## SETTLEMENT AGREEMENT BETWEEN APS&EE, LLC AND FIRST HEALTH NUTRITION PRODUCTS, INC.

## 1.<u>RECITALS</u>

### **1.1** The Parties

**1.1.1** This Settlement Agreement ("Agreement") is entered into by and between APS&EE, LLC ("APS&EE") and First Health FL LLC ("First Health"). Individually, APS&EE and First Health are each referred to as a "Party", and APS&EE and First Health collectively are referred to as the "Parties".

**1.1.2** APS&EE is an organization based in California with an interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes promoting awareness of exposure to toxic chemicals and reducing exposure to hazardous substances found in consumer products.

**1.1.3** APS&EE alleges that First Health is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, in California *Health & Safety Code* section 25249.6, *et seq.* ("Proposition 65").

## 1.2 Allegations

**1.2.1** APS&EE alleges that First Health has exposed individuals to lead from its sales of Greens First Greens Powder supplement without first providing California users and consumers of the product with a clear and reasonable exposure warning as required pursuant to Proposition 65. Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

**1.2.2** The products covered by this Agreement are Greens First Greens Powder supplement, including but not limited to 8-19354-00138-6 (hereinafter, the "Product(s)") that First Health has distributed, sold or made available for sale in the State of California. **1.2.3** APS&EE served a document dated January 27, 2025 entitled "60-Day Notice of Violation" (the "Notice"), along with a Certificate of Merit, to First Health, Target Corporation, and the various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Products. The Notice provided First Health and such others, including public enforcers, with notice that alleged that First Health and Target were in violation of Proposition 65 for failing to warn California consumers and customers that use of the Products will expose them to lead. No public enforcer has diligently prosecuted the allegations set forth in the Notice.

#### **1.3** No Admissions.

First Health denies the material, factual, and legal allegations in APS&EE's Notice and maintains that all of the products it manufactured, distributed, sold and/or offered for sale in California, including the Product, have been, and are, in compliance with all laws, including Proposition 65. By executing this Agreement, First Health and its affiliates and subsidiaries, parents, directors, officers, agents, employees, attorneys, representatives, shareholders, successors, and assigns and each entity to whom First Health directly or indirectly distributes or sells the Product, including, but not limited to, downstream distributors, wholesalers, customers, retailers, marketplace retailers, franchisees, cooperative members and licensees 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 Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence as an admission or evidence of fault, wrongdoing, or liability by First Health in any judicial proceeding or litigation in any court, agency, or forum. Notwithstanding the allegations in the Notice, First Health maintains that it has not knowingly manufactured or distributed, or caused to be manufactured or distributed, the Product for sale in California in violation of Proposition

2 of 10

65. However, nothing in this section shall diminish or otherwise affect the Parties' obligations, duties, and responsibilities under this Agreement.

## 1.4 Compromise

The Parties enter into this Agreement in order to resolve the controversy described above in a manner consistent with prior Proposition 65 settlements and consent judgments that were entered on behalf of the public interest and to avoid prolonged and costly litigation between them.

## **1.5** Effective Date

The "Effective Date" shall be the date upon which a complete and fully executed copy of the Agreement is delivered to each Party or its counsel.

# 2. <u>INJUNCTIVE RELIEF</u>

## 2.1 Reformulation of Products

Commencing within sixty (60) days after the Effective Date, and continuing thereafter, Products that First Health directly manufactures, imports, distributes, sells, or offers for sale in California shall either be: (a) Reformulated Products pursuant to § 2.2 below; or (b) labeled with a clear and reasonable warning as described below in § 2.4, below. The warning requirement set forth in § 2.4 shall not apply to any Reformulated Product.

## 2.2 Reformulation Standard

"Reformulated Products" shall mean Products that expose a person to less than 0.5 micrograms of lead per day based on the recommended Daily Serving as calculated below in Section 2.3.

## 2.3 Exposure Calculation

**2.3.1** A "Daily Serving" (for purposes of determining Proposition 65 compliance for chemicals present in the Products) shall be defined by the serving size set forth on the label of the Products under "Nutrition Facts", "Supplement Facts", or

equivalent. If the label, package, or Product display page on the internet<sup>1</sup> do not recommend a number of daily servings, then the number of daily servings shall be one.

**2.3.2** The daily exposure shall be calculated by using the following formula: micrograms of lead per gram, multiplied by grams of Product per serving, multiplied by servings of the Product per day.

