

SETTLEMENT AGREEMENT

BETWEEN

CONSUMER ADVOCACY GROUP, INC.

AND

EMIL KALIL dba CALIFORNIA SNAX

Consumer Advocacy Group, Inc. (“CAG”) and EMIL KALIL dba CALIFORNIA SNAX (hereto referred to as “California Snax”), with CAG and California Snax collectively referred to as, the “Parties,” hereby enter into this agreement (“Settlement Agreement”) for the purpose of avoiding prolonged and costly litigation to settle CAG’s allegations that California Snax violated Proposition 65. The effective date of this Settlement Agreement shall be the date upon which it is fully executed by all Parties hereto (the “Effective Date”).

**1.0 Introduction**

1.1 CAG is a California-based entity that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.

1.2 California Snax previously sold, at various times, Kale Chips, including but not limited to: (i) “California Snax”; “Buffalo Wing”; “Spicy kale chips”; “LIVING FOODS”; “best if use by Dec 2024”; “3.8 Ounces 108 Grams”; “Calif Snax”; “UPC 013964200317”; (ii) “California Snax”; “Karma”; “LIVING FOODS”; “best if use by Oct 2024”; “KARMA KALE CHIPS”; “UPC 894579002578”; “Calif Snax”; (iii) “California Snax”; “Natchos”; “cheesy flavor

cause cancer (*Cal. Code Regs. tit. 27, § 27001(b)*). Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of lead and lead compounds to the list of chemicals known to the State to cause cancer and reproductive toxicity, lead and lead compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.5 On October 1, 1987, the Governor of California added Cadmium and Cadmium Compounds to the list of chemicals known to the State to cause cancer and on May 1, 1997 the Governor of California added Cadmium to the list of chemicals known to the State to cause developmental and reproductive toxicity (*Cal. Code Regs. tit. 27, § 27001(c)*). Cadmium and Cadmium Compounds is known to the State to cause cancer and developmental, male reproductive toxicity. Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of Cadmium and Cadmium Compounds to the list of chemicals known to the State to cause cancer and reproductive toxicity, Cadmium and Cadmium Compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.6 Lead and Cadmium are referred to hereafter as the “Listed Chemical”.

1.7 On or about May 13, 2024 (Attorney General Notice #2024-01859), CAG served, Caldo International Inc., Nowhere Partners Corp., Nowhere Partners, LLC dba Erewhon, California Snax, and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of

The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical.

1.8 On or about June 6, 2024 (Attorney General Notice #2024-02244), CAG served, Caldo International Inc., Nowhere Partners Corp., Nowhere Partners, LLC dba Erewhon, California Snax, and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical.

1.9 On or about May 13, 2024 (Attorney General Notice #2024-01860), CAG served, Nowhere Partners Corp., Nowhere Partners, LLC dba Erewhon, California Snax, and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical.

1.10 On or about June 6, 2024 (Attorney General Notice #2024-02245), CAG served, Nowhere Partners Corp., Nowhere Partners, LLC dba Erewhon, California Snax, and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical.

1.11 On or about October 4, 2024 (Attorney General Notice #2024-04230), CAG served, Mother's Market & Kitchen, Inc.; Mother's Market & Kitchen,

California Snax, and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical.

1.12 On or about October 11, 2024 (Attorney General Notice #2024-04366), CAG served, Mother's Market & Kitchen, Inc.; Mother's Market & Kitchen, California Snax, and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical.

1.13 On or about December 10, 2024 (Attorney General Notice #2024-05252), CAG served, Nowhere Partners LLC DBA Erewhon, California Snax, and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical.

1.14 On or about December 16, 2024 (Attorney General Notice #2024-05302), CAG served, Mother's Market & Kitchen, Inc.; Mother's Market & Kitchen, California Snax, and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical.

1.15 On or about July 23, 2025 (Attorney General Notice #2025-02603), CAG served, Nowhere Partners Corp., Nowhere Partners LLC DBA Erewhon, California Snax, and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical.

1.16 On or about July 30, 2025 (Attorney General Notice #2025-02749), CAG served, Nowhere Partners Corp., Nowhere Partners LLC DBA Erewhon, California Snax, and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Covered Products containing the Listed Chemical.

