more about FIJI Water's sustainable growth commitments at www.fijigreen.com.

FIJI Water is available in three convenient sizes to suit any lifestyle. 500 ml (16.91 oz), 1 L (33.81 oz) and 1.5 L (50.72 oz) bottles are available in single serve and/or multi-packs at leading retail locations, and are also served at select hotels, restaurants and gourmet shops.

About Carbon Disclosure Project

CDP is an independent not-for-profit organization which was established in 2000 to facilitate dialogue between companies and investors, supported by quality information, from which a rational response to climate change will emerge. Carbon Disclosure Project is a UK Registered Charity no. 1122330. A company limited by guarantee registered in England no. 05013650. It is also a special project of Rockefeller Philanthropy Advisors in New York, a 501 (c) 3 charitable status.

About Conservation International

Conservation International (CI) applies innovations in science, economics, policy and community participation to protect the Earth's richest regions of plant and animal diversity in the biodiversity hotspots, high-biodiversity wilderness areas and key marine ecosystems. With headquarters in Arlington, VA, CI works in more than 40 countries on four continents. For more information about CI, visit www.conservation.org.

For more information, please contact

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or

Carbon Disclosure Project
Joanna Lee
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Email: Joanna@cdpproject.net

or

Conservation International
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Email: k.olson@conservation.org

Back

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3. Carbon Offset Quality

Arguably the most important aspect of an offset company is the quality of its project portfolio. High quality carbon offsets must clearly demonstrate additionality, avoid double counting, have a realistically calculated baseline and emissions reduction projection, account for leakage and be permanent. In the following sections we explore each of these issues.

3.1 Additionality (this section was rewritten for revision 1.2)

The topic of 'additionality' is hotly debated. In theory, it answers a very simple question: Would the project have happened, holding everything else constant, if the carbon offsets from it could not be sold? Or more simply: Would the project have happened anyway? If the answer to that is yes, the project is not additional.
Some argue that instead of debating additionality, it is more important that emissions trading mechanisms are put in place without being bogged down by too may details, such as additionality, and that these trading frameworks and mechanisms will change and adjust as they mature.

Although we agree that policies to avert climate change should be implemented swiftly, we disagree that additionality can be treated lightly. If I buy carbon offsets, I make the implicit claim that I forgo reducing my own emissions (i.e. I still fly) but in exchange I pay someone to reduce their emission in my stead. If I buy carbon offsets to "neutralize" the emissions I caused during air travel from someone who would have reduced their emissions anyway, regardless of my payment, I, in effect, have not only wasted my money, but I also have not neutralized my emissions. **It is not necessary that the project is happening solely because of the carbon credits it produces but the anticipated benefits of the carbon offsets have to be a decisive factor for pursuing the project.**

What makes additionality so difficult an issue is not its theoretical definition, but its application in practice. In fact, there is no way to determine with absolute certainty if a project is additional or not. Instead, many different additionality tests and eligibility criteria have been developed to maximize the accuracy of additionality testing .

The following is a short selection of additionality tests that are commonly used:

Legal and Regulatory Additionality Test
If the project is implemented to fulfill official policies, regulations, or industry standards it cannot be considered additional. If the project goes beyond compliance, it might be additional but more tests are required to determine that. For example, an energy efficiency project might be implemented because of its cost savings and would in this case not be additional.

Financial Test
This test assumes that an offset project is additional if it would have a lower than

EXHIBIT 4

acceptable rate of return without revenue from carbon offsets. In other words, the revenue from the carbon offsets is a decisive reason for implementing a project. In theory, the financial test measures additionality very well, but in reality there may be projects whose finances make them look non-additional Yet they may still be "additional" because of non-monetary barriers.

Barriers Test
This test looks at implementation barriers, such as local resistance, lack of know-how, institutional barriers, etc. If the project succeeds in overcoming significant non-financial barriers that the business-as-usual alternative would not have to face the project is considered additional.

Common Practice Test
If the project employs technologies that are very commonly used, it might not be additional because it is likely that the carbon offset benefits do not play a decisive role in making the project viable.

It is important to point out that there is no single test for additionality. Which test is best suited to validate additionality depends on the type of project. An additionality test for one type of project (e.g., a simple regulatory test for methane flaring, where there is no reason to do the project if not required by law) might not be sufficient for other kinds of projects (e.g., energy efficiency, where there could be plenty of reasons for doing a project besides complying with regulations).

Also, additionality tests are always to some extent subjective, because the assumptions that underlie even the strictest additionality test are determined by the objectives that the additionality test is trying to fulfill. These objectives cannot be scientifically determined or tested, because they are not technical but political in nature and must therefore be discussed and standardized by policy makers .

To illustrate this, here a simplified example: to apply a regulatory test on an energy-efficiency project, a third party verifying company determines the parameters for additionality based on their analysis of the situation. In some cases, an improvement of 10% over the statutory requirements may be considered additional, but in other cases, where, for example, the policy is considered very minimal (e.g. a building code with minimal energy-efficiency requirements), the project would need to exceed the minimum standards by at least 50%.

The discussion about additionality shows one of the weaknesses of project-based emissions reductions policies. Cap-and-trade systems, or purely regulatory action such as efficiency standards and carbon taxes, avoid the issue of additionality altogether. This is one reason we strongly advocate robust regulatory action and see value in the voluntary emissions trade market only insofar as it can spur innovation and carbon reductions even in a hostile political environment.

