

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Environmental Health Advocates, Inc. (“EHA”), on the one hand, and Trader Joe’s Company (“Trader Joe’s”), on the other hand, with EHA and Trader Joe’s each individually referred to as a “Party” and collectively as the “Parties.” EHA is a corporation in the State of California. EHA alleges that Trader Joe’s is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

EHA alleges that Trader Joe’s sells Trader Joe’s Sunflower Seeds - Unroasted & Unsalted (SKUs 83119 and 07832) in California that allegedly contains cadmium and that it does so without first providing the health hazard warning required by Proposition 65. Cadmium is listed pursuant to Proposition 65 as a chemical known to cause reproductive toxicity.

1.3 Product Description

The product covered by this Settlement Agreement is defined as, and expressly limited to, Trader Joe’s Sunflower Seeds – Unroasted & Unsalted (SKUs 83119 and 07832) that are or were sold in California directly by Trader Joe’s (“Covered Products”).

1.4 Notice of Violation

EHA alleges that on or around March 21, 2025, it served Trader Joe’s, the California Attorney General, and certain other public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 (“Notice”). The Notice alleged that Trader Joe’s had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to cadmium contained in the Covered Products.

To the best of the parties’ knowledge, no public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission

Trader Joe's denies the material, factual, and legal allegations in the Notice and maintains that all of the products it sold and/or distributed for sale in California, including the Covered Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Trader Joe's of any fact, finding, conclusion, issue of law or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Trader Joe's of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Trader Joe's. This Section shall not, however, diminish or otherwise affect Trader Joe's obligations, responsibilities, and duties 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 executed by the Parties.

1.7 Compliance Date

For purposes of this Settlement, the term "Compliance Date" means 90 days after the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Sales in California

Beginning on the Compliance Date, and continuing thereafter, Trader Joe's shall not sell the Covered Products in California unless accompanied by warnings provided for in Section 2.2.

2.2 General Warning Requirements

Commencing on the Compliance Date, Trader Joe's agrees any Covered Product sold directly by Trader Joe's in California shall contain a Proposition 65 warning. Trader Joe's agrees that each warning shall be prominently placed with such conspicuousness, as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use.

For purposes of this Settlement Agreement, a clear and reasonable warning for the Covered Products shall consist of a warning affixed to the packaging, label, tag, directly to each Covered

Product sold in California directly by Trader Joe’s. The warning shall consist of either the Warning or Alternative Warning described in Sections 2.2(a) or (b), at Trader Joe’s sole election, which election can change over time:

(a) Warning. The “Warning” shall consist of the statement:

“WARNING:” [or] “CA WARNING:” [or]
“CALIFORNIA WARNING:” Consuming this product can expose you to cadmium, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/food.

(b) Alternative Warning: Trader Joe’s may, but is not required to, use one of the three alternative short-form warnings¹ as set forth in this Section 2.2 (b) as follows:

“WARNING:” [or] “CA WARNING:” [or]
“CALIFORNIA WARNING:” Risk of reproductive harm from exposure to cadmium. See www.P65Warnings.ca.gov/food.

OR

“WARNING:” [or] “CA WARNING:” [or]
“CALIFORNIA WARNING:” Can expose you to cadmium, a reproductive toxicant. See www.P65Warnings.ca.gov/food.

OR

¹ An **Alternative Warning** on a Product manufactured and labeled prior to January 1, 2028 may be provided using the form set forth in this Settlement Agreement or, as allowed under Title 27, California Code of Regulations, § 25603(c), in accordance with the previously applicable “safe harbor” short form of Warning; provided, however, use of the previously applicable “safe harbor” form of Warning as allowed under Section 25603(c) shall end for products manufactured on and after January 1, 2028. An **Alternative Warning** on a Product manufactured and labeled on or after January 1, 2028 shall be provided as allowed under Title 27, California Code of Regulations, § 25603(b).

WARNING: Reproductive Harm –
www.P65Warnings.ca.gov/food.

Pursuant to Section 25607.1, where the warning is provided on the food product label, it must be set off from other surrounding information and enclosed in a box. In no case shall a warning statement appear in a type size smaller than 6-point type. Where a sign, labeling, or label as defined in Section 25600.1 is used to provide a warning that includes consumer information about a product in a language other than English, the warning must also be provided in that language in addition to English. Notwithstanding the above, if Trader Joe's is required to provide a warning pursuant to Section 2.2, the warning content and method of transmission shall be provided in any form as authorized by any Proposition 65 law or regulation effective on or after the Effective Date, including a shelf-tag warning under Sections 25602 and 25607.

There shall be no obligation for Trader Joe's to provide a warning for Covered Products that entered the stream of commerce prior to the Effective Date, and the Section 4 release applies to all such Covered Products.

2.3 Compliance with Warning Regulations. In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Covered Products and the chemical at issue, which are different than those set forth above, Trader Joe's shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. Trader Joe's shall be entitled to use such other warning text and/or method of transmission without prior notice to EHA. If regulations or legislation are enacted providing that Proposition 65 warnings as to cadmium in this product are no longer required, a lack of warning by Trader Joe's will not thereafter be a breach of this Agreement.