1.17 The Sixty-Day Notices (referred to as “Notice”) alleged that California Snax and the other noticed parties violated Proposition 65 by failing to warn consumers in California that use of Covered Products exposes persons to the Listed Chemical.

1.18 On January 29, 2025, CAG filed a lawsuit in Los Angeles Superior Court with Case Number 25STCV02489 based on the Notices (the “Lawsuit”). Retailers Nowhere Partners, LLC dba Erewhon and Mother’s Market & Kitchen, Inc. were and are named Defendants in the Lawsuit. Their supplier, California Snax, was not named as a Defendant. California Snax is indemnifying the named Defendants.

1.19 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 (the "Dispute").

1.20 By execution of this Settlement Agreement, the Parties do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission or evidence of fault, wrongdoing, or liability by California Snax, its officers, directors, employees, or parents, subsidiaries or affiliated corporations, in any administrative or judicial proceeding or litigation in any court, agency, or forum. Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that CAG or California Snax may have against one another in any other pending legal proceeding as to allegations unrelated to the Dispute or claims released herein.

## **2.0 Release**

2.1.1. This Settlement Agreement is a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and (a) California Snax, and its owners, parents, subsidiaries, affiliates, sister and

related companies, employees, shareholders, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively “Releasees”) and (b) all entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Products, including but not limited to distributors, wholesalers, customers, retailers (such as Nowhere Partners, LLC and Mother’s Market & Kitchen, Inc.), franchisees, cooperative members, and licensees (“Downstream Releasees”), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has been, could have been or may in the future be asserted against the Releasees and Downstream Releasees regarding exposing persons to the Listed Chemical and the failure to warn about exposure to the Listed Chemical arising only in connection with the Covered Products manufactured, shipped, and/or otherwise distributed prior to the Effective Date, even if sold by Downstream Releasees after the Effective Date. The Covered Products are limited to those sold or distributed for sale by California Snax.

2.1.2. CAG, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases with respect to the Covered Products all rights to institute or participate in, directly or indirectly, any form of legal action, 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) (collectively “Claims”), against Releasees

and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in respect of any Covered Products sold up to the Effective Date, only to the extent that such Claims relate to Releasees' and/or Downstream Releasees' alleged exposure of persons to the Listed Chemical contained in the Covered Products or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Products.

2.1.3. CAG acknowledges that it is familiar with Section 1542 of Civil Code, 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.

2.1.4. CAG, its past and current agents, representatives, attorneys, successors, and/or assignees 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 Civil Code § 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. The release in this section shall have no force or effect until the full amount of payments set forth in Section 4.0 below are paid in full.

### **3.0 California Snax's Duties**

3.1 After the Effective Date, California Snax shall not sell in California, offer for sale in California, or ship for sale in California any Covered Products unless the level of Lead and the level of Cadmium do not exceed the levels (“reformulation level(s)”) specified below unless Proposition 65 compliant warnings are used as set forth in the following paragraphs.

Lead: an exposure of no more than 0.5 micrograms of Lead based on a single serving per day.

Cadmium: an exposure of no more than 4.1 micrograms of Cadmium based on a single serving per day.

For purposes of assessing compliance with this reformulation level, the exposure shall be calculated by multiplying the recommended serving size of the Covered Products by the concentration of Lead in the Covered Products.

3.2 For any Covered Products that exceed the levels of the Listed Chemicals set forth above that are manufactured for distribution and/or sale into California after the Effective Date, California Snax must provide a Proposition 65 compliant warning for the Covered Products as set forth in Proposition 65 and its implementing regulations and/or as set forth below. The warning shall be consistent with Title 27 California Code of Regulations, § 25607.2. The warning shall be provided for cancer and birth defects, or other reproductive harm. Any warning provided pursuant to this section shall be affixed to the packaging of, or directly on, the Covered Products, and be prominently placed with such

conspicuousness as compared with other words, statements, designs, or devices as to render it reasonably likely to be read and understood by an ordinary individual under customary conditions before purchase or use. The warning must be set off from other surrounding information and enclosed in a box. Where the packaging of the Covered Product includes “consumer information” as defined by California Code of Regulations title 27 §25600.1(c) in a language other than English, the warning must also be provided in that language in addition to English. Should California Snax sell or distribute any Covered Products through the internet, the warning will be posted in the manner provided for with respect to internet sales, as provided for in 27 CCR sections 25601 and 25602, as they may be subsequently amended, for sales to consumers in California.

