

## SETTLEMENT AND RELEASE AGREEMENT

### 1. **INTRODUCTION**

#### 1.1. **Kaloustian and Yolele Foods, Inc.:**

This Settlement Agreement is entered into by and between Aram Kaloustian ("Kaloustian"), represented by his attorneys KJT Law Group, LLP on the one hand, and Yolele Foods, Inc. ("Yolele"), on the other hand, with Kaloustian and Yolele collectively referred to as the "Parties."

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

Kaloustian alleges that Yolele manufactured and distributed and offered for sale products in the State of California, 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 product covered by this Settlement Agreement is: Yolele – Fonio Chips – Tangy Baobab – Onion + Moringa; UPC #: 8 50017 04000 7, that Yolele 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 February 28, 2024, Kaloustian served Yolele, Nowhere Partners, LLC, 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 Yolele and such public enforcers with notice that Yolele 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. On or about April 26, 2024, Kaloustian amended the Notice to add Kehe Distributors, LLC as an alleged violator. 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 Yolele's compliance with Proposition 65. Specifically, Yolele denies the material factual and legal allegations contained in Kaloustian'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 Yolele 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 Yolele of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Yolele. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Yolele 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: WARNINGS AND REFORMULATION**

2.1 Beginning on the Effective Date, Yolele 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 Yolele 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, and is no longer under the control, of Yolele prior to the Effective Date and all claims as to such Covered Product 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 Yolele is required to provide a warning for the Covered Product pursuant to Section 2.1, the Warning shall comply with the safe harbor provisions of Proposition 65 for food, including 27 C.C.R. § 25607.1-.2. The content and method of transmission shall be provided in any form as authorized by Proposition 65 law or regulation effective on or after the Effective Date. Based on current Proposition 65 requirements 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](http://www.P65Warnings.ca.gov/food).

**Option 2:**

**WARNING:** [Cancer and] Reproductive Harm <http://www.p65warnings.ca.gov/food>

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

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. 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. The warning must be set off from other surrounding information, enclosed in a box. If consumer information on the package is in a foreign language, the warning must also be provided in the foreign language. 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 comply with the Safe Harbor Provisions, applicable to the Covered Product and chemical at issue, as those regulations may be amended from time to time.

**3. 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 75% (i.e., \$1,500.00) of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% (i.e., \$500.00) of the penalty remitted to Kaloustian.

**4. 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 Kaloustian’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 Kaloustian and its counsel under the private attorney general doctrine and principles of contract law.

**5. PAYMENT INFORMATION:**

Yolele shall send all payments payable to “KJT Law Group,” via certified mail, unless other payment transmittal directions are provided. Upon receipt, KJT Law Group will distribute the civil penalty payments to OEHHA and Kaloustian. The payment schedule is as follows:

- \$5,000.00 due on or before October 15, 2024;
- \$5,000.00 due on or before November 15, 2024;
- \$5,000.00 due on or before December 15, 2024;
- \$5,000.00 due on or before January 15, 2025;

All payments owed shall be payable and delivered 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 Yolele, 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 5 above, Kaloustian, 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, whether known or unknown to Kaloustian, 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 Yolele, and its respective equity owners, parents, subsidiaries, affiliates, sister and related entities, and any and all upstream manufacturers, vendors, ingredient suppliers, distributors, retailers, including but not limited to KeHE Distributors, LLC, Nowhere Partners, LLC, and their respective suppliers and distributors, 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, up through the Effective Date.

Kaloustian, in his capacity, expressly waives and relinquishes any and all rights and benefits which he may have under, or which may be conferred on him 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. California Civil Code section 1542 provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR

HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

**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 Yolele may modify this Settlement Agreement to reflect such changes to the law, as set forth in Section 11.

**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 Yolele: Lauren Handel, Esq.  
Handel Food Law LLC  
305 Broadway, Suite 700  
New York, NY 10007

For Kaloustian: 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. 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.

[SIGNATURE PAGE FOLLOWS.]




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

Executed on 9/26/2024.

Signed by:  
  
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Aram Kaloustian

Executed on September 25, 2024.

Yolele Foods, Inc.

  
By: Philip Teverow  
Its: CEO