

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. The Parties

This Settlement and Release Agreement (“Settlement Agreement”) is entered into by and between Clean Products Advocates, LLC (“CPA”), on the one hand, and RD/Jet, LLC and Jetro Restaurant Depot, LLC (collectively “RD/Jet”) and Classic Salads, LLC (“Classic”), on the other hand, with CPA, RD/Jet and Classic, collectively referred to as the “Parties” and sometimes individually as a “Party.”

1.2. General Allegations

CPA alleges that RD/Jet and/or Classic manufactured and distributed and offered for sale in the State of California “Baby Spinach” containing Cadmium, 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.* and its implementing regulations (“Proposition 65”). California has identified and listed Cadmium and Lead under Proposition 65 as chemicals known to the State of California to cause cancer, birth defects or other reproductive harm.

1.3. Product Description

The products that are covered by this Settlement Agreement are defined as Baby Spinach that CPA alleges RD/Jet and/or Classic has manufactured, imported, sold, offered for sale or distributed in California. RD/Jet acquired Baby Spinach products from Classic, pursuant to a Vendor Agreement dated November 18, 2019 (the “Vendor Agreement”). All such Baby Spinach products purchased by RD/Jet from Classic under the Vendor Agreement shall be covered by this Settlement Agreement and are referred to herein as the “Product” or “Products.”

1.4. Notice of Violation

On March 12, 2024, CPA served RD/Jet, Classic and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with a document entitled “60-Day Notice of Intent to Sue” (“Notice”) that provided RD/Jet, Classic and such public enforcers with notice that RD/Jet and Classic were allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Products exposed users in California to Cadmium. 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 RD/Jet and Classic's compliance with Proposition 65. RD/Jet and Classic deny the material factual and legal allegations contained in CPA's Notice and maintains that all Products that they have manufactured for sale and distribution in California 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 RD/Jet or Classic 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 RD/Jet or Classic of any fact, binding, conclusion, issue of law, or violation of law, such being specifically denied by RD/Jet or Classic on their behalf. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of RD/Jet or Classic 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.

2. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS

As of the Effective Date, RD/Jet and Classic, at their sole discretion, agree to either (a) cease selling, offering for sale or distributing the Products in California, (b) manufacture, import, or otherwise source for authorized sale in California only Reformulated Products, as defined pursuant to Section 2.1 below, or (c) provide a clear and reasonable Proposition 65 warning on the Products pursuant to Section 2.2 below.

2.1. Reformulation Standards

The Products shall be deemed to comply with Proposition 65 with regard to Cadmium and be exempt from any Proposition 65 warning requirements for Cadmium if the Product or Products do not exceed 4.1 micrograms of Cadmium per day ("Reformulated Products") under the below described formula. Products that were supplied or contracted to be supplied by or to third parties to or by RD/Jet or Classic prior to 6 months after the Effective Date shall be deemed exempted from the requirements of this Section 2 and shall be permitted to be sold through as previously manufactured, packaged and labeled.

For the Purpose of this Settlement Agreement, the amount of Cadmium a person is exposed to from the Covered Products shall be calculated using the following formula: Average concentration of Cadmium in the Product in micrograms per gram, multiplied by grams of Product per eating occasion based on applicable National Health and Nutrition Examination Surveys ("NHANES") data, NPD Group's National Eating Trends ("NET") data or other applicable source of data for use of a general category or categories of consumer products similar to the Product, multiplied by a frequency of consumption based on applicable NHANES, NET

data, or other applicable source of data for use of general category or categories of consumer products similar to the Products, which equals micrograms of Cadmium exposure per day.

2.2. Warning Option

Products that do not meet the warning exemption standard set forth in Section 2.1 above shall be accompanied by a warning as described in Section 2.3 below. This warning requirement shall only be required as to Products that are manufactured, distributed, marketed, imported, sold, shipped for sale or offered for sale to consumers by RD/Jet or Classic in the State of California. No Proposition 65 warning shall be required for any Products that are supplied or contracted to be supplied by or to third parties to or by RD/Jet or Classic prior to 6 months after the Effective Date, and all such Products are hereby deemed to be exempt from Proposition 65 enforcement.