It is never possible to establish with certainty what would have happened in the absence of a particular project, and clearly there is potential for abuse. For example, there are strong financial incentives for the seller (project financier and implementer) as well as the offset buyer to overestimate the "business-as-usual" baselines and thus artificially inflate emission credits for improved performance. There is clearly a need for strict monitoring and third-party verification of carbon projects. Although the risks of "cheating" are real and substantial, it is also important to recognize that additionality rules that are too stringent can hamper project implementation.

The debate over additionality is especially fierce surrounding the issue of converting *Renewable Energy Credits (RECs)* to carbon offset credits. More details on this discussion can be found in section 3.3.

While all of these concerns are hard to address, voluntary offset companies must deal with them to some degree when choosing projects. It is usually the certification and verification organizations that ensure additionality.

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3.2 Double Counting (last edited for revision 1.3)

Unfortunately, it is all too easy to double count emissions reductions; that is, to have multiple stakeholders take credit for them. A hypothetical extreme example would be an electricity provider who builds a wind farm and then sells their power at a premium as 'green power' to local customers but also sells their carbon credits and their *Renewable Energy Credits (RECs)*, and

uses the wind farm to qualify for Renewable Portfolio Standards. In addition, if the wind farm was located in a state or country that has a legislated cap on carbon emissions or needs to reduce its emissions under the Kyoto protocol, the wind farm would also count toward that state's or country's emissions reductions goal. In this extreme example, the emissions reductions from the wind farm are counted 6 times!

Some of these double counting issues are easily addressed:
• Offset companies must retire their offsets once they sell them (i. e. they can only be sold once).
• Offset companies must ensure that carbon offsets from renewable energy projects are not also sold as Renewable Energy Credits.
• Utilities that sell RECs from Renewable Energy Projects are prohibited to use that project to qualify for Renewable Portfolio Standards.

Other double counting issues are more difficult to address: For example, if a US citizen were to buy offsets that are then are invested in a wind farm project in Canada, he will take credit for these emissions reductions. But Canada will also count the resulting reduction in carbon emissions from the new wind farm toward their emission reductions goals that they are required to meet as signatories of the Kyoto protocol.

This means, not only are the emissions double counted but the wind farm has effectively replaced another set of emissions reduction measures that Canada would have had to take in order to meet its Kyoto requirements. Viewed this way, it can be argued that the wind farm does not have any net carbon benefits. On the other hand, a valid counter argument can be made that such a wind farm project would stimulate the renewable energy industry in Canada and might therefore encourage further renewable energy projects and a move towards a low carbon economy.

It can also be argued that because of the uncertain future of the Kyoto agreement and because international environmental agreements are notorious for their unenforceability, it is unclear how seriously countries take their treaty obligations. In other words, in our hypothetical answer, Canada might not take any actions to reduce their carbon emissions and withdraw their commitment to Kyoto. In this case, the wind farm would be additional and paradoxically the double counting issues would be less serious. The same would hold true if the wind farm was build in the US, which has not ratified the Kyoto agreement.

These national double counting problems could be addressed if Annex 1 countries with emissions reduction obligations would retire AAU credits for all the VERs that are created through the voluntary market. We are unaware of any country that currently has such regulation in place.

Double counting issues also apply on a more local level: if a region, state, county or city has enacted a emissions reduction target – even if it is just a voluntary one – any emissions that are created in that area but then sold as VERs in the voluntary market must not also be counted in that jurisdiction's emissions inventory. Although double counting on a national level is currently not a problem in the US, but more localized double counting problems remain an issue.

For example, the Climate Trust buys offsets from the City of Portland for two of their building energy efficiency programs. Yet, in 1993, the city of Portland became the first U.S. city to adopt a strategy to reduce emissions of carbon dioxide (CO2). Their Local Action Plan on Global Warming calls for a reduction of carbon dioxide emissions to 10 percent below 1990 levels by 2010. According to their webpage:

> "Local greenhouse gas emissions are now less than 1 percent above 1990 levels – a key benchmark of the international Kyoto Protocol – and emissions have declined in each of the past four years."
>
> "On a per capita basis, Portland and Multnomah County emissions have fallen 12.5% since 1993, an achievement likely unequalled in any other major U.S. city." (http://www.portlandonline.com/osd/index.cfm?c=41896, last accessed 11/27/06)

The carbon offsets that the Climate Trust buys from the City of Portland are also counted in the cities' greenhouse gas inventory. The Climate Trust responded to our concern:

> The Climate Trust does allow entities who are a part of a voluntary reduction program to claim credit for the reductions that result from a given offset project. We do not, however, allow entities to claim credit if they are a part of a regulatory regime. Our position is that early-moving companies should be able to claim some economic

benefit for their actions. The City of Portland has worked hard and their offset projects are of high quality.
(e-mail communication, 2/14/07, CarbonCounter.org)

Additional legislation is needed to avoid double counting of voluntary offsets generated in Annex I countries (see section 5) and in areas that have sub-national emissions reductions obligations or goals (e.g. California or RGGI). An international registry for VERs (similar to that which exists for CERs created by CDM projects) is needed to minimize fraudulent double counting.

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3.3 Types of Carbon Credits (last edited for revision 1.3)

Voluntary offset companies can operate either within or outside of the Kyoto framework. The advantage of working within Kyoto is that emissions reductions (***CERs or ERUs***) are verified under a unified regulatory framework. All CERs have to be verified by a **Designated Operational Entity (DOE)**(4). DOEs are liable for any emissions credits wrongly certified. If they overstate the savings, they are responsible for delivering the missiong emissions credits. Experience shows that this type of rigor squeezes out about 40% from the initially claimed tons in a CDM project. (Dietrich Brockhagen, e-mail communication 3-29-07)

Yet the administrative burden for CDM projects is larger than in a more informal market. Projects that do not fall under the Kyoto mechanisms are more difficult to verify, since there are no clear guidelines and third party certification is done at the discretion of the offset company. That means that the quality of ***Verified Emissions Reductions (VERs)*** can vary greatly. This makes it harder for the consumer to be sure her emissions are truly offset by the VERs she buys.

