

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“**Agreement**”) between The Chemical Toxin Working Group, Inc. (“**CTWG**”) and Pacific Giant, Inc. (“**PGI**”) is effective on the date on which it is fully executed (“**Effective Date**”). CTWG and PGI are referred to individually as a “**Party**” and collectively as the “**Parties.**” The Parties agree as follows:

1. This Agreement is intended to fully resolve all claims, demands, and allegations set forth in or related to the Notice of Violations of California Health & Safety Code, section 25249.5 *et seq.* (also known as “**Proposition 65**”) that CTWG served on PGI on July 30, 2019 (AG No. 2019-01458)(the “**PGI Notice**”), which supplemented the Notice of Violations of Proposition 65 CTWG served on A&S Produce, Inc. and Greenland Market, Inc. on January 29, 2019 (AG No. 2019-00185)(the “**GMI Notice**” and together with the PGI Notice, the “**Notices**”) with regard to the product identified below (referred to as the “**Covered Product**”):

- **Green Whole Mussels (New Zealand)**

2. The Parties enter into this Agreement in order to achieve a settlement of the claims as stated in Section 1 (collectively “this **Matter**”) and for the purpose of avoiding prolonged litigation. PGI denies all allegations contained in the Notice. Nothing in this Agreement shall be construed as an admission by PGI of any fact, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by PGI of any fact, issue of law or violation of law. Nothing in this Agreement or any document referred to herein shall be construed as giving rise to any presumption or inference of admission or concession by PGI as to any fault, wrongdoing, or liability. This Section shall not diminish or otherwise affect the obligations, responsibilities, and duties of the Parties under this Agreement.

3. Injunctive Relief; Reformulation; Testing; and Warnings.

In consideration of the following covenants of PGI, and the other conditions contained in this Agreement, CTWG releases PGI as set forth in Section 6 below:

3.1 Beginning on the Effective Date, PGI shall not manufacture for sale in the State of California, “[d]istribute into the State of California,” or directly sell in the State of California, any Covered Product which expose a person to more than 0.5 micrograms of lead based the 30-day average consumption of 4.29 grams per day for mussels (as determined in the National Health and Examination Survey (“**NHANES**”) study published by Nature America, Inc. in the Journal of Exposure Science and Environmental Epidemiology (2013), p.128-136 (Table 7) (referred to as the “**NHANES Study**”), or any NHANES mussels consumption published consumption study for mussels conducted after the NHANES Study; unless each such unit of the Covered Product bears a warning meeting the warning requirements under Section 3.2.


3.1.1 As used in this Settlement Agreement and Release, the term “Distribute into the State of California” shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that PGI knows will sell the Covered Product in California.

3.1.2 For the purposes of this Agreement, the amount of lead a person is exposed to from the Covered Product shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per day consumed (using the value of 4.29 grams per day per the NHANES Study or otherwise pursuant to Section 3.1 above), which equals micrograms of lead exposure per day.


### 3.2 Clear and Reasonable Warnings.

For Covered Product that requires a Proposition 65 warning under this Agreement, PGI shall utilize one of the following warning statements (“**Warning**”):

#### 3.2.1 Option 1

 **WARNING: This product can expose you to a chemical, including lead, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).**

#### 3.2.2 Option 2

 **WARNING: Consuming this product can expose you to lead, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information, go to [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).**

Alternatively, at PGI’s option, the warning may be modified to include a warning that complies with 27 Cal. Code Regs. § 25607.2. If the warning is printed on the label, the warning shall be set off from other surrounding information in the label and enclosed in a box.

#### 3.2.3 Option 3

For the Covered Product, the warning may state:

 **WARNING: Cancer and Reproductive Harm – [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).**

The pictogram specified in Section 3.2.3 shall be in yellow with a black exclamation mark; *provided however*, the pictogram may be in white instead of yellow if the Covered Product label does not contain the color yellow.

#### 3.2.4 Option 4

Any warning authorized by any Proposition 65 law or regulation effective on or after the Effective Date.

Respecting the warnings defined in Sections 3.2.1, 3.2.2, and 3.3.3, the warning must be in a type size no smaller than the largest type size used for other consumer information on the product. In no case shall the warning appear in a type size smaller than 6-point type.

### 3.3 Calculation of Levels; Reformulated Covered Products.

A “**Reformulated Covered Product**” is one for which the average daily exposure

level does not exceed 0.5 micrograms of lead per day, as determined by the formula, testing and quality control methodology described in Section 3.4. As used in this Agreement, “no more than 0.5 micrograms of lead per day” means that the samples of the testing under Section 3.4 yield an average daily exposure of no more than 0.5 micrograms of lead per day (with average daily exposure calculated pursuant to Section 3.4 of this Agreement), respectively. For Covered Product that causes exposures in excess of 0.5 micrograms of lead per day, PGI shall provide the warnings set forth in Section 3.2. For purposes of determining which warning, if any, is required pursuant to Section 3.2, the average concentration utilizing the geometric mean of lead detection results of five (5) samples of the relevant product, randomly selected by PGI, will be controlling.

