CAUSE NO. D-1-GN-22-001169

STATE OF TEXAS, *Plaintiff*,	§	IN THE DISTRICT COURT OF
v.	§	TRAVIS COUNTY, TEXAS
DERMATOLOGY INDUSTRY, INC. D/B/A UVO and DRINK UVO, *Defendant.*	§	353RD JUDICIAL DISTRICT

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

CAME ON THIS DAY BEFORE THIS COURT the above-entitled and numbered cause, wherein the STATE OF TEXAS ("State" or "Plaintiff") is Plaintiff and DERMATOLOGY INDUSTRY, INC. d/b/a UVO and DRINK UVO, (collectively, "Dermatology Industry" or "Defendant") is the Defendant. The State, acting by and through Attorney General Ken Paxton on behalf of his Consumer Protection Division, and Defendant announce to the Court that all matters in controversy between them have been settled, and hereby present to the Court this Agreed Final Judgment and Permanent Injunction ("Agreed Judgment") for entry.

I. STIPULATIONS

The parties hereby agree and stipulate that:

1. This Court has jurisdiction over this action and the parties to this action, and venue is proper;

2. DERMATOLOGY INDUSTRY, INC. is a foreign corporation whose business address was 147 Mercer Way, Costa Mesa, California 92627; it stopped doing all business in 2020 but never formally dissolved.

3. FARAH C. AWADALLA, aka Bobby Awadalla, is the sole owner and Chief Executive Officer of Dermatology Industry, Inc.

4. DERMATOLOGY INDUSTRY, INC. was a dietary supplement business that sold its Products nationwide;

5. Defendant has read this Agreed Judgment and understand all aspects of it;

6. Defendant does not admit the allegations made against it, but consents to the entry of this Agreed Judgment in order to avoid the time and expense of litigation;

7. Defendant waives the issuance and service of a writ of injunction and acknowledges that it has entered into this Agreed Judgement and received notice of it;

8. Defendant's indebtedness to the State, as set forth in paragraph VI below, is not pecuniary compensation and does not constitute an antecedent debt with respect to this litigation, nor is it a fine, penalty, or payment in lieu thereof;

9. Plaintiff's execution of this Agreed Judgment does not constitute an approval by the Plaintiff of Defendant's business practices;

10. Entry of this Agreed Judgment is in the public interest; and

11. This Agreed Judgment is non-appealable.

II. DEFINITIONS

The following definitions shall be used in construing this Agreed Judgment:

1. "Advertise" or "Advertising" shall mean any oral, written, graphic, or pictorial statement or representation, including but not limited to testimonials, endorsements, or other Third Party representations, regardless of the medium of communication employed, for the purpose of inducing, or that are likely to induce, directly or indirectly, the purchase of food, dietary supplements, or drugs; and includes but is not limited to Product packages, Labels, Labeling, Product inserts, Product literature and Internet sites.

2. "Clear and Conspicuous" statement, or a statement presented "Clearly and Conspicuously" shall mean a statement or communication, written or oral, presented in such font size, color, location, audibility, and contrast against the background in which it appears, compared to the other matter with which it is presented, so it is easily noticed and readily understood. If such statement or communication modifies, explains, or clarifies other information with which it is presented, it must be presented in close proximity to such other information and in the same

manner (audible or visual) so it is easily noticed and readily understood. In addition, the term means that:

a. With respect to any Promotional materials communicated through any non-print medium (including such formats as telephone, television, radio, CD-ROM, DVD, other electronic, magnetic, or interactive media, and including the Internet and online services), audio disclosures shall be delivered in a volume and cadence sufficient to be easily heard and readily understood, and video disclosures shall be of a size and shade, in contrast with the background with which it appears, and shall appear on the screen for a period of time sufficient to make them easily read and readily understood.

b. In addition to the foregoing, in media such as the Internet, online services, or other interactive software, the disclosures shall also be unavoidable and shall require the consumer to affirmatively assent or click "OK" to the disclosures prior to the consumer being requested to agree to incur any obligation, financial or otherwise.

3. "Competent and Reliable Scientific Evidence" shall mean tests, analyses, research, or studies, that have been conducted and evaluated in an objective manner by qualified persons and are generally accepted in the profession to yield accurate and reliable results, and that is sufficient in quality and quantity based on standards generally accepted in the relevant scientific fields, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true.

4. "Covered Conduct" shall mean Defendant's sale of UVO and Promotional, Labeling, Advertising, and Marketing practices relating to UVO through the Effective Date of the Agreed Judgment.

