

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Berj Parseghian and Trader Joe's Company:

This Settlement Agreement is entered into by and between Berj Parseghian ("Parseghian"), represented by his attorneys KJT Law Group, LLP on the one hand, and Trader Joe's Company ("Trader Joe's"), on the other hand, with Parseghian and Trader Joe's collectively referred to as the "Parties."

1.2. General Allegations

Parseghian alleges that Trader Joe's manufactured and distributed and offered for sale in the State of California Cacao Chips containing lead and that such sales have not included warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq.* ("Proposition 65"). California has identified and listed lead under Proposition 65 as a chemical known to the State of California to cause cancer, birth defects or other reproductive harm.

1.3. Product Description

The product covered by this Settlement Agreement is defined to include "Trader Joe's – Organic Completely Cacao Chips; UPC #: 0066 7104" that Trader Joe's has sold, offered for sale, manufactured, or distributed in California and that allegedly contain lead. All such items shall be referred to herein as the "Covered Product."

1.4. Notice of Violation

On July 8, 2021, Parseghian served Trader Joe's and the public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with documents entitled "60-Day Notice of Violation" ("Notice") that alleged that Trader Joe's was in

violation of California Health & Safety Code section 25249.6 for allegedly failing to warn consumers and customers that the Covered Product exposed users in California to lead. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notice.

1.5. **No Admission**

The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in the Notice concerning Trader Joe's compliance with Proposition 65. Specifically, Trader Joe's denies the allegations contained in Parseghian's Notice and maintains that all products that it has placed for sale and distribution in California, including the Covered Product, have been and are in compliance with Proposition 65 or any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by Trader Joe's of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Trader Joe's of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Trader Joe's. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Trader Joe's under this Settlement Agreement.

1.6. **Effective & Compliance Dates**

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Settlement Agreement is fully executed. The "Compliance Date" is one hundred twenty (120) days after the Effective Date.

1.7. **Sell-Through Period**

Notwithstanding anything else in this Agreement, the Covered Products that are manufactured or produced on or prior to the Effective Date shall be subject to release of liability

pursuant to this Agreement, without regard to when such products were, or are in the future, processed or packaged, or shipped, delivered, distributed, or sold to Trader Joe's and/or consumers. As a result, the obligation of Trader Joe's, or of any Releasees (if applicable), do not apply to the Covered Products manufactured or produced on or prior to the Effective Date.

2. INJUNCTIVE RELIEF: WARNINGS AND REFORMULATION

2.1 Beginning on the Compliance Date, if any Covered Product exposes a person to a Daily Lead Exposure Level of more than 0.5 micrograms of lead per day, Trader Joe's shall either (1) not "Distribute into the State of California," or directly sell in the State of California, any Covered Product or (2) only "Distribute into the State of California," or directly sell in the State of California any Covered Product that meets the warning requirements under Section 2.2.

As used in this Settlement Agreement, the term "Distribute into the State of California" shall mean to directly ship a Covered Product into California for sale in California.

2.2 Clear and Reasonable Warnings

If Trader Joe's is required to provide a warning pursuant to Section 2.1, one of the following warnings must be utilized ("Warning"):

Option 1:

WARNING: Consuming this product can expose you to chemicals 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

Option 2:

WARNING: [Cancer and] Reproductive Harm – www.P65Warnings.ca.gov/food

Trader Joe's shall use the phrase "cancer and" in the Warning if Trader Joe's has reason to believe that the Daily Lead Exposure Level is greater than 15 micrograms of lead, if Trader

Joe's has reason to believe that another Proposition 65 chemical is present which may require a cancer warning, or as authorized by any Proposition 65 law or regulation effective on or after the Effective Date.

Notwithstanding the above, if Trader Joe's is required to provide a warning pursuant to Section 2.1, the warning content and method of transmission shall be provided in any form as authorized by any Proposition 65 law or regulation effective on or after the Effective Date.

3. CONSIDERATION

In settlement of all the claims referred to in this Settlement Agreement, the Parties reached an accord on the compensation due, under the private attorney general doctrine and principles of contract law. Under these legal principles, Trader Joe's shall pay (\$40,000.00) total as settlement and for fees and costs, incurred as a result of investigating and bringing this matter to Trader Joe's attention.

4. PENALTIES PURSUANT TO HEALTH & SAFETY CODE SECTION 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, (\$4,000.00) of the (\$40,000.00) shall be considered a "civil penalty." The penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to Parseghian.

