

## **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 Rubio’s Restaurant Group LLC (“Rubio’s”), on the other hand, with EHA and Rubio’s each individually referred to as a “Party” and collectively as the “Parties.” EHA is a corporation in the State of California, which it alleges is serving in the interest of the general public by seeking to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. EHA alleges that Rubio’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 Rubio’s provides in California, thermal receipt paper products that contain Bisphenol S (“BPS”) and that it does so without first providing the health hazard warning allegedly required by Proposition 65. Effective December 29, 2023, the California Office of Environmental Health Hazard Assessment (“OEHHA”) added BPS to the Proposition 65 list as a reproductive toxicant (female reproductive endpoint).

#### **1.3 Product Description**

The product covered by this Settlement Agreement is defined as, and expressly limited to, thermal receipt paper that is or was used, distributed, and/or provided to customers in California by Rubio’s (“Covered Product”).

#### **1.4 Notice of Violation**

On or around June 27, 2025, EHA alleges it served Rubio’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 Rubio’s had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to BPS contained in the Covered Product.

To the best of the Parties’ respective knowledge, no public enforcer has commenced or is

otherwise prosecuting an action to enforce the violations alleged in the Notice.

### **1.5 No Admission**

Rubio's denies the material, factual, and legal allegations in the Notice and maintains that all of the products it used, sold, distributed, and/or provided in California, including the Covered Product, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Rubio'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 Rubio's of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Rubio's. This Section shall not, however, diminish or otherwise affect the Parties' respective obligations, responsibilities, releases, and duties under this Settlement Agreement.

### **1.6 Effective Date**

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the last date this Settlement Agreement is fully executed by the Parties and has been exchanged.

## **2. OBLIGATIONS/INJUNCTIVE RELIEF**

### **2.1 Reformulation Standard**

Beginning thirty (30) days after the Effective Date, Rubio's shall not purchase for use, distribute, provide, use, or offer to provide thermal receipt paper in California or in any shipments to California addresses that is not "BPS Free." "BPS Free" means thermal paper that contains less than 100 parts per million ("ppm") of BPS when tested for total content using a Liquid Chromatography Mass-Spectrometer, and does not contain BPS as an intentionally added ingredient. At Rubio's option, if it obtains a test result for thermal receipt paper made by a particular manufacturer showing that such paper is "BPS Free," this shall constitute compliance with this reformulation standard for all such thermal receipt paper.

### **2.2 Grace Period for Existing Inventory of the Covered Product**

The obligations of Section 2 shall not apply to Covered Product that is already in the stream of commerce as of the Effective Date, which Covered Product is expressly subject to the releases provided in Section 4.1. For the avoidance of doubt, Covered Product that is in the stream of

commerce specifically includes, but is not limited to, Covered Product that was procured by Rubio's prior to the Effective Date.

### **2.3 Most Favored Nations Provision**

EHA represents and warrants that as of the Effective Date, it has not entered into any settlement agreement with any other party nor has any court entered any judgment that sets forth a reformulation standard that is higher (less strict) than the one set forth herein, i.e., more than 100 ppm of BPS when tested for total content or allows the use of thermal receipt paper as long as it does not contain intentionally added BPS. If, after the Effective Date, EHA enters into any settlement agreement and/or a court enters any judgment in any Proposition 65 enforcement action over exposure to BPS that imposes a different, higher (less strict) reformulation standard from that set forth in this Settlement Agreement, i.e. as 200 ppm. or uses a standard of intentionally added BPS, or that allows something other than a test result for thermal receipt paper made by a particular manufacturer to serve as proof of compliance with the reformulation standard, the Parties agree Section 2.1 of this Settlement Agreement is automatically modified to conform with the obligations or injunctive relief provided in such later agreement or judgment. If, after the Effective Date, a court enters any judgment in any Proposition 65 enforcement action that determines that no Proposition 65 warnings premised on exposure to BPS from thermal receipt paper are required and/or no warnings are required for thermal receipt paper used, distributed, and/or provided to customers in California by Rubio's, the Parties agree that the obligations in Section 2.1 of this Settlement Agreement will immediately and automatically end.