5. "Dermatology Industry, Inc." shall mean Dermatology Industry, Inc., including all of its past and present subsidiaries, predecessors, successors, and assigns.

6. "DTPA" refers to the Texas Deceptive Trade Practices-Consumer Protection Act, TEX. BUS. & COM. CODE ANN. §17.41 *et seq.*

7. "Effective Date" shall mean the date on which this Agreed Judgment is approved by and becomes a judgment of the Court.

8. "FDA" shall mean the United States Food and Drug Administration.

9. "Label" or "Labeling" shall mean all Labels and other written, printed, or graphic matter (a) upon any article or any of its containers or wrappers, or (b) accompanying such article.

10. "Market," "Marketing," or "Marketed" shall mean any act or process or technique of promoting, offering, selling, or distributing a Product or service.

11. "Promotion" or "Promotional" shall mean all representations and activities (including, but not limited to, direct contact with consumers) which Advertise or result in a sale of any Dermatology Industry Product.

12. "Third Party" shall mean (a) any entity that is not owned or controlled by Defendant, and (b) any person who is not acting in his or her capacity as an officer or employee of Defendant or any entity owned or controlled by Defendant.

13. "Parties" shall mean Dermatology Industry, Inc. d/b/a UVO and Drink UVO, and the State of Texas.

14. "Product" or "Products" shall mean UVO, including, without limitation, any bottled, powder, or other ingestible forms of UVO, and any other dietary supplement or other item manufactured by or for Defendant and marketed and sold by Defendant relating to sun protection.

15. The terms "and" and "or" in this Agreed Judgment shall be construed conjunctively or disjunctively as necessary, to make the applicable phrase or sentence inclusive rather than exclusive.

III. COURT FINDINGS

The Court, after reading the pleadings and stipulations of the Parties and it appearing to the

Court that all Parties agree to and have approved the entry of this Agreed Judgment, is of the opinion that this Agreed Judgment should be, and is hereby in all things, approved and entered. Accordingly, THE COURT FINDS that:

1. It has jurisdiction, through the DTPA over the subject matter and over all Parties to this action.

2. Venue of this matter is proper in Travis County pursuant to §17.47(b) of the DTPA.

3. Plaintiff's Petition states a claim for relief against DERMATOLOGY INDUSTRY, INC. d/b/a UVO and Drink UVO, pursuant to the DTPA.

IV. SUMMARY OF ALLEGATIONS

Plaintiff alleges that Defendant has Advertised, Marketed, and promoted Drink UVO in a manner that fails to comply with the DTPA and health and safety laws, including without limitation, by making advertising claims that were not properly substantiated, and by making advertising claims that were false or misleading in nature, such as misrepresenting the extent of the sun protection the Product can reasonably be expected to provide. Defendant asserts that it genuinely believed that its UVO product was based on competent and reliable scientific evidence.

V. PERMANENT INJUNCTION

IT IS ORDERED that DERMATOLOGY INDUSTRY, INC., and (as applicable) its directors, officers (including specifically Farah C. Awadalla aka Bobby Awadalla), principals, partners, employees, agents, servants, representatives, subsidiaries, affiliates, successors, assigns, parent or controlling entities, and all other persons, corporations and other entities acting in concert or participating with the Defendant who have actual or constructive notice of the Court's injunction, are permanently restrained and enjoined from:

1. Making, or causing to be made, any written or oral claim that is false, misleading, or deceptive regarding Defendant's Products;

2. Advertising or representing, directly or indirectly, that any Product can diagnose, mitigate, treat, cure, or prevent any disease within the meaning of U.S.C. 343(r)(6) and 21 CFR §101.93(g), unless Defendant's application with respect to such Product has been approved under Section 505 of the Federal Food, Drug, and Cosmetic Act (FFDCA) (21 U.S.C. §355). Nothing in this Agreed Judgment is intended to prevent Defendant from recommending or selling over the counter products manufactured by others so long as Defendant fully and strictly complies with the terms of this Agreed Judgment and the products that Defendant is recommending or selling fully and strictly comply with 21 CFR Part 330, "Over-the-Counter (OTC) Drugs which are Generally Recognized as Safe and Effective and Not Misbranded;"

3. Making any representation, directly or indirectly, about the efficacy, benefits, performance, safety, and side effects of any Products, unless Defendant possesses Competent and Reliable Scientific Evidence that substantiates such representations and such representations are not in violation of injunctive term V(2), above;