2.3. Warning Language

(a) Where required for Products to meet the criteria set forth in Section 2.2, RD/Jet and Classic shall display one of the following warning statements, with a black box around the warning per safe harbor requirements, on the packaging label of the Products that do not meet the warning exemption standard set forth in Section 2.1 above:

(1) **WARNING:** Consuming this product can expose you to chemicals including Cadmium, 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"

(2) **WARNING:** [Cancer and] Reproductive Harm- www.P65Warnings.ca.gov/food

RD/Jet and Classic may use "cancer and" in the warning at its option. RD/Jet and its Vendor may include the names of additional chemicals in the warning if they are present in the Products at a level that RD/Jet and Classic reasonably believe would require a Proposition 65 warning.

(b) The requirements for warnings, set forth in subsection (a) above, are imposed pursuant to the terms of this Settlement Agreement. The Parties recognize that these are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations. RD/Jet and Classic shall be deemed to be in compliance with the warning requirements of this Settlement Agreement by either adhering to this Section 2.3 or by complying with the Proposition 65 warning requirements adopted by the State of California Office of Environmental Health Hazard Assessment ("OEHHA") as of or after the Effective Date.

(c) If Proposition 65 warnings for Cadmium should no longer be required, RD/Jet and Classic shall have no further obligations pursuant to this Settlement Agreement.

(d) **INTERNET** - Products that are sold by RD/Jet on the Internet to persons located in California and require Section 2.2. warnings shall also provide the warning message by a clearly marked hyperlink on the Product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the Products.

(e) FOREIGN LANGUAGE - If the Products have consumer information in a foreign language on the labeling, then the package must also contain the WARNING in the foreign language.

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

In full satisfaction of all potential civil penalties and attorney's fees, costs and any other expenses incurred by CPA or its counsel. RD/Jet shall cause to be paid by Classic the total settlement amount of Twenty Nine Thousand Dollars (\$29,000) (the "Settlement Amount") as set forth below.

3.1 Civil Penalties to Health & Safety Code 25249.7 (B):

Two Thousand Dollars (\$2,000) of the Settlement Amount shall be considered a "civil penalty" pursuant to California Health and Safety Code. RD/Jet shall cause to be issued by Classic two separate checks within ten (10) days of the Effective Date for a total amount of Two Thousand Dollars (\$2,000) as follows, and all payments shall be delivered to the addresses listed below.

3.1 (a) One Check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHIA") in the amount of One Thousand Five Hundred Dollars (\$1,500), representing 75% of the total civil penalty; and

3.1 (b) One check payable to "Clean Product Advocates, LLC" in the amount of Five Hundred Dollars (\$500.00), representing 25% of the total civil penalty.

3.2 Attorney's Fees and Costs:

Twenty Seven Thousand Dollars (\$27,000) of the total Settlement Amount shall be paid to Cliffwood Law Firm, PC within ten (10) days of the Effective Date, as CPA's attorneys, for reasonable investigation fees, and costs, attorney's fees, and any other cost incurred as a result of investigating and bringing this matter to the attention of RD/Jet and Classic.

4. PAYMENT PROCEDURES

4.1 All Payments owed to OEHHIA, pursuant to section 3.1(a) shall be delivered directly to OEHHIA (Memo line "Prop 65 Penalties NOV #2024-01022") at the following address:

Attn: Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

4.2 All Payments owed to CPA, pursuant to Section 3.1(b) shall be delivered to:

Cliffwood Law Firm, PC
c/o CPA
Attn: Elham Shabatian
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

4.3 All Payments owed to Cliffwood Law Firm, PC pursuant to Section 3.2, shall be delivered to:

Cliffwood Law Firm, PC
Attn: Elham Shabatian
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

4.4 PROOF OF PAYMENT

A copy of each check payable to OEIHA, shall be mailed to Cliffwood Law firm, PC, simultaneous with payment to Cliffwood Law Firm, PC at the address set forth above, as proof of payment to OEIHA.

5. RELEASE OF ALL CLAIMS

5.1. CPA's Release of RD/JET, Classic, 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 and 4 above, CPA, on behalf of itself and its respective owners, principals, shareholders, members, partners, officers, directors, employees, parents, subsidiaries its past and current agents, representatives, attorneys, predecessors, successors and/or assignees (collectively, "Releasers"), hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and fully releases all claims relating to the Products, including, without limitation, all claims, 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) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against (a) RD/Jet or Classic; (b) each of RD/Jet and Classic's upstream suppliers, manufacturers, distributors, wholesalers and downstream distributors suppliers, wholesalers, and retailers in the stream of commerce (including but not limited to any other upstream or downstream entities in the distribution chain for the Products, including, but not limited to, manufacturers, suppliers, distributors, wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, third-party re-sellers, and users including but not limited to Classic and its parents, subsidiaries, and affiliates; (c) RD/Jet and Classic's parent companies, corporate affiliates, subsidiaries, affiliates, doing business as entities ("DBAs"), predecessor and successor companies, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities,

and; (d) the employees, shareholders, officers, directors, members, partners, managers, equity owners, insurers, attorneys, predecessors, successors and assigns of any of the entities identified in subsections (a), (b) and (c), above (collectively "Releasees"). CPA also, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees and *not* in its representative 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, known or unknown, suspected or unsuspected, against RD/Jet, Classic and the Releasees.

