

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 HOT Brands, LLC (“HOT Brands”), on the other hand, with EHA and HOT Brands each individually referred to as a “Party” and collectively as the “Parties.”

1.2 General Allegations

EHA alleges that HOT Brands manufactures, sells, and/or distributes for sale in California, workout powder products that contains lead and that it does so without first providing the health hazard warning required by Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6 *et seq.* (“Proposition 65”).

California has identified and listed lead under Proposition 65 as a chemical known to cause reproductive toxicity.

1.3 Product Description

The products covered by this Settlement Agreement are defined as During and After Workout Powders, including but not limited to Hotworx During and After Workout Powder, (“Covered Products”), that are manufactured, sold and/or distributed for sale in California by HOT Brands.

1.4 Notice of Violation

On or around July 3, 2025, EHA served HOT Brands, 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 HOT Brands had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to lead contained in Covered Products.

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

1.5 No Admission

The Parties enter into this Settlement Agreement to settle dispute claims between them as set forth herein and in the Notice. HOT Brands specifically denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products it allegedly sold and/or distributed for sale in California, including Covered Products, have been, and are, in compliance with Proposition 65 and all other applicable statutory laws, regulatory provisions, common law, or applicable doctrine. Nothing in this Settlement Agreement shall constitute or be construed as an admission by HOT Brands or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers 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 HOT Brands or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by HOT Brands.

1.6 Effective Date

For purposes of this Settlement Agreement, the term “Effective Date” shall mean the date this Settlement Agreement is fully executed by the Parties.

1.7 Compliance Date

For purposes of this Settlement, the term “Compliance Date” means 30 days from the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Reformulation Standard

Beginning on or before the Compliance Date, HOT Brands shall be permanently enjoined from manufacturing, distributing, or directly selling in the State of California, any Covered Product that exposes a person to a “Daily Lead Exposure Level” of more than 0.5 micrograms of Lead based on a single serving per day, unless such Covered Products comply with the warning

requirements of Section 2.2. The “Daily Lead Exposure Level” shall be calculated by multiplying the recommended serving size in Covered Product by the concentration of lead in Covered Products. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one. As used in this Settlement Agreement, “distributed for sale in CA” means to directly ship Covered Products into California or to sell Covered Products to a distributor HOT Brands knows will sell Covered Products 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 HOT Brands prior to the Effective Date and all claims as to such Covered Product are released in this Settlement Agreement.

2.2 General Warning Requirements

Commencing on the Compliance Date, HOT Brands agrees any Covered Product sold that was not reformulated pursuant to paragraph 2.1 or exempted from the injunctive relief of Section 2, pursuant to Section 2.1, shall contain a Proposition 65 warning. HOT Brands 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 Products sold in California by HOT Brands, or on a placard, shelf tag, sign or electronic device or automatic process that contains one of the following statements:

1) **“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 birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/food.

OR

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

SHORT FORM

OR

SHORT FORM

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

OR

**SHORT FORM ON
A PRODUCT
MANUFACTURED/
LABELED PRIOR
TO 1/1/28,
REGARDLESS OF
DATE OF SALE**

4) 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. Where a specific food product sign, label, placard, or shelf tag is used to provide a warning, it must be displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual prior to sale. 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.

As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent Covered Products are sold online, a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 must be provided via of the following methods: (1) A warning on the product display page; (2) A clearly marked hyperlink using the word “WARNING” or the words “CA WARNING” or “CALIFORNIA WARNING” on the product display page that links to the warning; or (3) An

otherwise prominently displayed warning provided to the purchaser prior to completing the purchase. If a warning is provided using the short-form label content pursuant to Section 25602(a)(4), the warning provided on the website may use the same content. For purposes of this section, a warning is not prominently displayed if the purchaser must search for it in the general content of the website. For internet purchases made prior to 1/1/28, a retail seller is not responsible under Section 25600.2(e)(4) for conspicuously posting or displaying the new warning online until 60 calendar days after the retailer receives a warning or a written notice under Section 25600.2(b) and (c) which updates a short-form warning compliant with Section 25603(c) with content compliant with Section 25603(b). These requirements extend to any websites under the exclusive control of HOT Brands where Covered Products are sold into California. In addition, HOT Brands shall instruct any third-party website to which it directly sells its Covered Products to include the same online warning, as set forth above, as a condition of selling the Covered Products in California.

There shall be no obligation for HOT Brands 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.

(i) Changes in Warning Regulations or Statutes

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, HOT Brands 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. If regulations or legislation are enacted providing that Proposition 65 warnings as to lead in this product are no longer required, a lack of warning by HOT Brands will not thereafter be a breach of this Agreement.

2.3 Grace Period for Existing Inventory of Covered Products

The injunctive requirements of Section 2 shall not apply to Covered Products that are already in the stream of commerce as of the Effective Date, which Covered Products are expressly subject to the releases provided in Section 4.1. For the avoidance of doubt, Covered Products in the stream of commerce specifically include, but are not limited to, Covered Products in the process of manufacture, distribution, or sale.