#### 3.4 Testing and Quality Control Methodology.

3.4.1 To the extent that PGI decides to sell Reformulated Covered Product, PGI shall arrange, for at least one year commencing one year from the Effective Date, for the lead testing of three (3) randomly selected samples of three separate lots (or the maximum number of lots available if less than three), to confirm whether the exposure to lead is more or less than 0.5 micrograms of lead per day. For purposes of this Agreement, average daily exposure levels shall be measured in micrograms per day and shall be calculated using the following formula: the average concentration of lead in the product in micrograms per gram, multiplied by grams of product consumed per day of the product (using 4.29 grams per day per the NHANES Study or otherwise pursuant to Section 3.1 above. The testing requirements of this Section 3.4.1 do not apply to any of the Covered Product for which PGI has provided a warning as specified in Section 3.2. Further, PGI is only required to produce information under this paragraph if it is selling the Reformulated Covered Product in California.

3.4.2 The Parties agree that the Reformulated Covered Product may be offered for sale in California without the warning stated in Section 3.2.

3.4.3 All testing pursuant to this Agreement shall be performed by an independent third-party laboratory certified by the California Environmental Laboratory Accreditation Program or an independent third-party laboratory that is registered with the United States Food & Drug Administration or other state governmental agency.

3.4.4 Testing for lead shall be performed using Inductively Coupled Plasma-Mass Spectrometry (ICP-MS) achieving a limit of quantification of less than or equal to 0.010 mg/kg or any other testing method agreed upon in writing by the Parties.

3.4.5 Nothing in this Agreement shall limit PGI’s ability to conduct or require that others conduct additional testing of the Covered Product, including raw materials used in their manufacture. No such other testing must be produced to CTWG hereunder.

4. In full satisfaction of all potential civil penalties and attorney's fees, costs, and any other expenses incurred by CTWG or its counsel, PGI shall pay the total settlement amount of \$16,050.00 (the "**Settlement Amount**") as follows: \$8,025.00 within ten (10) days of the Effective Date (the "**Initial Payment**"); and \$8,025.00 within forty (40) days of the Effective Date (*i.e.* thirty (30) days after the Initial Payment). PGI shall pay the Settlement Amount payments by wire (account info to be provided on request), or check made payable to "Khansari Law Corporation – Client Trust Account", and mailed to:

Khansari Law Corporation  
11845 W. Olympic Blvd., Suite 1000  
Los Angeles, CA 90064

4.1 \$500.00 shall be considered a "civil penalty" pursuant to California Health and Safety Code, of which CTWG shall remit seventy-five percent (75%) to the "Safe Drinking Water and Toxic Enforcement Fund" managed by the State of California's Office of Environmental Health Hazard Assessment.

4.2 \$15,550.00 shall be considered reimbursement of all of CTWG's attorneys' fees and costs (including experts) related to the Matter and CTWG shall be solely responsible for remitting those fees to its counsel and its experts.

5. Except as expressly set forth in Section 4.2 and Section 7.3 below, the Parties shall bear their own costs, expenses, and attorneys' fees related to this Matter.

6. Binding Effect; Claims Covered and Released.

6.1 CTWG, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, agents, affiliates, parents, subsidiaries, successors, assigns, and legal representatives fully releases and discharges PGI, each of their owners, principals, shareholders, officers, directors, employees, agents, parents, subsidiaries, affiliates (including those companies that are under common ownership and/or common control), successors, assigns, and legal representatives, and each entity to whom PGI directly or indirectly distributes or sells the Covered Product, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisers, cooperative members, licensors and licensees, including specifically A&S Produce, Inc. and Greenland Market, Inc. (the preceding collectively referred to as "**Covered Releasees**") from any and all claims, actions, suits, demands, liabilities, damages, penalties, fees, costs and expenses (collectively, "**Claims**") asserted or that could have been asserted for alleged violations of Proposition 65, up through and including the Effective Date based on alleged failure to provide warnings for alleged exposure to lead, or for causing alleged exposure to lead, from the Covered Product.

6.2 CTWG and PGI further waive and release any and all claims they may have against each other for all actions or statements made or undertaken in the course of seeking or opposing enforcement of Proposition 65 in connection with the Notice.

6.3 It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice or relating to the Covered Product will develop or be discovered. CTWG on behalf of itself only, on the one hand, and PGI, on behalf of itself

only, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefore, and further acknowledge that the claims released this section may include unknown claims, and nevertheless waives California Civil Code, section 1542 as to any such unknown claims. California Civil Code, section 1542 reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

CTWG acknowledges and understands the significance and consequences of this specific waiver of California Civil Code Section 1542.