5.2 RD/JET and CLASSIC's Release of CPA

RD/Jet and Classic, on behalf of themselves, their past and current agents, representatives, attorneys, successors and/or assignees, hereby waive any and all claims against CPA, its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by CPA and/or its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against them in this matter or with respect to the Products.

5.3 California Civil Code § 1542.

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Products will develop or be discovered. CPA, on behalf of itself only, on one hand, and RD/Jet and Classic, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action thereof. The Parties acknowledge that the claims released in §§ 5.1 and 5.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 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.

CPA, RD/Jet and Classic each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.4 Binding Effect

This Settlement Agreement is a full, final, and binding resolution between CPA, on behalf of itself and all Releasers including all of their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, and affiliates and on behalf of the public interest, and RD/Jet and Classic and all Releasees including all of their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, manufacturers, suppliers, distributors, wholesalers, or retailers, and all other upstream and downstream entities in the distribution chain of the

Products including, but not limited to all Releasees including Classic and its predecessors, successors, assigns, subsidiaries, and affiliates.

6. 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 amended, modified, repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then RD/Jet and Classic shall have no further obligations pursuant to this Settlement Agreement. In the event the California Office of Health Hazard Assessment adopts a regulation or safe use determination, or issues an interpretive guideline that exempts Products or Products from meeting the requirements of Proposition 65; or if lead and/or cadmium cases are permanently enjoined by a court of competent jurisdiction; or if Proposition 65 is determined to be preempted by federal law or a burden on First Amendment rights with respect to cadmium in Products or products substantially similar to Products, then RD/Jet and Classic shall be relieved of their obligations to comply with Sections 2 and 5 herein.

7. 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) electronic mail; or (ii) overnight courier on any party by the other party at the following addresses:

For RD/JET and CLASSIC:

Robert J Parks, Esq.
Parks & Solar, LLP
600 West Broadway, Suite 1200
San Diego, CA 92101

For Clean Product Advocates, LLC:

Elham Shabatian Esq.
Cliffwood Law Firm, PC
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

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

8. SEVERABILITY

In the event that any of the provisions of this Settlement Agreement are held by a court of competent jurisdiction to be unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.

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

11. MODIFICATION

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

12. DRAFTING

The terms of this Settlement Agreement have been reviewed by the respective counsel for each Party prior to its signing, and each Party has had the opportunity to fully discuss the terms and conditions with legal counsel. The Parties agree that, in any subsequent interpretation and construction of this Settlement Agreement, no inference, assumption, or presumption shall be drawn, and no provision of this Settlement Agreement shall be construed against any Party, based on the fact that one of the Parties and/or one of the Parties' legal counsel prepared and/or drafted all or any portion of the Settlement Agreement. It is conclusively presumed that all of the Parties participated equally in the preparation and drafting of this Settlement Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Settlement Agreement on the dates written below.

CLEAN PRODUCTS ADVOCATES, LLC

Date: November __, 2024

11/20/2024

Signature: 

Name: _____

SENIOR PARTNER, DIRECTOR

Title: _____

RD/JET, LLC

Date: November 20, 2024

Signature: 


Name: *Ruben Vozel*

Title: *COO*

*SIGNATURES CONTINUED ON NEXT PAGE
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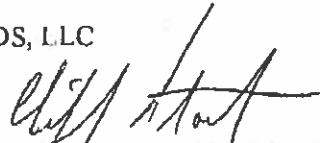
JETRO RESTAURANT DEPOT, LLC

Date: November 30, 2024

Signature: 
Name: Rubin Vogel
Title: COO

CLASSIC SALADS, LLC

Date: November 22, 2024

Signature: 
Name: CLIFF STOUT
Title: CEO

**APPROVED AS TO FORM
AND ADOPTING APPLICABLE REPRESENTATIONS**

Cliffwood Law Firm

Date: 12/9/24


By: _____

Parks & Solar

Date: December 6, 2024


By: Robert J. Parks