Sometimes projects in developing countries are not registered as CDM projects because they are too small. myclimate estimates that a carbon offset project must reduce at least 5,000 metric tons of CO2 per year in order justify the CDM transaction costs . Such projects can still adhere to high standards, for example they can be implemented using the Gold Standard's new standards for VER generating projects — projects that are outside of the Kyoto Protocol.

Table 1: International Carbon Trading and Project Mechanism

Mechanism	Unit	Type	Regulatory Framework
IET - International Emissions Trading	AAUs - Assigned Amount Units (Allowances (1))	Quota	Kyoto
JI - Joint Implementation	ERUs- Emission Reduction Units	Credit(2)	Kyoto
CDM - Clean Development Mechanism	CERs - Certified Emissions Reductions	Credit	Kyoto
Voluntary Carbon Trading	VERs- Verified Emissions Reductions	Credit	No unified regulatory framework

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Renewable Energy Credits (RECs) (last edited for revision 1.2)

One REC represents the delivery of one megawatt-hour of renewable power to the total energy infrastructure. RECs can be sold and traded independent of the electricity produced. RECs are traded both in mandatory and in voluntary markets. RECs are sold in the voluntary market based on the assumption that they represent the environmental benefits when electricity is generated from renewable resources instead of fossil fuels, like coal and natural gas. It is important to understand the difference between "mandatory" or "compliance" RECs and voluntary RECs. Because mandatory RECs are simply an instrument for meeting a quota, there is no concern or implication about their "environmental benefits." It's only in the voluntary markets, where RECs are sold solely because the buyer is interested in their environmental benefits, that their true environmental value needs to be evaluated, rated, and certified.

RECs are frequently turned into carbon credits by multiplying them by a factor that accounts for the avoided CO2 emissions. In theory, it does not matter if RECs are sold as RECs or as carbon credits as long as they are not double counted and are additional. Yet in practice assuring additionality is very difficult.

Voluntary market RECs generally do not have to adhere to the same strict additionality standards as carbon offsets (VERs.) Green-e certified RECs, for example, have to come from renewable energy plants that were built after 1997 and cannot be counted towards Renewable Portfolio Standards or any other legal requirements. Although these two requirements are important, they do not fully address additionality. Because of the economic benefits of many renewable energy projects, such as wind farms, it is especially difficult to determine additionality with RECs. Some companies clearly state that their RECs have to comply with the same additionality criteria as carbon offsets (VERs.) In this case, RECs are a credible alternative to VERs. Yet most companies do not make this distinction.

This is not to say that none of the available RECs are additional. Some developers explicitly state that the revenue from RECs played a decisive role making the project viable:

> "In all 8 wind energy projects that CEI [Community Energy] has developed or helped to finance with
> Renewable Energy Credit (REC) marketing efforts, REC revenue streams were explicitly
> valued (based on voluntary market customer contracts or market projections) and vital to
> project feasibility. As the industry continues to evolve, reliable REC revenue steams will
> be even more critical to flipping the economics of wind energy in the positive direction."
> Brent Beerley, Vice President, CEI
>
> Quote taken from: How Voluntary Markets for Renewable Energy Support Meaningful Reductions in GHG Emissions November 30, 2006, discussion draft, available at http://green-e.org/docs/RE_and_GHG_Q&A_v2.pdf (last accessed 1/26/2007)

Yet the issue remains that there is currently no standard and verification available that ensures RECs are additional.

To summarize, we would like to distinguish between the sale of RECs and the sale of RECs-converted-to-carbon-credits (RECscc). RECs do not need to fulfill additionality criteria because they do not claim to neutralize any carbon emissions. They just claim to be from renewable sources and therefore are almost completely pollution- and carbon-free. Yet RECscc do claim to offset carbon emissions. Therefore if RECscc are sold to someone who wants to offset their air travel emissions, additionality becomes vital to make such offsets credible. RECscc can only claim to do so if the benefits of the sale of the RECs were a decisive factor in pursuing the project. Because there are currently no clear guidelines available to ensure additionality in RECscc, we consider RECscc less desirable (lower quality) than CERs or VERs that fulfill strict additionality standards. Green-e, the main certifying body of RECs in the US is currently developing new, stricter standards for RECscc (see Green-e).

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Forward Purchasing of Offsets (FPO) / Future offsets (5) (last edited for revision 1.3)

Carbon offset companies can purchase carbon offsets that have already been achieved or that will happen in the future. **Forward Purchasing of Offsets (FPO)** carries the risk of buying credits that might not happen if the project fails or underperforms. On the other hand, it is often the financial investments in such **future offsets** (5) that will allow a project to actually be implemented – in other words, FPO can be an effective tool in reducing risks that otherwise could prevent the project from being implemented.

FPO does not guarantee additionality, but most additional projects need to secure upfront offset funding. It is much easier to implement financially additional projects if customers can be found who are willing to pay upfront than if the project needs to secure funding from lenders with the expectation that the debt will be paid off later by customers purchasing carbon reductions. (Conversely, non-additional projects by definition do not depend on any offset funding - so they can afford to go forward and wait for customers to pay for their "reductions" in the future.) Therefore, forward purchasing can be an incentive for additional projects, in other words, FPO does not

guarantee additionality, but on balance will lead to more additional projects than a "pay-as-you-go" approach. Additionality needs to be substantiated regardless of whether one is purchasing forward credits or current year credits it's central to the claim about offsetting emissions.

