

## SETTLEMENT AND RELEASE AGREEMENT

### 1. **INTRODUCTION**

#### 1.1. **Berj Parseghian and Joya Inc.:**

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 Joya Inc. (“Joya”), on the other hand, with Parseghian and Joya collectively referred to as the “Parties.”

#### 1.2. **General Allegations**

Parseghian alleges that Joya distributed and offered for sale in the State of California Products, 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 as “Joya – Focus – Daily Functional Superblend – Matcha; UPC #: 8 08432 20011 7”, that Joya has sold, offered for sale, manufactured, or distributed in California and that contain lead. All such items shall be referred to herein as the “Covered Product.”

#### 1.4. **Notice of Violation**

On May 30, 2023, Parseghian served Joya 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 Joya and such public

enforcers with notice that Joya 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 Joya compliance with Proposition 65.

Specifically, Joya 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 Joya 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 Joya of any fact, finding, conclusion, issue of law, or violation of law. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Joya 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 by the two Parties.

2. **INJUNCTIVE RELIEF:**

2.1 Beginning on the Effective Date, Joya shall be permanently enjoined from manufacturing for sale in the State of California, "Distributing into the State of California," or directly selling in the State of California, any Covered Product that expose a person to a "Daily Lead Exposure

Level” of more than 0.5 micrograms of lead per day, unless it meets the warning requirements under Section 2.2.

As used in this Settlement Agreement, the term "Distributing 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 Joya 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 has left the possession of Joya prior to the Effective Date and all claims as to such Covered Products are released in this Settlement Agreement.

For purposes of this Settlement Agreement, "Daily Lead Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product as stated on the label, multiplied by servings of the product per day stated on the label, which equals micrograms of lead exposure per day. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one.

## 2.2 Clear and Reasonable Warnings

If Joya 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](http://www.P65Warnings.ca.gov).

### **Option 2:**

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

Joya shall use the phrase "cancer and" in the Warning if the exposure level is greater than 15 micrograms of lead per day.

Notwithstanding the above, the content and method of transmission shall be provided in any form as authorized by Proposition 65 law or regulation, applicable to the Covered Product and chemical at issue, 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, Joya shall pay \$15,000.00 as settlement and for fees and costs, incurred as a result of investigating and bringing this matter to Joya'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, \$1,500.00 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% (i.e. \$1,125.00) of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% (i.e. \$375.00) of the penalty remitted to Parseghian.

Joya shall mail these payments within sixty (60) calendar days following the Effective Date. Unless other payment transmittal directions are provided, payments shall be mailed to the following addresses respectively:

The payment owed to Plaintiff shall be delivered to the following payment address:

**KJT LAW GROUP LLP**

**230 N. Maryland Avenue, Suite 306**

**Glendale, CA 91206**

The payment 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

**5. REIMBURSEMENT OF FEES AND COSTS**

In settlement of all the claims referred to in this Settlement Agreement, \$13,500.00 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 his counsel under the private attorney general doctrine and principles of contract law. Joya shall mail a check payable to "KJT Law Group," via certified mail to the address for Parseghian's counsel referenced above.

All payments owed for attorneys' fees, shall be made within sixty (60) calendar days following the Effective Date. Unless other payment transmittal directions are provided, payment shall be mailed to the following payment address:

**KJT LAW GROUP LLP**

**230 N. Maryland Avenue, Suite 306**

**Glendale, CA 91206**

**6. RELEASE OF ALL CLAIMS**

**6.1. Release of Joya, 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 Joya, and its respective equity owners, parents, subsidiaries, affiliates, sister and related companies, directors, officer, members, employees, attorneys, each upstream entity from whom the Covered Products were purchased by Joya, and each entity to whom Joya 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, including but not limited to Fantastic Fungi, Inc. (and its direct predecessor Mushroom Store, LLC) – for any alleged violations of Proposition 65, or any other alleged violations of statutory or common law, arising from alleged exposure to lead in relation to the Covered Product, up through the Effective Date.

It is possible that other claims not known to the Parties 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 up through the Effective Date. 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.

**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. 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 Joya shall have no further obligations pursuant to this Settlement Agreement.

**8. 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 Joya: Joya Inc.  
Attn: Ruth Elnkave  
670 Harbor Street, #2  
Venice Beach, CA 90291

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.

**9. 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.

**10. 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.

**11. MODIFICATION**

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

**12. 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.

**13. COMPLIANCE WITH HEALTH AND SAFETY CODE SECTION**

**25249.7(F)**

Parseghian and his attorneys agree to comply with the reporting requirements referenced in Health and Safety Code section 25249.7(f).



**14. SEVERABILITY**

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

**15. 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.

**16. ENFORCEMENT OF SETTLEMENT AGREEMENT**

Either Party may bring an action to enforce the terms of this Settlement Agreement. A Party who unsuccessfully brings or contests an action arising out of this Settlement Agreement may be ordered by the court to pay the prevailing Party's reasonable attorney's fees and costs.

[SIGNATURE PAGE TO FOLLOW]

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

Executed on 10/12/2023.

Berj Parseghian

DocuSigned by:  
**BERJ PARSEGHIAN**  
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Executed on 10/12/2023.

Joya Inc.

DocuSigned by:  
**R. Elnekave**  
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By: Ruth Elnekave

Its: CEO