4. Advertising or representing, directly or indirectly, that any Product is superior to or comparable to any drug approved by the FDA, unless such Product has been approved by the FDA as required in injunctive term paragraph V(2), above;

5. Making, directly or by implication, including through the use of a Product name, endorsement, depiction, or illustration, any representation that a Product is effective in the diagnosis, cure, mitigation, treatment, or prevention of any disease, in connection with the manufacturing, Labeling, advertising, Promotion, offering for sale, sale, or distribution of a Product;

6. Making, directly or by implication, including through the use of a Product name, endorsement, depiction, or illustration, any representation about the health benefits, performance, or efficacy of any Product, unless the representation is non-misleading, and, at the time the representation is made, Defendant possesses and relies upon Competent and Reliable Scientific Evidence, in connection with the manufacturing, Labeling, advertising, Promotion, offering for sale, sale, or distribution of any Product;

7. Misrepresenting, in any manner, expressly or by implication, the existence, contents, validity, results, conclusions, or interpretations of any test, study, analysis, research, or other evidence used to Label, Advertise, promote, offer for sale, sell, or distribute any Product;

8. Failing to Clearly and Conspicuously disclose any side effects or adverse drug reactions with the use of any Product if such disclosure would be material to consumers;

9. Making any advertising representation, whether by means of an endorsement, testimonial, or otherwise, that the experience of an individual or group of consumers

with any Product is the "typical," "ordinary," or "actual" experience of consumers using the Product, unless such representation is true;

10. Failing to Clearly and Conspicuously place, in any Advertising that contains claims that a Product supports the structure or function of the body, including but not limited to Product packages, Labeling, Product inserts, brochures, and internet sites for Defendant's Products, the disclaimer set forth in 21 CFR 101.93(b)-(e). In any visual advertising, including but not limited to video advertising, this disclosure shall be presented in such font, size, color, and contrast against the background in which it appears compared to the other matter with which it is presented, so it is easily noticed and readily understood. Notwithstanding the requirement in the definition of "Clear and Conspicuous" in paragraph II(B) that a disclosure be made "in the same manner (audible or visual)" as the information to which it relates, the disclosure required under this paragraph, when required in television advertising, may be a video disclosure, and Defendants shall not be required to also make an audio disclosure. In radio advertising, the disclosure required under this paragraph shall be made orally, in such tone, audibility, and cadence so that it is easily heard and readily understood;

11. Making any advertising representation without Clearly and Conspicuously disclosing any material connection between a person providing an endorsement or testimonial for any Product or program, and Defendant or any individual or entity which Labels, Advertises, promotes, offers for sale, sells, or distributes such Product or program. For purposes of this paragraph, "material connection" means any relationship, monetary or otherwise, that might materially affect the weight or credibility of the endorsement or testimonial;

12. Representing that Defendant's Products have sponsorship, approval, characteristics, ingredients, uses, benefits, quantities, or qualities that they do not have;

13. Representing that its goods or Products are of a particular standard, quality, or grade if they are of another, by making claims, either explicitly or implicitly, that Defendant's dietary supplements can diagnose, treat, cure, mitigate, or prevent diseases in Texas;

14. Making any nutrient content or health claim in Labeling for any of Defendant's dietary supplements that does not meet the requirements of Section 403(r) of the Federal Food, Drug, and Cosmetic Act ("FFDCA"), Title 21 Part 101 of the Code of Federal Regulations;

15. Failing to notify the FDA of structure or function statements for each of Defendant's dietary supplements containing such statements;

16. Making any claim or statement on any website, social medial platform or in any other advertising, Promotional, or Marketing medium, to make a claim specifically

for any of Defendant's Products, including dietary supplements, that the Product can diagnose, mitigate, treat, cure, or prevent disease;

17. Using any testimonial to make a claim specifically for any of Defendant's Products, including dietary supplements, that the Product can diagnose, mitigate, treat, cure, or prevent disease;

18. Representing that any research, study, or publication supports a claim that any of Defendant's dietary supplements, or any ingredient in any of Defendant's dietary supplements, can cure, treat, mitigate, or prevent any disease when the claim is made in connection with the specific dietary supplement manufactured or distributed by Defendant;

19. Failing to provide written notice to any agent, servant, or employee of the existence and terms of this Permanent Injunction and of their duty to comply with the terms set forth herein;