A distinction needs to be made between contracts of forward purchases and contracts of forward crediting. With forward purchases, the buyer invests the money upfront but does not get the credits until they are actually produced. This is how most CDM projects are financed. Yet in the voluntary market, offset purchasers are often unwilling to make long-term commitments, especially in the context of offsetting air travel, where purchasers offset one flight at a time, or a year of flying at a time.

With forward crediting, the buyer pays and also gets the offsets credited upfront, despite the fact that they will only be produced in the future.

> *Tom Stoddard from Native Energy:*
> With such a contract, an offset marketer agrees to purchase the project's long-term offset output upfront, and then sells shares of that future output up front, with each share sized to produce an estimated quantity of carbon offsets over a specified period of time.
>
> The quantity of offsets may not be guaranteed. Marketers of offsets (and the projects for which the future offsets model is most useful), are typically not well enough capitalized to guarantee a project's future performance. In addition, insurance products insuring the volume of an offset project's future output are not available. This leaves most marketers of future offsets estimating rather than guaranteeing the future offset quantity. Marketers of future offsets should discount the expected future offset quantity, as a means to reduce the risk of project underperformance. Adequate discounting of the expected offset quantity can result in the projects enabled by future offsets performing as well or better than estimated, on average. (e-mail communication, 2-28-07)

Clearly, forward crediting carries the risk of claiming credits as real that may or may not happen in the future. Being conservative when calculating the estimated offsets and discounting them to allow for underperformance are legitimate tools to reduce the risk of these forward crediting mechanisms. Nevertheless, they can be a risky proposition and consumers should be encouraged to opt for companies that fully disclose both the risks and how those risks are mitigated by discounting.

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Bundled offsets

Bundled offsets are emissions that do not come from one single project but are, similar to a Mutual Fund, a collection of offsets from various projects. If all the offsets in the bundle come from high quality emissions reductions projects, then bundling is a valuable approach to insure against risks, for example from future offsets, and to lower prices. For example, myclimate offers two different offset portfolios to their clients. The more expensive one includes offsets that come with more external benefits (e.g. bringing new technologies and know-how to very remote areas), while the less expensive one includes projects that have lower implementation costs.

Bundling offsets is problematic if low quality emissions reductions are mixed into the portfolio. For example, the Chicago Climate Exchange offers bundled offsets that include project based emissions as well as emissions reductions achieved by member corporations that went above their emissions reductions target. These emissions reductions, although laudable, are not the same as offset reductions created through offset projects alone. They raise issues of overabundancy, double counting, and transparency. This is especially true since CCX's standards and verifications procedures are proprietary.

Because the voluntary carbon market is so young, we recommend consumers act as conservatively as possible and buy carbon offsets with highest standards of certification and verification, even if those currently carry higher transaction costs.

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3.4 Standards and Verification (last edited for revision 1.3)

To address concerns of additionality, monitoring and verification companies often involve a third

party and use internationally recognized criteria. Standards set criteria by which projects are chosen and evaluated. Such standards may include criteria for: type of project, impact on local communities, additionality and leakage . These standards may be set by the offset company itself or a third party. These standards allow for better project comparison and evaluation.

Standards alone cannot ensure the quality of a project. It is only through the validation and verification of these standards that projects can reliably be evaluated. Verification consists of the periodic monitoring and review of ongoing projects in addition to an evaluation after the project period has ended. The monitoring ensures that the project is meeting goals and operating properly. For example, if a project involves installing stoves, monitoring allows for assurance that the stoves are working and are being used.

End-of-project verification ensures that the carbon emissions have been reduced by the amount intended. It is particularly important to have a third party involved at this point as there is an obvious incentive for project financers and offset buyers to see that projects have met their goals. Independent verification is crucial for the credibility of emission reduction projects. Below is a description of the most frequently used standards and verification procedures.

Clean Development Mechanism (CDM)

http://cdm.unfccc.int/
Used by: atmosfair, myclimate, and (update 1.3: The CarbonNeutral Company)

As mentioned earlier, the CDM is part of the United Nations Framework Convention on Climate Change (UNFCCC). As the largest regulatory project-based mechanism, the CDM offers the public or private sector in developed nations the opportunity to purchase carbon credits from offset projects in developing nations. CDM is involved in setting standards and verifying projects. Certified Emissions Reductions (CERs) are verified and certified by authorized third parties (Designated Operational Entities.) CDM standards are stringent and robust yet have high transaction costs so that usually only large projects are registered. CDM requires strict additionality for certification of carbon offset projects. For validation and verification procedures, see footnote (4).

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Gold Standard and Voluntary Gold Standard

www.cdmgoldstandard.org/
Used for all their projects by: atmosfair, myclimate, Climate friendly

The Gold Standard was developed by a network of non-government organizations, which sets higher standards than the CDM. It is endorsed by 42 NGOs worldwide. Gold Standard projects include renewable energy or energy efficiency technologies. (No sequestration projects are accepted). The Gold Standard requires strict additionality for certification of the carbon offset projects. For a project to be selected, these standards must be met and are checked by a UNFCCC-accredited organization. Monitoring and verification is also done by these organizations to ensure the benefits are realized.

Gold Standard projects take into account differing environmental, social and economical factors to maximize the secondary benefits and to minimize the negative impacts of a project. It actively encourages local participation in project design, and seeks to maximize sustainable development benefits.
Gold Standard projects are usually CDM projects. Because of the high transaction costs of CDM/Gold Standard the projects are usually large scale.