## 2.4 **Proposition 65 Warnings**

Whenever a warning is required under Section 2, First Health shall use one of the following options:

## Option 1

(a) Warning: The "Warning" shall consist of the statement:

# WARNING [or CA WARNING or CALIFORNIA WARNING]:

Consuming this product can expose you to 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.

(b) Alternative Warning: First Health may, but is not required to, use the alternative short-form warnings as set forth in this § 2.4

# Option 2

# WARNING [or CA WARNING or CALIFORNIA WARNING]: Risk

of [cancer and] reproductive harm from exposure to lead. See

www.P65Warnings.ca.gov/food.

or

# WARNING [or CA WARNING or CALIFORNIA WARNING]: Can

expose you to lead, a [carcinogen and] reproductive toxicant. See

www.P65Warnings.ca.gov/food.

<sup>&</sup>lt;sup>1</sup>The "Product display page on the internet" applies to Products purchased therefrom, not to Products purchased elsewhere, such as a brick-and-mortar retail store. 4 of 10

Option 3

(for Products manufactured and labeled before January 1, 2028) WARNING: [Cancer and] Reproductive Harm -<u>www.P65Warnings.ca.gov</u>.

If the daily exposure for the Product may exceed 15 micrograms of lead, where daily exposure is determined pursuant to Section 2.3, First Health shall include the phrase "cancer and" or "carcinogen and" in the warning.

Nothing in this Agreement shall prevent First Health from modifying any warning contained in Option 1 or 2 to disclose the presence of additional chemicals if First Health determines that such disclosure is appropriate or required.

A Warning or Alternative Warning provided pursuant to § 2.4 must print the word "WARNING:" in all capital letters and in bold font, followed by a colon. The Warning or Alternative Warning shall be affixed to or printed on the Product label, set off from other surrounding information, enclosed in a box. Additionally, if the Product contains "consumer information," as that term is defined in Title 27, California Code of Regulations, Section 25600.1(e) as it may be amended from time to time, in a foreign language, First Health shall provide the Warning or Alternative Warning in the foreign language. The Products shall carry said warning on each label with such conspicuousness as compared with other words, statements or designs as to render it likely to be read and understood by an ordinary consumer prior to sale. To comply with the safe harbor warning provisions, a Product that is sold by First Health on the internet to persons located in California shall also provide the warning message to Californians by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the California purchaser before the purchaser completes his or her purchase of the Product. For Products that First Health provides for a downstream entity that First Health knows will sell on the internet to persons located in California, First Health shall comply with 27 CCR section 25600.2(b) and include an instruction that the entity comply with the warning requirements of this section.

5 of 10

#### **2.5 Grace Period for Existing Inventory of Products**

The injunctive requirements of Section 2, above, shall not apply to Product that is already in the stream of commerce downstream from First Health as of 60 days after the Effective Date, which Product is expressly subject to the releases provided in Section 4.

#### 2.6 Compliance with the Warning Regulations

The Parties agree that First Health shall be deemed to be in compliance with the injunctive terms of this Agreement by either adhering to Section 2 of this Agreement or by complying with Proposition 65 warning regulations adopted by the State of California's OEHHA applicable to the Product and the chemical exposure at issue.

## 3. <u>PAYMENTS</u>

### 3.1 Civil Penalty Pursuant To Proposition 65

In settlement of all claims referred to in this Agreement and the Notice, First Health shall pay a total civil penalty of one thousand dollars (\$1,000.00) to be apportioned in accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$750.00) for State of California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining 25% (\$250.00) for APS&EE.

First Health shall issue these payments as part of the total payment described below in Section 3.2 via wire transfer to Law Offices of Lucas T. Novak. After receipt of the wire transfer, Law Offices of Lucas T. Novak shall be responsible for forwarding the respective payments to OEHHA and APS&EE.

## 3.2 Reimbursement Of APS&EE's Fees And Costs

First Health shall reimburse APS&EE's reasonable experts' and attorney's fees and costs incurred in prosecuting the instant action, for all work performed through execution of this Agreement, in the amount of twelve thousand two hundred fifty dollars (\$12,250.00). Accordingly, First Health shall remit total payment via wire transfer to Law Offices of Lucas T. Novak in the amount of thirteen thousand two hundred fifty dollars (\$13,250) which includes the civil penalty described in Section 3.1, within five (5) business days of the Effective Date.