20. Allowing any Defendant's names, or Defendant's likenesses, or any known website using any of Defendant's names, or any websites owned by Defendant to be used in connection with any of the conduct that would be in violation of the provisions as stated herein, including but not limited to making claims, either explicitly or implicitly, that a Product including a dietary supplement, can diagnose, mitigate, treat, cure, or prevent disease, or making health, nutrient content, or structure or function claims for any Product, including a dietary supplement, unless such claim is authorized by Section 403(r)of the Federal Food, Drug, and Cosmetic Act;

21. Entering into, forming, organizing, or reorganizing into any corporation, partnership, sole proprietorship or any other legal structure, for the purposes of avoiding compliance with the terms of this Agreed Judgment;

22. Causing Third Parties, acting on its behalf, to engage in practices from which Defendant is prohibited by this Agreed Judgment; and,

23. Manufacturing, advertising, holding, offering for sale, selling, giving away, distributing, or introducing or delivering for introduction into commerce in Texas any Product without fully implementing and complying with all injunctive provisions set forth herein.

IT IS FURTHER ORDERED that DERMATOLOGY INDUSTRY, INC., and, as applicable, its directors, officers (including specifically Farah C. Awadalla, aka Bobby Awadalla), principals, partners, employees, agents, servants, representatives, subsidiaries, affiliates, successors, assigns, parent or controlling entities (hereinafter "Defendant *et al.*"), and all other

persons, corporations and other entities acting in concert or participating with the Defendant who have actual or constructive notice of the Court's injunction, are permanently restrained and enjoined from:

1. Making the claim that UVO provides "3-5 Hours of Sun Protection," or any similar efficacy claim, without substantiation by Competent and Reliable Scientific Evidence;

2. Making the claim that "UVO was made for everyone who is exposed to the Sun" or any substantially equivalent claim if in fact there are classes of consumers for whom use of UVO is not suitable, whether based on age, pregnancy, or any other characteristic;

3. Failing to effectively inform consumers/purchasers that UVO is intended to be used only as a supplement or adjunct to other sun protective measures such as sunscreens and sun protective clothing with respect to these claims:

   A. "UVO was made for everyone who is exposed to the Sun" or any substantial equivalent; and

   B. "Drink UVO and enjoy your day outdoors" or any substantial equivalent.

4. Making any express or implied representation that consumption of UVO is comparable to or the equivalent of use of sunscreen;

5. Failing to effectively inform consumers that UVO consists of a large number of dietary ingredients and, as such, may cause gastrointestinal upset in some individuals and that consumption of food may help to provide relief from such a condition;

6. Using "30+" or any comparable content or design feature on any container, Labeling, or packaging of UVO, or in any advertising, Marketing, or Promotion of UVO, in a manner that causes, or is reasonably likely to cause, confusion as to whether it indicates or refers to an SPF rating;

7. Failing to provide consumers with clear and consistent instructions regarding how UVO is to be safely used, including without limitation how any powder version is to be prepared for ingestion; and,

8. Using any testimonial or endorsement to convey any claim or representation, express or implied, that Defendant is prohibited from making directly.

VI. PAYMENT TO THE STATE

IT IS FURTHER ORDERED that within thirty (30) calendar days of the Effective Date of this Agreed Judgment, DERMATOLOGY INDUSTRY, INC. shall pay the amount of FORTY-TWO THOUSAND DOLLARS ($42,500) to the State of Texas. Of this amount, THIRTY THOUSAND DOLLARS ($30,000) shall be designated for the Supreme Court Judicial Fund, pursuant to TEX. GOV'T CODE § 402.007, and the remaining amount of TWELVE THOUSAND FIVE HUNDRED DOLLARS ($12,500) shall be designated as attorneys' fees and investigative costs under TEX. GOV'T CODE § 402.006(c). Failure to make the payment within the specified period of time is a material breach of this Agreed Judgment. Payment is to be made by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX7289585736 and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division, PO Box 12548, MC-003, Austin, Texas 78711.

VII. GENERAL PROVISIONS

Subject to the reservations set forth in Paragraph 2 below, by execution of this Agreed Judgment, the State of Texas releases Defendant and all of its past and present officers, directors, shareholders, members, employees, affiliates, subsidiaries, predecessors, assigns and successors (hereinafter referred to collectively as the "Released Parties"), from the following: all civil claims, causes of action, damages, restitution, fines, attorney's fees, costs, and penalties that the Signatory Attorney General has asserted or could have asserted against the Released Parties under the above-cited consumer protection statutes or any common law claims concerning unfair, fraudulent, or deceptive trade practices other than those described in Paragraph 2 resulting from the Covered Conduct up to and including the Effective Date.