5. REIMBURSEMENT OF FEES AND COSTS

In settlement of all the claims referred to in this Settlement Agreement, (\$36,000.00) of the (\$40,000.00) shall be considered reimbursement of Parseghian's attorneys' fees, expert and investigation fees, and related costs associated with this matter and the Notice. The Parties

reached an accord on the compensation due to Parseghian and its counsel under the private attorney general doctrine and principles of contract law.

6. PAYMENT INFORMATION

Trader Joe's shall mail these payments within twenty (20) business days following the Effective Date, at which time such payments shall be mailed to the following addresses respectively:

All payments owed to Plaintiff and for attorneys' fees, shall be delivered to the following payment address:

KJT LAW GROUP LLP
230 N. Maryland Avenue, Suite 306
Glendale, CA 91206

All payments owed to OEHHA shall be delivered directly to OEHHA at the following addresses:

For United States Postal Delivery:

Mike Gyurics
Senior Accounting Officer -- MS 19-B
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA. 95812-0410

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

7. **BINDING EFFECT; RELEASE OF ALL CLAIMS**

7.1. **Binding Effect**

This Agreement is a full, final, and binding resolution between Parseghian, on behalf of himself and in the public interest, and his respective executors, administrators, successors, and assigns, on the one hand, and Trader Joe's, on behalf of itself, and Released Parties (defined below), on the other, of any alleged violation of Proposition 65 or its implementing regulations for failure to provide Proposition 65 warnings for exposure to lead from the import, manufacturing, marketing, distribution, sale or offering for sale, handling, use or consumption of the Covered Products, and fully resolves all claims that have been asserted or could have been asserted for failure to provide Proposition 65 warnings for the Covered Products.

7.2. **Release of Trader Joe's, Downstream Customers and Upstream Vendors**

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 through 6 above, Parseghian, on behalf of himself and in the public interest, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims relating to the Covered Product, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses (including, but not limited to, investigation fees, expert fees and attorneys' fees) against Trader Joe's, and its respective past, present and future owners, parents, subsidiaries, affiliates, sister and related companies, partners, managers, members, representatives, directors, officers, shareholders, agents, employees, attorneys, insurers, trustees, administrators, executors, predecessors in interest, successors in interest, heirs and assigns, and all other persons, firms, or corporations with whom any of the former have been, are now, or may hereafter be affiliated or related

(hereinafter, “Trader Joe’s Releasees”), as well as its suppliers, franchisees, licensees, customers, distributors, and wholesalers, and any other upstream entities in the distribution chain for the Covered Product (hereinafter, “Releasees”) (together with Trader Joe’s Releasees, the “Released Parties”) for any alleged violations of Proposition 65, or any other alleged violation of statutory or common law, arising from alleged exposures to lead in relation to the Covered Product.

Parseghian, in his individual capacity and in the public interest, expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of California Civil Code section 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters.

8. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Product, then Trader Joe’s shall have no further obligations pursuant to this Settlement Agreement.

9. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

For Trader Joe’s:	Dawn Sestito, Esq. O’Melveny 400 South Hope Street, 18th Floor Los Angeles, CA 90071
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For Parseghian:

Tro Krikorian, Esq.
KJT Law Group, LLP
230 N. Maryland Ave., Suite 306
Glendale, CA 91206

Any party, from time to time, may specify in writing to the other party a change of address to which all notices and other communications shall be sent.

10. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or e-signatures, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

11. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments, and understandings. No other agreements, oral or otherwise, exist to bind either of the Parties.

12. MODIFICATION

This Settlement Agreement may be modified only by a written agreement signed by the Parties.

13. DRAFTING

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. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this Settlement Agreement.

IN WITNESS WHEREOF, the Parties have agreed, accepted, and executed this Agreement on the date written.

Executed this 7/20/2022 day of _____, 2022, at Pasadena, California.

DocuSigned by:
BERJ PARSEGHIAN
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Berj Parseghian

Executed this 20th day of July, 2022, at Manorva, California.

Trader Joe's Company



By: Kathryn Cahhan

Its: Executive Vice President,
General Counsel

APPROVED AS TO FORM BY:

Executed this 7/21/2022 day of _____, 2022, at Glendale, California.

DocuSigned by:
[Signature]
D911CF9328F0472...
Tro Krikorian, Esq. Attorney for Berj Parseghian
KJT Law Group, LLP

Executed this 20th day of July, 2022, at Los Angeles, California.

[Signature]
Dawn Sestito, Esq. Attorney for Trader Joe's Company
O'Melveny