There are currently eight projects registered as Gold Standard projects. Information about them can be accessed at: www.cdmgoldstandard.org/projects.php

Voluntary Gold Standard
For smaller projects that are not CDM registered a Voluntary Gold Standard (VGS) was released in spring of 2006. The aim was to simplify procedures and to reduce transaction costs for small scale projects while still maintaining high quality standards. VGS can only be used in non-Annex 1 countries.

The Gold Standard is the most rigorous standard available to date. Although adhering to the Gold Standard incurs higher transaction costs and can therefore lead to higher prices for consumers, we strongly recommend purchasing offsets that follow these strict guidelines.

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Voluntary Carbon Standard (last edited for revision 1.3)
Used by: The CarbonNeutral Company

The Climate Group (TCG), the International Emissions Trading Association (IETA) and the World Economic Forum Global Greenhouse Register (WEF) jointly develop the Voluntary Carbon Standard (VCS). Version 1 of the Standard was published in 2006. The goal of the VCS is to provide "a certification tool that is designed to give users confidence that voluntary project-based GHG emission reductions are real, measurable, permanent, additional and independently verified" (The Climate Group)

Carbon offsets that are certified and verified through the VCS are called **Voluntary Carbon Units (VCUs)**. VCUs are fungible, tradable and registered: VCS established an international registry for its VCUs which is sited at the Bank of New York.

The Voluntary Carbon Standard Version 2 is currently being developed. A draft of the VCS version 2 can be downloaded at
http://theclimategroup.org/assets/Voluntary_Carbon_Standard_Version_2_final.pdf

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Chicago Climate Exchange (CCX) (last edited for revision 1.2)
www.chicagoclimatex.com/
Used by: Carbonfund, Cleanairpass, TerraPass

The Chicago Climate Exchange is a voluntary cap-and-trade emission trading system. CCX operates mainly in the US but also has members and affiliates in Canada and Mexico. Members commit to reduce their emissions by a certain amount each year, measured against their original baseline. Companies that achieve reductions that go above the commitment can sell these emissions reductions as CCX's commodities called Carbon Financial Investments (CFIs.) Companies can also invest in external carbon projects which are implemented in the US, Canada, Mexico and Brazil. These projects involve mostly methane capture and carbon sequestration though forestry and no-till agriculture. The offset from these projects are also tradable as CFIs.

The CCX certification and verification process is proprietary. It is therefore difficult to evaluate the quality of CCX's carbon offsets. Several NGOs have criticized the CCX for its loopholes, lack of clearly defined additionality criteria and a general lack of transparency (Dale, 2006).

In addition, many of the member companies of CCX have over-complied with their commitments. This has led to an overabundancy of CFIs. In a cap-and-trade system, it is most important that the cap is set at a high enough level so the system produces meaningful reductions that go beyond business-as-usual. Additionality is not of concern because it is the cap on the emissions that helps achieve real reductions. To give an example: if the cap on a hypothetical cap-and-trade system is 1000 tons of CO2 and I buy 100 tons and retire them, I have in effect created a scarcity of available credits. That means the price of the still available credits will likely go up and companies will have to work harder to create additional credits. If, on the other hand, there is an overabundancy of credits and I buy some of those credits, I have in effect just reduced some of the excess credits that are available.

CCX has certainly demonstrated a very innovative and valuable approach to carbon trading. Yet, because of a lack of transparency, the current overabundancy of CFIs, and to a lesser degree because of their focus on bio-sequestration in their external offset projects, we advocate that consumers minimize purchasing voluntary offsets that were generated through CCX.

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Green-e
www.green-e.org
Used by: NativeEnergy, TerraPass, Carbonfund

Green-e is run by the Center for Resource Solutions (CRS), a US-based non-profit company that measures and verifies a range of renewable energy projects. Green-e both sets standards for US

renewable energy projects and verifies the projects. Green-e certified *Renewable Energy Credits (RECs)* have to be generated by power plants that were built after 1997 and they cannot be used to also meet regulatory portfolio standards.

RECs can be sold and traded independent of the electricity produced both in mandatory and in voluntary markets. As mentioned earlier, RECs do not have to adhere to the same strict additionality standards as carbon offsets. Because of the economic benefits of many renewable energy projects, such as wind farms, it is especially difficult to determine additionality with RECs.

CRS is currently working on developing new, stricter standards for RECs that are converted to carbon offsets. We strongly support efforts to develop clear, transparent and strict rules for selling RECs into the voluntary carbon market. Given how important renewable energy production will be in guiding us towards a low-carbon future, we support the financing of renewable energy projects though voluntary carbon offset companies, as long as the project are of high quality, fulfill strict additionality standards and are not double counted.

CRS is currently (as of January 2007) working on developing new, stricter standards for RECs that are converted to carbon offsets (3).

We strongly support efforts to develop clear, transparent and strict rules for selling RECs into the voluntary carbon market. Given how important renewable energy production will be in guiding us towards a low-carbon future, we support the financing of renewable energy projects though voluntary carbon offset companies, as long as the project are of high quality, fulfill strict additionality standards and are not double counted.

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Notes:

1 Allowances are the unit of compliance that are traded in cap and trade programs.

2 Credits (Offsets) are emission reductions that an emitter has achieved in excess of any required reductions. The excess amount is the credit and can be sold on the market.

3 The draft version of these guidelines are available here. Stakeholder comments accepted until January 31st, 2007. The comment form is available here.

4 A Designated Operational Entity (DOE) is a company accredited by the CDM Executive Boards that checks whether projects are fulfilling CDM criteria. Each CDM project must be validated and verified.

Validation is done once before initial project approval. Verification is done periodically after the project has been approved or registered.