The Parties agree that the following warning language shall constitute compliance with Proposition 65 with respect to alleged Listed Chemicals in the Covered Products manufactured and placed into the stream of commerce by California Snax after the Effective Date:

FOR LEAD:

[California Prop. 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. For more information go to [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

FOR CADMIUM:

[California Prop. 65] **WARNING:** Consuming this product can expose you to chemicals including Cadmium, 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).

#### **4.0 Payments**

4.1 California Snax agrees, to pay a total of one hundred and forty thousand dollars (\$140,000) by separate checks apportioned as follows:

4.1.1 Penalty: California Snax shall issue two separate checks for a total amount of forty thousand dollars (\$40,000) as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of thirty thousand dollars, (\$30,000), representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of ten thousand dollars (\$10,000), representing 25% of the total penalty. OEHHA's check shall be delivered to Office of Environmental Health Hazard Assessment P.O. Box 4010 Sacramento, CA 95812-4010, Attn: Mike Gyurics. CAG's check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. Additionally, two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010

Sacramento, CA 95812-4010, Attn: Mike Gyurics (EIN: 68-0284486) in the amount of \$30,000. The second 1099 shall be issued in the amount of \$10,000 to CAG and delivered to Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212.

4.1.2 Attorneys' Fees and Costs: One hundred thousand dollars (\$100,000) of such payment shall be paid to Yeroushalmi & Yeroushalmi, as CAG's attorneys, for reasonable investigation fees and costs, attorneys' fees, and any other costs incurred as a result of investigating and bringing this matter to California Snax's attention. The check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. By the Effective Date, Yeroushalmi & Yeroushalmi shall provide California Snax with its Employer Identification Number.

4.1.3 Within ten (10) days after all payments by California Snax have been made, CAG will dismiss the Lawsuit, Los Angeles Superior Court Case No. 25STCV02489.

## **5.0 Authority to Enter Into Settlement Agreement**

5.1 CAG represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind CAG to this Settlement Agreement.

5.2 California Snax represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind California Snax to this Settlement Agreement.

**6.0 Report of the Settlement Agreement to the Office of the Attorney General Of California**

6.1 CAG shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' execution of this Settlement Agreement.

**7.0 Execution in Counterparts and Facsimile**

7.1 This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document. A facsimile or portable document format (PDF) signature shall be as valid as the original.

**8.0 Modification of Settlement Agreement**

8.1 Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

**9.0 Application of Settlement Agreement**

9.1 This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, CAG and the Releasees and Downstream Releasees identified in Section 2 above.

**10.0 Enforcement of Settlement Agreement**

10.1 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 after 5-day notice in writing to Defendants of violation of the

Settlement Agreement. The prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

**11.0 Notification Requirements**

11.1 Any notice required or permitted hereunder shall be effective only if given in writing and delivered in person, certified or registered mail return receipt requested, or traceable overnight delivery service, to the following designees:

For CAG:

Reuben Yeroushalmi, Esq.  
reuben@yeroushalmi.com  
YEROUSHALMI & YEROUSHALMI  
9100 Wilshire Boulevard, Suite 240W  
Beverly Hills, CA 90212

For California Snax:

Michael Hambly, Esq.  
[michael.hambly@thefoodlawyers.com](mailto:michael.hambly@thefoodlawyers.com)  
THE FOOD LAWYERS

Any party may change its designee(s) for purposes of notification by providing written notice of such change pursuant to this section.

**13.0 SEVERABILITY**

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

**14.0 GOVERNING LAW**

14.1 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, preempted or is otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemical and/or the Covered Products, then California Snax shall provide written notice to CAG of any asserted change in the law, and Parties shall modify this Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected.

CONSUMER ADVOCACY GROUP, INC.

Dated: 6-11-2026

By: 

Printed Name: Willard Buyer

Title: President

EMIL KALIL DBA CALIFORNIA SNAX

Dated: 6/11/2026

By: 

Printed Name: Emil Kalil

Title: Owner