## **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, Rubio's agrees to pay a total of three thousand dollars (\$3,000.00) in civil penalties. 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 the OEHHA and the remaining 25% of the penalty amount retained by EHA. Rubio's shall

issue two separate checks for the civil penalty payment to (a) “OEHHA” and (b) Environmental Health Advocates, Inc. as follows:

- One payment of \$2,250.00 by check made out to OEHHA, due thirty (30) days after the Effective Date and the receipt of the applicable OEHHA W-9 form by Rubio’s.
- One payment of \$750.00 by check made out to EHA, due thirty (30) days after the Effective Date and the receipt of the applicable EHA W-9 form by Rubio’s.

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 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 any and all legal bases, including but not limited to the private attorney general doctrine or principles of contract law. Rubio’s agrees to pay twenty-four thousand dollars (\$24,000.00) to EHA and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Rubio’s, and negotiating a settlement. Pursuant to EHA’s direction as confirmed by its signature below, the twenty-

four thousand dollars (\$24,000.00) in Attorney's Fees and Costs shall be payable by check made out to "Entorno Law, LLP client trust account" as one payment of \$24,000.00 that is due thirty (30) days after the Effective Date and the receipt of the applicable Entorno Law, LLP W-9 form by Rubio's.

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

Attn: Isaac Fayman  
Entorno Law, LLP  
225 Broadway, Suite 1900  
San Diego, CA 92101

### **3.3 Tax Documentation**

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

## **4. CLAIMS COVERED AND RELEASED**

### **4.1 EHA's Release of Rubio's**

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and Rubio's for all claims that can or could have been asserted by EHA, on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors, and assignees, against Rubio's and each of its respective parents, subsidiaries, affiliated entities under common ownership or control, directors, officers, members, employees, attorneys, and any entity, including, but not limited to each entity to whom Rubio's directly or indirectly distributes, sells or provides the Covered Product, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees (collectively, "Releasees"), based on the alleged failure to warn about exposures to BPS required under Proposition 65 in the Covered Product sold, provided or distributed in California by Rubio's and/or that was already in the stream of commerce before the Effective Date, as alleged in the Notice, or for any other reason.

In further consideration of the promises and agreements herein contained, EHA on its own

behalf, on behalf of its past and current agents, representatives, attorneys, successors, and assignees 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 Rubio's and the other Releasees including, without limitation, all actions and causes of action, 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 BPS required under Proposition 65 in the Covered Product manufactured, distributed, sold, provided, or offered by Rubio's, and/or that was already in the stream of commerce, before the Effective Date.

#### **4.2 Rubio's's Release of EHA**

Rubio'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 Product.

#### **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 Product will develop or be discovered. EHA on behalf of itself only, on one hand, and Rubio'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 Rubio's each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

**5. PUBLIC BENEFIT**

It is Rubio's's understanding that the commitments it has agreed to herein, and actions to be taken by Rubio'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 Rubio'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 Rubio's's alleged failure to provide a warning concerning actual or alleged exposure to BPS prior to use of the Covered Product it has manufactured, distributed, sold, provided or offered in California, or will manufacture, distribute, sell, provide or offer in California, such private party action would not confer a significant benefit on the general public nor be in the interest of the public as to the Covered Product addressed in this Settlement Agreement, provided that Rubio'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 Rubio's:

Michael D. Abraham and  
Stephen C. Steinberg  
Bartko Pavia LLP  
1100 Sansome St.  
San Francisco, CA 94111  
MABRAHAM@bartkopavia.com

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. 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:**

Date: 10/6/25

ENVIRONMENTAL HEALTH  
ADVOCATES, INC.

By: 

ALLAN CATE, CEO

**AGREED TO:**

Date: Oct 6, 2025

RUBIO'S RESTAURANT GROUP LLC

By: 

JEFF CRIVELLO, CEO