Validation
Based on the project design document (PDD), the DOE will evaluate and validate the proposed CDM project, confirming :
1 – Parties are voluntarily participating
2 – Stakeholders have been invited to comment
3 – Project participants have submitted documentation on environmental impacts to the DOE
4 – The project will result in greenhouse gas reductions that are additional
5 – A methodology has been adopted in accordance with CDM rules
6 – Provisions for monitoring, verification and reporting are in accordance with CDM rules
7 – The project complies with all other CDM rules

The DOE then issues a validation report, and requests registration of the project though the CDM Executive Board

Verification
CDM project are monitored or "verified" after the project has been approved or registered by the CDM Executive Board. After the project has been registered by the Executive Board, the DOE periodically checks (usually once a year) whether emission reduction have actually taken place. It will then request that the EB issue CER's accordingly, based on this verification report. It is only after verification that CER's are actually delivered.
(This footnote was modified from: http://www.cseindia.org/programme/geg/cdm_faq.htm#doe,

accessed 4-2-07)

5 The phrase "future offset" was replaced with "forward purchases of offsets (FPO)" in revision 1.3 of this paper. This is to distinguish between forward purchasing and forward crediting. As explained in this chapter, we do recommend forward purchasing but are wary of forward crediting.

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Contract Terms

The price of offsets varies depending on the delivery terms. Guaranteed offsets are usually more expensive than intended emission reductions, even if the offered offsets are of the same quality. Guaranteed reductions have either already occurred (prompt delivery) or will occur in the near future and are guaranteed to be delivered (forward delivery). In the latter case, the provider is held liable for contract default if it fails to deliver the agreed-upon number of emission reductions. In cases where buyers donate toward intended emission reductions, project shortfall or failure has no consequences for the offset provider. Such intended emission reductions are referred to as ex-ante credits; the process is referred to as forward crediting.

Not all offset providers clearly distinguish between non-guaranteed ex-ante credits and guaranteed offset purchases. For example, a provider could advertise to sell Gold Standard offsets from projects that have not yet produced verified emission reductions. If this is not clearly communicated to the buyers, they may be unaware of the risk they are undertaking. It is therefore vital that the buyer reads the general terms and conditions of the contract and determines whether the purchased amount of offsets is backed by real emission reductions or not. The following sections describe the three levels of delivery risk in broad terms. Though specific contracts may deviate from this scheme, the underlying principles generally hold true.

Low Transaction Risk: Prompt Delivery of Existing Offsets

Prompt delivery in the carbon markets typically means delivery within a few days of contract signature. This delay allows for administration of the actual transaction, but not for the generation of offsets, which would be impossible in such a short time. In such cases, the provider assumes all project and price risks and generates the carbon offsets prior to selling them. The provider invests in the necessary technology, oversees project implementation, covers the operational project expenses, and pays the costs for validation, registration and verification of the project activity. The provider does so without knowing for certain how large a volume of offsets the project will ultimately generate, nor at what price these offsets may be sold. However, after successful project operation, having the carbon offsets in stock enables the provider to offer risk-free deliveries, and to achieve a higher nominal sales price than could be set for high risk (non-guaranteed) offsets. Since providers of promptly delivered offsets can specify and easily guarantee the exact amount, quality and parameters of their products, buyers of such offsets carry no project-related risks. Thus, this type of contract is suitable for buyers that wish to receive risk-free emission reductions quickly.

Medium Transaction Risk: Forward Delivery of Future Offsets

A forward contract constitutes a binding agreement in which the offset provider commits to deliver emission reductions to the buyer at a pre-defined time and price. The provider may have access to future emission reductions from a certain project or portfolio of projects, or may have existing emission reductions available in stock. For both the provider and the buyer, a forward contract is a way to eliminate market price risks and secure a desired transaction price, even though delivery may not occur for months or years. Such an arrangement protects the provider from falling market prices, and the buyer from rising market prices. Forward contracts may specify a fixed or proportional amount of offsets to be delivered.

A fixed delivery quantity specifies the exact amount of offsets to be delivered, while a proportional amount typically refers to the project's overall success (e.g. buyer agrees to buy 50% of all generated offsets each year for 3 years). In fixed volume transactions, the seller carries the risk if the project produces fewer offsets than expected. In case of an offset shortfall, the seller must make up the missing offsets by delivering offsets from other projects at the same price.

A forward contract can be executed only if both parties still exist at the time of delivery (i.e. have not suffered bankruptcy). If the seller is unable to meet its contractual obligation, the buyer faces the risk of having to pay the current market price for offsets, which may be more than they had originally settled on in the forward contract. The risk of a party not being able to fulfill its contractual commitment is referred to as credit risk. Before signing a forward contract, each party typically assesses the credit risk of the other party.

While organizations applying professional risk management strategies may prefer forward deliveries to eliminate market price risks, such arrangements are less suitable for consumers who do not know how to assess credit risk. Forward contracts are most suitable for buyers who want to secure a price ahead of actual delivery and payment date (e.g. buyers who expect market prices to increase in the future).

High Transaction Risk: Forward Crediting of Ex-ante Offsets

Forward crediting – the sale of ex-ante credits – is the most complicated type of transaction for the buyer to understand. Typically, at contract closure, the buyer pays the purchase price for a certain number of offsets that have yet to be produced, and the provider delivers a certificate confirming the purchase. The successful generation of the agreed number of emission reductions is uncertain. Unless the contract contains an ex-post adjustment of the purchase price corresponding to any shortfall in offset generation, the customer carries the risk that some or all of the purchase price may be lost, given that offsets might not be delivered. Transparency in such transactions is likely to be limited because providers are unlikely to inform buyers of any shortfall in the number of emissions ultimately achieved. This is especially true for projects that are not expected to deliver the emission reductions for several decades, as is the case with certain forestry projects. Because buyers must pay upfront with no guarantee of the fulfillment of delivery, such transactions carry the highest risk for the buyer.