6.4 Compliance with the requirements of Section 3 of this Agreement shall be deemed to constitute compliance by any Covered Releasee with Proposition 65 with respect to any lead in the Covered Product.

7. Resolution of Disputes.

7.1 If CTWG alleges that PGI has failed to comply with this Agreement, prior to filing an action or motion relating to enforcement, CTWG shall first provide PGI thirty (30) days' advance written notice of the alleged violation(s). CTWG shall provide testing results, lot numbers, photographs of the Covered Product packaging, and purchase receipts for the Covered Product at issue in the alleged violation, as applicable. The Parties shall meet and confer during such thirty (30) day period in an effort to reach agreement on an appropriate cure for the alleged violation without the need for litigation.

7.2 Notwithstanding the provisions of Section 3, CTWG may not issue any notice under Section 7.1 if the packaging of the Covered Product is marked or labeled with the statement "Not for Sale in California" or substantially similar language, such statement is prominently placed upon such Covered Product's label or other labeling as compared with other words or statements on the label or labeling as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. If PGI marks or labels a Covered Product with such a statement, PGI shall additionally notify its customers/distributors by letter that the Covered Product shall not be sold in California.

7.3 In the event any litigation, arbitration, mediation, or other proceeding is initiated by any Party to enforce this Agreement, and such Party prevails in such proceeding, it shall be entitled to recover from the other Parties, as applicable, all costs, expenses, reasonable attorneys' fees and expert fees, relating to or arising out of (i) such proceeding, and (ii) any post judgment or post-award proceeding including without limitation to enforce any judgment or award resulting from any such proceeding.

8. Nothing herein shall be construed as diminishing PGI's continuing obligations to comply with Proposition 65.

9. All notices required to be given to either Party to this Agreement by the other shall be in writing and sent to the following agents listed below via first-class mail. Courtesy copies via electronic mail may also be sent.

**For PGI:**

Joe Arnold  
Pacific Giant, Inc.  
4625 District Blvd.  
Vernon, CA 90058

With a copy to:

Ryan S. Landis  
CMBG3 Law P.C.  
100 Spectrum Center Dr., Suite 820  
Irvine, CA 92618  
Tel: (949) 467-9500  
Email: rlandis@cmbg3.com

**For CTWG:**

Khansari Law Corporation  
Attn: CTWG  
11845 W. Olympic Blvd., Suite 1000  
Los Angeles, California 90064  
Tel: (424) 248-6688  
Fax: (424) 248-6689  
Email: [andre@khansarilaw.com](mailto:andre@khansarilaw.com)

10. After executing this Agreement, CTWG shall submit to the California Attorney General a Report of Settlement and a signed copy of this Agreement.

11. This Agreement contains the entire agreement between the Parties with regard to settlement of this Matter, and supersedes all prior or contemporaneous agreements or understandings, written or oral, with regard to the matters set forth in this Agreement. This Agreement may be amended or modified in whole or in part at any time only by an agreement in writing executed by the Parties.

12. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective owners, principals, shareholders, members, managers, affiliates, officers, directors, employees, agents, successors, and assigns.

13. No inference, assumption or presumption shall be drawn, and no provision of this Agreement shall be construed against any of the Parties, based upon the fact that one of the Parties and/or one of the Parties' attorneys prepared and/or drafted all or any portion of this Agreement. It is conclusively presumed that the Parties participated equally in the preparation and drafting of this Agreement.

14. If any provision, term, or section of this Agreement is found to be invalid, illegal, or unenforceable, then all remaining provisions, terms, or sections shall continue in full force and effect and remain binding on the Parties.

15. This Agreement shall be deemed to have been entered into in the State of California and governed and interpreted by the laws of the State of California, regardless of the physical locations of the individuals executing this Agreement at the time of execution.

16. The Parties acknowledge that they have a right to consult an attorney and they have consulted their attorneys with respect to the terms and conditions of this Agreement or by signing this Agreement hereby acknowledge they have made the decision not to consult with an attorney in this Matter. The Parties further acknowledge that they fully understand this Agreement and the effect of signing and executing this Agreement.

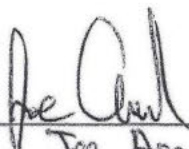
17. Any legal action to enforce this Agreement shall be brought in the county of Alameda of the State of California.

18. This Agreement may be signed in counterparts, and each counterpart, as well as any facsimile, e-mail, copy of this Agreement, or any other counterpart, shall be deemed to be an original.

19. Each of the individuals who execute this Agreement represents and warrants they have the authority to execute this document and bind the respective Parties to the terms and conditions of this Agreement, and have read, understand, and agree to all the terms and conditions in this Agreement.


DATED: March 26, 2021

PACIFIC GIANT, INC.

By:   
Name: Joe Arnold  
Its: Director US Sales

DATED: March 26, 2021

THE CHEMICAL TOXIN WORKING GROUP, INC.

By:   
David Steinman, its Executive Director