2.4 Grace Period for Existing Inventory of Covered Products

The injunctive requirements of Section 2 above shall not apply to Covered Products that have been manufactured, produced, or in the stream of commerce as of the Compliance Date. Such Covered Products are expressly subject to the releases provided in Section 4.1 below without regard to when such products were, or are in the future, processed or packaged, or shipped, delivered, distributed, or sold to Trader Joe's and/or consumers. As a result, the obligation of Trader Joe's or of any Releasees (if applicable) do not apply to the Covered Product manufactured or produced on or prior to the Compliance Date.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payment

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, Trader Joe's agrees within thirty (30) days of the Effective Date, to pay two thousand dollars (\$2,000.00) in civil penalties provided that Trader Joe's receives the W9s for the California Office of Environmental Health Hazard Assessment ("OEHHA") and EHA on or before the Effective Date. The penalty payment will be allocated in accordance with California Health and Safety Code §§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to OEHHA and the remaining 25% of the penalty amount retained by EHA. Trader Joe's shall issue two separate checks for the initial civil penalty payment to (a) "OEHHA" and (b) Environmental Health Advocates, Inc. as follows:

- One payment of \$1,500.00 to OEHHA, due thirty (30) days after the Effective Date and Trader Joe's receipt of the W9s for OEHHA and EHA.
- One payment of \$500.00 to EHA, due thirty (30) days after the Effective Date and Trader Joe's receipt of the W9s for OEHHA and EHA.

All payments owed to OEHHA (EIN: 68-0284486), pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Service Delivery:

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

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

All penalty payments owed to EHA shall be sent to:

Environmental Health Advocates
225 Broadway, Suite 1900
San Diego, CA 92101

3.2 Attorney Fees and Costs

The Parties reached an accord on the compensation due to EHA and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Trader Joe's agrees to pay twenty-three thousand dollars (\$23,000) to EHA and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Trader Joe's, and negotiating a settlement. The twenty-three thousand dollars (\$23,000.00) are due thirty (30) days after the Effective Date and Trader Joe's receipt of the W9s for EHA and Entorno Law.

All payments required under this Section shall be made payable to Entorno Law, LLP and delivered to:

Noam Glick
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

3.3 Tax Documentation

Trader Joe's agrees to provide a completed IRS 1099 for its payments to, and EHA agrees to provide IRS W-9 forms for, each of the payees under this Settlement Agreement. The Parties acknowledge that Trader Joe's cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after Trader Joe's receives the requisite W-9 forms from EHA's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 EHA's Release of Trader Joe's

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and Trader Joe's for all claims that can or could have been asserted by EHA, on its own behalf, and on behalf of its past, current, and future agents, representatives, attorneys, successors and assignees, employees, devisees, joint venturers, partners, executors, trustees, and administrators ("Releasing Parties") against Trader Joe's and each of its past, current, and future parents, subsidiaries, affiliated entities under common ownership, partners, directors, officers, managers, representatives, members, employees, attorneys, insurers, administrators ("Trader Joe's Released Parties") and any entity, including, but not limited to each entity to whom Trader Joe's directly or indirectly distributes or sells the Covered Products, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees ("Downstream Released Parties"), as well as its upstream manufacturers, vendors, suppliers, distributors, wholesalers, and any other upstream entity in the distribution chain for the Covered Product ("Upstream Released Parties") (together with Trader Joe's Released Parties and Downstream Released Parties, the "Releasees") based on the alleged failure to warn about exposures to cadmium required under Proposition 65 for the Covered Products imported, sold or distributed for sale in California by Trader Joe's, as alleged in the Notice, or for any other reason, and fully resolves all claims that have been asserted or could have been asserted for failure to provide Proposition 65 warnings for the Covered Product.

In further consideration of the promises and agreements herein contained, EHA on its own behalf, on behalf of its past, current, and future agents, representatives, attorneys, successors and assignees, employees, devisees, joint venturers, partners executor, trustees, and administrators,

hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against Trader Joe's and Releasees including, without limitation, all actions and causes of action in law or equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses including, but not exclusively, investigation fees, expert fees and attorney fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to cadmium required under Proposition 65 in the Covered Products imported, sold or distributed for sale by Trader Joe's.

4.2 Trader Joe's Release of EHA

Trader Joe's, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Covered Products.

4.3 California Civil Code Section 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 Covered Products will develop or be discovered. EHA on behalf of itself only, on one hand, and Trader Joe's on behalf of itself only, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 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.

EHA and Trader Joe's each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

4.4 Representation and Warranty

EHA represents and warrants that it has no intention to and will not persuade, encourage, or convince others to assert or raise any claims against the Released Parties regarding the Covered Products.

5. PUBLIC BENEFIT

It is Trader Joe's understanding that the commitments it has agreed to herein, and actions to be taken by Trader Joe's under this Settlement 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 Trader Joe's that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to Trader Joe's alleged failure to provide a warning concerning actual or alleged exposure to cadmium prior to use of the Covered 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 Covered Products addressed in this Settlement Agreement, provided that Trader Joe's is in material compliance with this Settlement Agreement.

6. 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.

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.

8. ENFORCEMENT

In any action to enforce the terms of this Settlement Agreement, the prevailing party shall

be entitled to its reasonable attorneys' fees and costs.

9. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Trader Joe's:

Emily Weissenberger
Faegre Drinker Biddle & Reath LLP
Four Embarcadero Center, 27th Floor
San Francisco, CA 94111
emily.weissenberger@faegredrinker.com

and

Kathryn Cahan
Trader Joe's Company
800 S. Shamrock Ave.
Monrovia, CA

For EHA:

Noam Glick
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

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

10. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

11. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

EHA and its attorneys agree to comply with the reporting form requirements referenced in

California Health and Safety Code § 25249.7(f).

12. **MODIFICATION**

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

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.

AGREED TO:

AGREED TO:

Date: 6/9/26

Date: 5/28/26

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

By: 
TRADER JOE'S COMPANY