

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Clean Products Advocates, LLC (“CPA”) on the one hand and Bumble Bee Trading (“BUMBLE BEE”) on the other hand, with BUMBLE BEE and CPA each individually referred to as a “Party” and collectively as the “Parties.”

1.2 Introduction and General Allegations.

1.2.1 CPA is a limited liability company duly organized and existing in the State of California, which seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products.

1.2.2 CPA alleges that BUMBLE BEE employs ten or more persons, and CPA alleges that BUMBLE BEE is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code section 25249.6 *et seq.* (“Proposition 65”).

1.2.3 CPA alleges that BUMBLE BEE imported, sold, and/or distributed for sale in California Covered Products, as defined below, that contained lead, a chemical pursuant to Proposition 65 listed by the State of California to cause developmental toxicity, reproductive toxicity, and cancer. CPA further alleges that BUMBLE BEE failed to provide the health hazard warning required by Proposition 65 for exposures to lead from the Covered Products. BUMBLE BEE disputes the allegations and contends that it has and continues to be in full compliance with all laws.

1.3 Product Description.

The products covered by this Settlement Agreement are the Snapea Crispy Green Pea Snack and the Cheep Chips Sweet & Spicy BBQ Flavored Corn Chips, which were imported, sold and/or distributed for sale in California by BUMBLE BEE (“Covered Products”).

1.4 60 Day Notices of Violation and Exchange of Information.

On October 20 and October 25, 2022 CPA served BUMBLE BEE, Pacific Supermarket, and the requisite public enforcement agencies with two 60-Day Notices of Violation (“Notices”), related to the Covered Products, alleging that BUMBLE BEE and Pacific Supermarket violated Proposition 65. The Notices alleged that BUMBLE BEE and Pacific Supermarket had failed to warn their customers and consumers in California of the health hazards associated with exposures to lead from the import, sale and/or distribution of the Covered Products.

CPA subsequently provided BUMBLE BEE with test results in CPA’s possession concerning its allegations. BUMBLE BEE provided CPA with sales data related to the Covered Products. To the best of the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notices.

1.5 No Admission.

The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below concerning the Parties’ and the Covered Products’ compliance with Proposition 65. Specifically, CPA alleges that BUMBLE BEE imported, sold or distributed for sale in the state of California, Covered Products which contained lead without first providing the clear and reasonable exposure warning required by Proposition 65. BUMBLE BEE denies that such a warning is required under Proposition 65 or any otherwise applicable law.

BUMBLE BEE further denies the material, factual, and legal allegations contained in the Notices and maintains that all of the products that it has imported and/or sold and distributed in California, including the Covered Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by BUMBLE BEE of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by BUMBLE BEE of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by BUMBLE BEE. This Section shall not, however, diminish or otherwise affect BUMBLE BEE’s obligations, responsibilities, and duties under this Settlement Agreement.

1.6 **Effective Date.**

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date the Agreement is fully executed by the Parties.

2. **INJUNCTIVE RELIEF: REFORMULATED PRODUCTS**

2.1 **Reformulation Standard.** Commencing as of the Effective Date, BUMBLE BEE shall not import or distribute for consumer sale into the State of California any Covered Product that subsequently exposes a person to a Daily Serving of more than 0.5 micrograms of lead without providing a warning as set forth in Sections 2.3 -2.6. A reformulated Covered Product ("Reformulated Product") is one for which the Daily Serving contains no more than 0.5 micrograms of lead ("Reformulation Standard").

Covered Products that comply with the Reformulation Standard shall not require any warnings. For any Covered Products imported or distributed after the Effective Date or later that do not meet the Reformulation Standard, BUMBLE BEE shall provide the warning set forth in Section 2.3-2.6.

As long as BUMBLE BEE complies and remains in compliance with the requirements of Section 2.1 – 2.6 for each of the Covered Products, the Parties agree that such Products shall be deemed to comply with Proposition 65 with respect to lead, and that compliance with this Consent Judgment shall fully and completely satisfy BUMBLE BEE's obligations under Proposition 65 to provide warnings for such Covered Products with respect to the presence of lead, regardless of when distributed or sold.

Covered Products currently in the channels of distribution may continue to be sold through by BUMBLE BEE and Releasees. However, as of the Effective Date, BUMBLE BEE and the Releasees, as defined in Section 5.1, may not sell into California newly imported Covered Products that are not Reformulated Products that do not contain the warnings set forth in Paragraph 2.3-2.6.

2.2 **Daily Serving.** A Daily Serving (for purposes of determining Proposition 65 compliance for chemicals present in the Covered Products) shall be defined as the serving size

set forth on the “Nutritional Facts” or “Supplemental Facts” stated on the Covered Product package.

2.3 **Warning Option.** Covered Products that are not reformulated or do not meet the Reformulation Standard set forth in Section 2.1 above shall be accompanied by a warning as described in Section 2.4 below. This warning shall only be required as to Covered Products that are sold or shipped out to consumers, retailers, or distributors in California after the Effective Date. No Proposition 65 warning for lead shall be required as to any Covered Products that are already in the stream of commerce as of the Effective Date.

2.4 **Warning Language.** Commencing on the Effective Date, BUMBLE BEE shall ensure that any unreformulated Covered Products that it ships to California retailers or for sale in California include a clear and reasonable warning. The warning shall be affixed to the packaging or labeling using language similar to the warnings below:

[California Proposition 65] 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.
www.P65Warnings.ca.gov.

OR

[California Proposition 65] WARNING: Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

The warning shall be prominently displayed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user is reasonably likely to understand to which specific Product the warning applies, so as to minimize the risk of consumer confusion. If the product contains consumer information in a language other than English, the company must provide the warning in the other language(s). In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting warning text and/or methods of transmission different than those set forth above, BUMBLE BEE shall be entitled to use, at its discretion, such other warning text and/or methods of transmission without being deemed in breach of this Agreement.