Forward crediting is similar to forward purchasing (see above) and the same principles of price-risk hedging and credit risk assessment apply. But there is a substantial difference in the degree of risk associated with the two types of transactions: in forward crediting contracts, the purchase price is paid upfront and is not repaid in case of delivery shortfalls. The seller is not obligated to replace delivery shortfalls with offsets from other projects. Because of this, forward crediting might be more suitable for donors who do not depend on exact emission reductions than for buyers who are looking to offset a precise amount.

How Providers Can Reduce Delivery Risk

Risk management techniques can substantially reduce the risk of project under-performance and consequent delivery

EXHIBIT 5

NEWPORT
TRIAL GROUP
A Professional Corporation

610 Newport Center Drive, Suite 700
Newport Beach, CA 92660
Phone(949) 706-6464
Fax (949) 706-6469
www.trialnewport.com

November 16, 2010

BY CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Fiji Water LLC/Roll Corporation
11444 W. Olympic Blvd., 2nd Floor
Los Angeles, CA 90064
Attention President and CEO
310.312.2828

Re: Ongoing Violations of California Consumer Legal Remedies Act

Ladies and Gentlemen:

Please give this letter your complete and immediate attention.

I. Introduction

We have been asked to investigate a claim on behalf of a California resident who purchased Fiji Water (who we will refer to as "John Doe" but whose identity will be disclosed upon reasonable request), as well as a class of similarly situated persons. We believe that Fiji Water LLC and Roll Corporation ("You") have violated the California Consumer Legal Remedies Act.

II. Factual Background

You market and sell bottled water known as Fiji Water. Each bottle of Fiji water boldly proclaims that it is "Carbon Negative." To a reasonable purchaser of Fiji water, this means that Fiji's current operations remove more carbon from the atmosphere than they release into it.

By marketing itself as "the first and only major bottled water company" that is carbon negative, Fiji is able to charge consumers a premium for Fiji water. For example, a recent World Wildlife Fund (WWF) study confirmed the widespread belief that consumers associate bottled water with environmental consciousness, social status, and healthy living. Fiji also charges consumers much more, per ounce, than most of its competitors. Indeed, a Fiji executive once boasted that "What Fiji Water's done is go out there with a package that clearly looks like it's worth more money, and we've gotten people to pay more for us."

In reality, Fiji is not "carbon negative", at least so far as reasonable consumers understand that claim. Instead, to justify the "carbon negative" claim, Fiji uses "forward

crediting", under which Fiji purchases "offset credits" (a generic term for any tradable certificate or permit representing the right to emit a measurable unit of carbon dioxide). While standard "offset credits" represent carbon reductions already in place, the "forward offset credits" utilized by Fiji rely upon future carbon reductions that may or may not take place, up to several decades in the future.

The practice of utilizing forward offset credits as a marketing tool is deceptive. For example, the Stockholm Environment Institute (or SEI, a non-profit, independent research and policy institute specializing in sustainable development and environmental issues) advises that "forward crediting" is "too complicated" for a reasonable consumer to understand, and is therefore "risky." SEI also notes that "Forward crediting carries the risk of claiming credits as real that may or may not happen in the future." Moreover, the Federal Trade Commission recently issued a Proposed Rule (Federal Register Volume 75, Number 199 dated Friday, October 15, 2010) entitled *Guides for the Use of Environmental Marketing Claims* that discourages companies from making environmental claims justified by forward offsetting.

III. Summary of Violations

We believe that your conduct violates the California Consumer Legal Remedies Act by falsely representing that Fiji Water has characteristics, uses and benefits that it does not have.

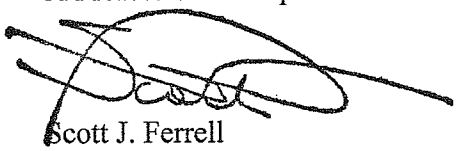
IV. Request for Relief and Offer of Compromise

We respectfully request that you immediately stop the above-referenced practices. If you will do so, we will publicly commend you and will take no further action in this matter.

Finally, if our understanding of any of the material facts set forth in this letter are not correct, or if you would like us to consider any evidence that you believe might change our perspective, we invite you to submit it to us; I assure you that we will give any such evidence full and fair consideration and maintain them as confidentiality.

Very truly yours,

NEWPORT TRIAL GROUP
A Professional Corporation



Scott J. Ferrell

SJF/lb

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

I (a) PLAINTIFFS (Check box if you are representing yourself ☐)
DESIREE WORTHINGTON, individually, and on behalf of all others similarly situated,

DEFENDANTS
FIJI WATER COMPANY LLC; ROLL INTERNATIONAL CORPORATION; and DOES 1-10, Inclusive,

(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.)
Scott J. Ferrell, SBN 202091
NEWPORT TRIAL GROUP
610 Newport Center Drive, #700, Newport Beach, CA 92660 (949) 706-6464

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.)

☐ 1 U.S. Government Plaintiff
☐ 3 Federal Question (U.S. Government Not a Party)
☐ 2 U.S. Government Defendant
☑ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only
(Place an X in one box for plaintiff and one for defendant.)