6 of 10

## 4. <u>RELEASES</u>

#### 4.1 APS&EE's Release Of First Health

APS&EE, in consideration of the promises and monetary payments contained herein, hereby releases First Health, its parents, subsidiaries, affiliated companies under common ownership or control, shareholders, directors, members, managers, officers, partners, agents, employees, representatives, attorneys, successors and assignees, as well as its downstream distributors, wholesalers, retailers, and franchisees, including Target Corporation (collectively, "Released Parties"), from any alleged Proposition 65 violation claims asserted in the Notice regarding failure to warn about lead exposure from the Products sold or distributed by First Health for sale or potential sale in California before 60 days after the Effective Date.

## 4.2 First Health's Release Of APS&EE

First Health, by this Agreement, waives all rights to institute any form of legal action against APS&EE, its shareholders, directors, members, officers, employees, attorneys, experts, successors and assignees for actions or statements made or undertaken, whether in the course of investigating claims or seeking enforcement of Proposition 65 against First Health in this matter. If any Released Parties should institute any such action, then APS&EE's release of said Released Party in this Agreement shall be rendered void and unenforceable.

#### 4.3 Waiver Of Unknown Claims

7 of 10

Each of the Parties acknowledges that it is familiar with Section 1542 of California 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.

Each of the Parties waives and relinquishes any right or benefit it has or may have

under Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein.

## 4.4. Deemed Compliance with Proposition 65

The Parties agree that compliance by First Health with this Agreement constitutes compliance with Proposition 65 with respect to exposure to lead from use and/or consumption of the products.

#### 4.5 Public Benefit.

It is First Health's understanding that the commitments it has agreed to herein, and actions to be taken by First Health under this Agreement, confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of First Health that to the extent any other party initiates an action alleging a violation of Proposition 65 with respect to First Health's failure to provide a warning concerning exposure to lead prior to use of the Products it has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California such private party action would not confer a significant benefit on the general public as to those products addressed in this Agreement, provided that First Health is in material compliance with this Agreement.

#### 5. <u>SEVERABILITY</u>

Should any part or provision of this Agreement for any reason be declared by a Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

## 6. <u>GOVERNING LAW</u>

The terms of this Agreement shall be governed by the laws of the State of California. This Agreement is entered into in the State of California and may only be 8 of 10

enforced in the State of California.

# 7. <u>NOTICES</u>

All correspondence and notices required to be provided under this Agreement shall be in writing and delivered personally or sent by (i) first class (registered or certified mail); (ii) overnight courier; or (iii) electronic mail on any party by the other party at the addressed as follows:

TO FIRST HEALTH:	TO APS&EE:
Malcolm C. Weiss, Esq. and	Lucas Novak, Esq.
Abigail Contreras	Law Offices of Lucas T. Novak
Hunton Andrews Kurth LLP	8335 W Sunset Blvd., Suite 217
550 Hope St., Ste. 2000	Los Angeles, CA 90069
Los Angeles, CA 90071	

# 8. <u>COUNTERPARTS</u>

This Agreement may be executed in counterparts and by facsimile or portable document format (pdf), each of which shall be deemed an original, and all of which, when taken together, shall constitute the same document. Execution and delivery of this Agreement by e-mail, facsimile, or other electronic means shall constitute legal and binding execution and delivery. Any photocopy of the executed Agreement shall have the same force and effect as the originals.

# 9. <u>COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(F)</u>

APS&EE agree to comply with the reporting requirement references in Health & Safety Code § 25249.7(f).

# 10. MODIFICATION

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

# 11. <u>ENTIRE AGREEMENT</u>

This Agreement contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

## 12. AUTHORIZATION

The undersigned are authorized to execute this Agreement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Agreement. Each Party warrants to the other that it is free to enter into this Agreement and is not subject to any conflicting obligation that will or might prevent or interfere with the execution or performance of this Agreement by said Party.

**AGREED TO:** 

Date: 6.23.2025 Authorized Representative of APS&EE, LLC By:

AGREED TO:

Date:

By:

3/25 a Bonor CHAIRMAN 6/23/21 Authorized Representative of First Health FL LL

10 of 10

Settlement Agreement between APS&EE, LLC and First Health FL LLC

128803 0000001 DMS 351290721v2