3. MONETARY SETTLEMENT TERMS

3.1 In full satisfaction and settlement of all claims referred to in this Settlement Agreement, including civil penalties, attorneys' fees, and cost, the Parties reached an accord on the compensation due, under the private attorney general doctrine and principles of contract law. Under these legal principles, HOT Brands shall make a total settlement payment of Twenty Thousand Dollars (\$20,000.00) ("Total Settlement Amount"). The Total Settlement Amount shall be apportioned into a Civil Penalty and Attorney's Fees and Costs as set forth in Sections 3.2 and 3.3 below.

3.2 Civil Penalty Payment

In settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, and pursuant to Health and Safety Code § 25249.7(b)(2), two thousand dollars (\$2,000.00) of the Total Settlement amount shall be considered a "civil penalty." 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 California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty amount retained by EHA. HOT Brands 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 fourteen (14) business days after the Effective Date.
- One payment of \$500.00 to EHA, due fourteen (14) business days after the Effective Date.

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

3.3 Attorney Fees and Costs

In settlement of all claims referred to in this Settlement Agreement, eighteen thousand dollars (\$18,000.00) of the Total Settlement Amount shall be considered reimbursement of EHA's attorneys' fees and costs incurred in investigating, bringing this matter to the attention of HOT Brands, and negotiating a settlement. 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. The eighteen thousand dollars (\$18,000.00) shall be payable to Entorno Law, LLP according to the following payment plan:

- One payment of three thousand dollars (\$3,000.00), due on or before December 2, 2025.
- One payment of five thousand dollars (\$5,000.00), due on or before January 2, 2026.
- One payment of five thousand dollars (\$5,000.00), due on or before February 2, 2026.
- One payment of five thousand dollars (\$5,000.00), due on or before March 2, 2026.

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

3.4 Tax Documentation

HOT Brands 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 HOT Brands cannot issue any settlement payments pursuant to Sections 3.1, 3.2, and 3.3 until after HOT Brands receives the requisite W-9 forms from EHA's counsel.

4. RELEASE OF ALL CLAIMS

4.1 EHA's Release of HOT Brands, Downstream Customers, and Upstream Vendors

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Section 3 above, EHA, on behalf of itself and its respective members, owners, principals, officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, successors, assigns, legal representatives, and affiliates (collectively "EHA"), hereby waive all rights to institute or participate in, directly or indirectly, and fully releases and discharges HOT Brands and (a) each of its directors, officers, members, managers, employees, representatives, parents, successors, agents, affiliates, attorneys, assigns and insurers, and (b) any entity, including, but not limited to each entity to whom HOT Brands directly or indirectly distributes or sells the Covered Products, including, but not limited to, its upstream suppliers and downstream entities in the stream of commerce including but not limited to distributors, wholesalers, suppliers, customers, retailers, franchisees, licensees and retailers (c) the employees, shareholders, officers, directors, members, managers, equity owners, insurers, attorneys, predecessors, successors and assigns of any of the entities in subsections (a) and (b) (the persons identified in subsections (a), (b) and (c) above, are collectively referred to as Releasees,

from any form of legal action and releases all claims relating to the Covered Products and for any alleged violations of Proposition 65, its implementing regulations or any other alleged violations of statutory or common law, including without limitation, all actions and causes of action, in law or in equity, suits or upon any other legal theory, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including but not exclusively limited to investigation fees, expert fees, and attorney fees), arising from failure to provide Proposition 65 warnings on any Covered Product manufactured on or before the Effective Date and/or alleged exposure to lead in relation to the Covered Product, up through the Effective Date..

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and HOT Brands 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 Releasees based on the alleged failure to warn about exposures to lead required under Proposition 65 in the Covered Products manufactured, sold or distributed for sale in California by HOT Brands before the Effective Date, as alleged in the Notice, or for any other reason.

4.2 HOT Brands' Release of EHA

HOT Brands, 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 prior to the Effective Date.

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 and HOT Brands acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through and including the Effective Date. The Parties acknowledge that the

claims released in Sections 4.1 and 4.2 may include unknown claims. EHA and HOT Brands expressly waive and relinquish any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of California Civil Code section 1542 as well as 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 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 HOT Brands each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5. PUBLIC BENEFIT

It is HOT Brands' understanding that the commitments it has agreed to herein, and actions to be taken by HOT Brands 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 HOT Brands 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 HOT Brands' alleged failure to provide a warning concerning actual or alleged exposure to lead prior to use of the Covered Products it has allegedly 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 HOT Brands is in material compliance with this Settlement Agreement.

6. SEVERABILITY

If any provision of this Settlement Agreement is held by a court of competent jurisdiction to be unenforceable, the invalid provisions shall be severed and the validity of the remaining

enforceable 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 HOT Brands:

Michael Canseco
HOTWORX Franchising, LLC
5145 Taravella Road
Marrero, LA 70072
michael.canseco@hotworx.net

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 signed by both Parties.

13. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the subject matter hereof, and of all related discussions, negotiations, commitments, and understandings. No other agreements, oral or otherwise, express or implied, other than those specifically referred to in this Agreement have been made by, or relied on, by any Party.

14. 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: 11/12/25

Date: 11/10/2025 | 9:41 AM PST

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

Signed by: 
By: 
HOT BRANDS, LLC