	PTF	DEF		PTF	DEF
Citizen of This State	☑ 1	☐ 1	Incorporated or Principal Place of Business in this State	☐ 4	☐ 4
Citizen of Another State	☐ 2	☐ 2	Incorporated and Principal Place of Business in Another State	☐ 5	☑ 5
Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6

IV. ORIGIN (Place an X in one box only.)

☑ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify): ☐ 6 Multi-District Litigation ☐ 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☑ Yes ☐ No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: ☑ Yes ☐ No ☐ **MONEY DEMANDED IN COMPLAINT: $**_____

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
Violation of Business & Professions Code § 17537

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES
☐ 400 State Reapportionment
☐ 410 Antitrust
☐ 430 Banks and Banking
☐ 450 Commerce/ICC Rates/etc.
☐ 460 Deportation
☐ 470 Racketeer Influenced and Corrupt Organizations
☐ 480 Consumer Credit
☐ 490 Cable/Sat TV
☐ 810 Selective Service
☐ 850 Securities/Commodities/ Exchange
☐ 875 Customer Challenge 12 USC 3410
☑ 890 Other Statutory Actions
☐ 891 Agricultural Act
☐ 892 Economic Stabilization Act
☐ 893 Environmental Matters
☐ 894 Energy Allocation Act
☐ 895 Freedom of Info. Act
☐ 900 Appeal of Fee Determination Under Equal Access to Justice
☐ 950 Constitutionality of State Statutes

CONTRACT
☐ 110 Insurance
☐ 120 Marine
☐ 130 Miller Act
☐ 140 Negotiable Instrument
☐ 150 Recovery of Overpayment & Enforcement of Judgment
☐ 151 Medicare Act
☐ 152 Recovery of Defaulted Student Loan (Excl. Veterans)
☐ 153 Recovery of Overpayment of Veteran's Benefits
☐ 160 Stockholders' Suits
☐ 190 Other Contract
☐ 195 Contract Product Liability
☐ 196 Franchise

REAL PROPERTY
☐ 210 Land Condemnation
☐ 220 Foreclosure
☐ 230 Rent Lease & Ejectment
☐ 240 Torts to Land
☐ 245 Tort Product Liability
☐ 290 All Other Real Property

TORTS
PERSONAL INJURY
☐ 310 Airplane
☐ 315 Airplane Product Liability
☐ 320 Assault, Libel & Slander
☐ 330 Fed. Employers' Liability
☐ 340 Marine
☐ 345 Marine Product Liability
☐ 350 Motor Vehicle
☐ 355 Motor Vehicle Product Liability
☐ 360 Other Personal Injury
☐ 362 Personal Injury-Med Malpractice
☐ 365 Personal Injury-Product Liability
☐ 368 Asbestos Personal Injury Product Liability

IMMIGRATION
☐ 462 Naturalization Application
☐ 463 Habeas Corpus-Alien Detainee
☐ 465 Other Immigration Actions

TORTS
PERSONAL PROPERTY
☐ 370 Other Fraud
☐ 371 Truth in Lending
☐ 380 Other Personal Property Damage
☐ 385 Property Damage Product Liability

BANKRUPTCY
☐ 422 Appeal 28 USC 158
☐ 423 Withdrawal 28 USC 157

CIVIL RIGHTS
☐ 441 Voting
☐ 442 Employment
☐ 443 Housing/Accommodations
☐ 444 Welfare
☐ 445 American with Disabilities - Employment
☐ 446 American with Disabilities - Other
☐ 440 Other Civil Rights

PRISONER PETITIONS
☐ 510 Motions to Vacate Sentence Habeas Corpus
☐ 530 General
☐ 535 Death Penalty
☐ 540 Mandamus/ Other
☐ 550 Civil Rights
☐ 555 Prison Condition

FORFEITURE/ PENALTY
☐ 610 Agriculture
☐ 620 Other Food & Drug
☐ 625 Drug Related Seizure of Property 21 USC 881
☐ 630 Liquor Laws
☐ 640 R.R. & Truck
☐ 650 Airline Regs
☐ 660 Occupational Safety /Health
☐ 690 Other

LABOR
☐ 710 Fair Labor Standards Act
☐ 720 Labor/Mgmt. Relations
☐ 730 Labor/Mgmt. Reporting & Disclosure Act
☐ 740 Railway Labor Act
☐ 790 Other Labor Litigation
☐ 791 Empl. Ret. Inc. Security Act

PROPERTY RIGHTS
☐ 820 Copyrights
☐ 830 Patent
☐ 840 Trademark

SOCIAL SECURITY
☐ 861 HIA (1395ff)
☐ 862 Black Lung (923)
☐ 863 DIWC/DIWW (405(g))
☐ 864 SSID Title XVI
☐ 865 RSI (405(g))

FEDERAL TAX SUITS
☐ 870 Taxes (U.S. Plaintiff or Defendant)
☐ 871 IRS-Third Party 26 USC 7609

BY FAX

FOR OFFICE USE ONLY: Case Number: **CV10-9795 SJO(JEMx)**

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☑ No ☐ Yes
If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☑ No ☐ Yes
If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:
(Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.
☐ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
San Bernardino	

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.
☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Throughout the State of California	Throughout the State of California

*** Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties**
Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): _____ Date 12/20/10

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge S. James Otero and the assigned discovery Magistrate Judge is John E. McDermott.

The case number on all documents filed with the Court should read as follows:

CV10- 9795 SJO (JEMx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

---

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

[X]	**Western Division** **312 N. Spring St., Rm. G-8** **Los Angeles, CA 90012**	[ ]	**Southern Division** **411 West Fourth St., Rm. 1-053** **Santa Ana, CA 92701-4516**	[ ]	**Eastern Division** **3470 Twelfth St., Rm. 134** **Riverside, CA 92501**

Failure to file at the proper location will result in your documents being returned to you.