

## SETTLEMENT AND RELEASE AGREEMENT

### 1. INTRODUCTION

#### 1.1. Berj Parseghian and Lovebird Foods, LLC:

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 Lovebird Foods, LLC ("Lovebird"), on the other hand, with Parseghian and Lovebird collectively referred to as the "Parties."

#### 1.2. General Allegations

Parseghian alleges that Lovebird manufactured and distributed and offered for sale in the State of California Grain Free Cereal, which contain lead, and that such sales have not been accompanied by Proposition 65 warnings. Lead is listed under Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

#### 1.3. Product Description

The products covered by this Settlement Agreement are defined as Grain-Free Cereal including but not limited to: "Lovebird – Grain-Free Cereal – Cacao"; UPC #: 8 60005 14194 4." that Lovebird has sold, offered for sale, manufactured, or distributed in California. All such items shall be referred to herein as the "Covered Product."

#### 1.4. Notice of Violation

On April 4, 2022, Parseghian served Lovebird and the requisite 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 provided Lovebird and such public enforcers with notice that Lovebird was allegedly in violation of California Health & Safety Code section 25249.6 for 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 Lovebird's compliance with Proposition 65. Specifically, Lovebird 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. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Lovebird under this Settlement Agreement.

**1.6. Effective Date**

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Settlement Agreement is fully executed. The term "Compliance Date" is ninety (90) calendar days after the Effective Date, and the period of time from the Effective Date through the Compliance Date is the "Compliance Period."

**2. INJUNCTIVE RELIEF: WARNINGS AND REFORMULATION**

2.1 Beginning on the Compliance Date, Lovebird agrees to "Distribute into the State of California," or directly sell in the State of California only Covered Products that result in exposures of less than 0.5 micrograms of lead per day or meet 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 or to sell a Covered

Product to a distributor that Lovebird knows or has reason to know will sell the Covered Product in California. The injunctive relief in Section 2 does not apply to any Covered Product that is already in the stream of commerce – including but not limited to possession and control of distributors and retailers as of the Compliance Date, and all claims as to such Covered Product is released in this Settlement Agreement.

## **2.2 Clear and Reasonable Warnings**

If Lovebird 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 are 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)

### **Option 2:**

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

Lovebird shall use the phrase “cancer and” in the Warning only if Lovebird has reason to believe that the daily lead exposure is greater than 15 micrograms of lead or if Lovebird has reason to believe that another Proposition 65 chemical is present which may require a cancer warning.

The Warning shall be securely affixed to or printed upon the label of each Covered Product and it must be set off from other surrounding information. In addition, for any Covered Product sold over the internet, the Warning shall appear on the checkout page in full text or through a clearly marked hyperlink using the word "WARNING" in all capital and bold letters when a California delivery address is indicated for any purchase of any Covered Product. If a

hyperlink is used, the hyperlink must go directly to a page prominently displaying either the Option 1 Warning or the Option 2 Warning without content that detracts from the Warning. An asterisk or other identifying method must be utilized to identify which products on the checkout page are subject to the Warning.

The Warning shall be at least the same size as the largest of any other health or safety warnings also appearing on the website or on the label and the word "WARNING" shall be in all capital letters and in bold print. No statements intended to or likely to have the effect of diminishing the impact of the Warning on the average lay person shall accompany the Warning. Further, no statements may accompany the Warning that state or imply that the source of the listed chemical has an impact on or results in a less harmful effect of the listed chemical.

Lovebird must display the above Warning with such conspicuousness, as compared with other words, statements or designs on the label, or on its website, if applicable, to render the Warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product.

For purposes of this Settlement Agreement, the term "label" means a display of written, printed or graphic material that is printed on or affixed to a Covered Product or its immediate container or wrapper.

### 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, Lovebird shall pay a total of \$20,000.00 as settlement and for fees and costs, incurred as a result of investigating and bringing this matter to Lovebird'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, (\$2,000.00) 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 (a) one check made payable to “OEHHA” (tax identification number: 68-0284486) in an amount representing 75% of the total penalty (i.e., \$1,500.00 and (b) one check in an amount representing 25% of the total penalty (i.e., \$500.00) made payable directly to Parseghian.

**5. REIMBURSEMENT OF FEES AND COSTS**

In settlement of all the claims referred to in this Settlement Agreement, \$18,000.00 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**

Lovebird shall send these payments in installments as follows:

- \$2,000 civil penalty and \$3,600 of the attorneys’ fees and costs within thirty (30) days following the Effective Date;
- \$3,600 of attorneys’ fees and costs within sixty (60) days following the Effective Date;
- \$3,600 of attorneys’ fees and costs within ninety (90) days following the Effective Date;
- \$3,600 of attorneys’ fees and costs within one hundred twenty (120) days following the Effective Date;
- \$3,600 of attorneys’ fees and costs within one hundred fifty (150) days following the Effective Date.

Unless other payment transmittal directions are provided, payment 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. RELEASE OF ALL CLAIMS**

**7.1. Release of Lovebird, 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, 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 Lovebird, and its respective equity owners, parents, subsidiaries, affiliates, sister and related companies, each entity from whom the Covered Product was purchased by Lovebird, and each entity to whom Lovebird directly or indirectly distributes or sells the Covered Product – including but not limited to its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees – 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. Without limiting the foregoing, this Settlement Agreement expressly releases Nowhere Partners, LLC, and any of its distributors or suppliers.

It is possible that other claims not known to Parseghian or KJT arising out of the facts alleged in the Notice and relating to the Covered Product will develop or be discovered. This Settlement Agreement is expressly intended to cover and include all such claims. Parseghian, in his capacity, provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of any nature, character or kind against Lovebird. Parseghian acknowledges that he is familiar with California Civil Code section 1542, which provides 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**

Parseghian, in his capacity, 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 Lovebird 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 Lovebird: Rebecca Cross  
Greenfare Law LLP  
1482 E. Valley Road #614  
Santa Barbara, CA 93108

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.

[SIGNATURES ON FOLLOWING PAGE]


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

Executed on 9/22/2022, at Pasadena, California.

DocuSigned by:  
BERJ PARSEGHIAN  
17B4A0E5087E404  
**Berj Parseghian**


Executed on 9/22/22, at Edina, MN, California.

Lovebird Foods, LLC

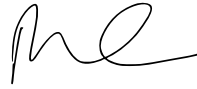
  
By: Robert Brook  
Its: CEO

**APPROVED AS TO FORM BY:**

Executed on 9/23/2022, at Glendale, California.

DocuSigned by:  
  
D911CE9328F0472  
**Tro Krikorian, Esq. Attorney for Berj Parseghian  
KJT Law Group, LLP**

Executed on 9/22/22, at Sausalito, California.

  
**Rebecca Cross, Esq. Attorney for Lovebird Foods, LLC  
Greenfare Law LLP**