1. Notwithstanding any term of this Agreed Judgment, specifically reserved and excluded from the release in Paragraph 1 as to any entity or person, including Released Parties, are any and all of the following:

a. Any criminal liability that any person or entity, including Released Parties, has or may have to any or all of the Signatory Attorneys General;

b. Any civil or administrative liability that any person or entity, including Released Parties, has or may have to any or all of the Signatory Attorneys General, under any statute, regulation or rule not expressly covered by the release in Paragraph 1, including, but not limited to, claims to enforce the terms and conditions of this Agreed Judgment;

c. Any liability under the State Consumer Protection Laws, which any person or entity, including Released Parties, has or may have to individual consumers, and which have not been specifically enumerated as included herein.

2. Except as expressly provided in this Agreed Judgment, nothing in this Agreed Judgment shall be construed as:

a. Relieving Defendant of its obligation to comply with all applicable state laws, regulations or rules, or granting permission to engage in any acts or practices prohibited by such law, regulation or rule; or,

b. Limiting or expanding in any way any right the State may otherwise have to enforce applicable state law or obtain information, documents or testimony from Defendant pursuant to any applicable state law, regulation, or rule, or any right Defendant may otherwise have to oppose any subpoena, civil investigative demand, motion, or other procedure issued, served, filed, or otherwise employed by the State pursuant to any such state law, regulation, or rule.

3. The Parties acknowledge that no further promises, representations or agreements of any nature have been made or entered into by the Parties, and that this Agreed Judgment states the entire agreement between the Parties respecting the subject matter stated herein. The Parties further acknowledge that this Agreed Judgment constitutes a single and entire agreement that is not severable or divisible, except that if a provision herein is found to be legally insufficient or unenforceable, the remaining provision shall continue in full force and effect.

4. Any failure by any party to this Agreed Judgment to insist upon the strict performance by any other party of any of the provisions of this Agreed Judgment shall not be deemed a waiver of any of the provisions of this Agreed Judgment, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreed Judgment.

5. The clerk of the Court is authorized to issue such writs of execution or other process necessary to collect and enforce this Agreed Judgment at the request of the State of Texas.

6. The Court retains jurisdiction to enforce this Agreed Judgment and for granting such additional relief as may be necessary and appropriate.

7. It is agreed and understood that this Agreed Judgment shall in no way affect the rights of individual citizens.

8. All Notices under this Agreed Judgment shall be provided to the following via email and Overnight Mail:

For Dermatology Industry, INC.:

ATTN: FARAH C. AWADALLA, M.D.
147 Mercer Way
Costa Mesa, CA 92627
bawadalla@gmail.com
For the State of Texas:

Office of the Attorney General
Karyn A. Meinke, Assistant Attorney General
Consumer Protection Division
112 E. Pecan Street, Suite 735
San Antonio, TX 78205
Karyn.Meinke@oag.texas.gov

9. All relief not granted herein is hereby denied.

Signed this 12th day of April, 2022

PRESIDING JUDGE

THE UNDERSIGNED, WHO HAVE THE AUTHORITY TO CONSENT AND SIGN ON BEHALF OF THE PARTIES IN THIS ACTION, HEREBY CONSENT TO THE FORM AND CONTENTS OF THE FOREGOING AGREED JUDGMENT AND TO ITS ENTRY:

/s/ Karyn A. Meinke

KARYN A. MEINKE
Assistant Attorney General
SBN: 24032859
Consumer Protection Division
112 E. Pecan, Suite 735
San Antonio, Texas 78205
Telephone (210) 225-4191
Fax (210) 225-1075
Email: karyn.meinke@oag.texas.gov

ATTORNEY FOR PLAINTIFF

James R. Prochnow 3-3-22

James R. Prochnow
Greenberg Traurig, LLP
1144 15th Street, Suite 3300
Denver, Colorado 80202
Telephone 303-572-6546
Email: ProchnowJ@gtlaw.com

3-3-22

GREGORY J. CASAS
Greenberg Traurig, LLP
300 West 6th Street, Suite 2050
Austin, Texas 78701
Telephone: (512) 320-7238
Email: casasg@gtlaw.com
SBN: 00787213

ATTORNEY FOR DEFENDANT

DEFENDANT DERMATOLOGY INDUSTRY, INC.

By: _____
DERMATOLOGY INDUSTRY, INC.

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Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
Karyn A.Meinke		Karen.Meinke@oag.texas.gov	4/12/2022 3:17:37 PM	SENT