2.5 **Internet Sales.** For any Covered Products sold by BUMBLE BEE through the internet to California purchasers, the relevant warnings shall comply with the requirements of 27 Cal. Code Regs. § 25602(b), effective August 30, 2018.

2.6 **Warnings By Notice To Businesses Who Sell Or Receive The Covered Products.** For purposes of this Settlement, BUMBLE BEE may also satisfy the warning requirement by complying with the requirements of 27 Cal. Code Regs. §25600.2 including providing the required information to any business or retailer that is subject to Proposition 65, to which it sells or transfers the Covered Products.

3. CIVIL PENALTY PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)

BUMBLE BEE shall pay a civil penalty of \$1,000 to be apportioned in accordance with California Health & Safety Code §§25249.12(c) & (d), with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to CPA. BUMBLE BEE shall issue two separate checks for the penalty payment: (a) one check made payable to the Kawahito Law Group in Trust for the State of California's Office of Environmental Health Hazard Assessment (“in Trust for OEHHA”) in the amount of \$750 representing 75% of the initial civil penalty and (b) one check to “Kawahito Law Group in Trust for CPA” in the amount of \$250, representing 25% of the initial civil penalty. Two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486). The second 1099 shall be issued to Kawahito Law Group APC, who shall furnish a W9 at least five calendar days before payment is due. The payment shall be delivered on or before December 29, 2023 to the following address:

James Kawahito, Esq.
Kawahito Law Group APC
6080 Center Dr. Suite 210
Los Angeles, CA 90045

Payment may also be made by wire or ACH or wire transfer. Instructions will be provided separately upon request.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that CPA and its counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving any fee reimbursement issue to be resolved after the material terms of the agreement had been settled. The parties reached an accord on the compensation due to CPA and its counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure (CCP) § 1021.5, for all work performed through the mutual execution of this agreement. More specifically, BUMBLE BEE shall pay the total amount of \$14,000 for fees and costs incurred by CPA as a result of investigating, bringing this matter to the attention of BUMBLE BEE, and negotiating a settlement. BUMBLE BEE shall wire the funds (instructions will be provided upon request) or make payment by check payable to “Kawahito Law Group APC.” The payment shall be delivered on or before December 29, 2023 to the following address:

James Kawahito, Esq.
Kawahito Law Group APC
6080 Center Dr. Suite 210
Los Angeles, CA 90045

5. RELEASE OF ALL CLAIMS

5.1 Full, Final and Binding Resolution of Proposition 65 Allegations.

CPA, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, releases BUMBLE BEE of any violation of Proposition 65 that was or could have been asserted by CPA against BUMBLE BEE and Pacific Supermarket, and their parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors, successors, assignees, licensors, each manufacturer or other entity supplying BUMBLE BEE with the Covered Products, and each entity to which BUMBLE BEE directly or indirectly distributes, ships or sells the Covered Products including its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees and their owners, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors, successors, and assignees (collectively “Releasees”) for any and all claims based on their alleged or actual failure to warn about alleged exposures to lead contained in the

Covered Products that were allegedly imported, distributed, sold and/or offered for sale by BUMBLE BEE and Pacific Supermarket either directly or through the Releasees) in California before the Effective Date. The Release shall also cover any Covered Products that were in the stream of commerce prior to the Effective. However, as of the Effective Date, no new Products shall be shipped to or distributed in California that are not Reformulated Products or contain the warnings set forth in Sections 2.2 and 2.3. This release is provided in CPA's individual capacity and is not a release on behalf of the public.

In further consideration of the promises and agreements herein contained, CPA on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, also hereby waives all of its rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims against BUMBLE BEE and Releasees.

5.2 BUMBLE BEE'S Release of CPA.

BUMBLE BEE on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against CPA, its attorneys and other representatives, for any and all actions taken or statements made by CPA and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the Covered Products.

5.3 Public Benefit.

It is the intent of BUMBLE BEE that to the extent any other private party initiates any action alleging a violation of Proposition 65 with respect to BUMBLE BEE and/or the Releasees relating to the Covered Products they have imported, distributed, sold, or offered for sale in California and that are subject to this Settlement, such private party action would not confer a significant benefit on the general public provided that BUMBLE BEE is in material compliance with this Settlement Agreement.

5.4 Enforcement of Settlement Agreement.

Any party may file suit before the Superior Court of the County of Los Angeles to enforce the terms and conditions contained in this Settlement Agreement. The prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. 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.

8. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; (c) a recognized overnight courier; or (d) by email to designated agent of Party indicated below, to the other Party at the following addresses:

For Notices to BUMBLE BEE:

For Notices to CPA:

Clean Products Advocates, LLC
10249 Eastborne Ave.
Los Angeles, CA 90049

with a copy to:

James K. Kawahito, Esq.
Kawahito Law Group APC
Attn. CPA v. BUMBLE BEE
300 Corporate Pointe Ste 340
Culver City, CA 90230
jkawahito@kawahitolaw.com

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

9. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

CPA and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code section 25249.7(f).

11. MODIFICATION


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

12. AUTHORIZATION

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

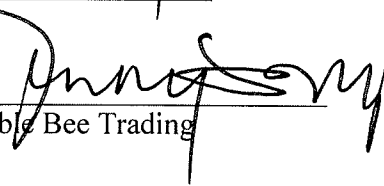
AGREED TO:

Date: 12/17/2023

By: 
Clean Products Advocates, LLC

AGREED TO:

Date: 12/18/2023

By: 
Bumble Bee Trading