

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 Pacific Northwest Naturals LLC (“Pacific NW”), on the other hand, with EHA and Pacific NW each individually referred to as a “Party” and collectively as the “Parties.” EHA is a corporation in the State of California 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 Pacific NW 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 Pacific NW manufactures, sells, and/or distributes for sale in California, mushroom coffee products that contain lead and that it does so without first providing a clear and reasonable warning as required by Proposition 65. Lead is listed pursuant to Proposition 65 as a chemical known to cause cancer and reproductive toxicity. Pacific NW denies all allegations asserted by EHA.

1.3 Product Description

The products covered by this Settlement Agreement are defined as, and expressly limited to mushroom coffee products, including but not limited to The Genius Brand Mushroom Coffee - Pacificnorthwest Naturals (“Covered Products”), that are manufactured, sold and/or distributed for sale in the State of California.

1.4 Notice of Violation

On or around January 9, 2026, EHA served Pacific NW, the California Attorney General, and certain other public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 (“Notice”). The Notice alleges that Pacific NW violated Proposition 65 by failing to sufficiently

warn consumers in the State of California of alleged exposures to lead from 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

Pacific NW denies the material, factual, and legal allegations in the Notice and maintains that all of the products it manufactures, sells, sold and/or distributed for sale in the State of California, including the Covered Products, have been, and are, in compliance with all laws. Pacific NW maintains that it has not knowingly distributed, imported, manufactured, sold or caused to be distributed, imported, manufactured or sold the Covered Products in the State of California in violation of Proposition 65. Nothing in this Settlement Agreement shall be construed as an admission by Pacific NW or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, marketplace hosts, or retailers of any fact, finding, conclusion, issue of law or violation of law, and compliance with this Settlement Agreement shall not constitute or be construed as an admission by Pacific NW or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, marketplace hosts, or retailers of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Pacific NW. This Section shall not, however, diminish or otherwise affect Pacific NW'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 fully executed by the Parties.

1.7 Compliance Date

For purposes of this Settlement Agreement, the term "Compliance Date" shall mean ninety (90) days after the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Reformulation Standard

Beginning on the Compliance Date, Pacific NW shall be permanently enjoined from manufacturing, “distributing for sale in California,” or directly selling in the State of California, any Covered Products that expose 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 of Covered Products by the concentration of lead in Covered Products. As used in this Section 2, “distributing for sale in California” means to directly ship Covered Products into the State of California for sale in the State of California or to sell Covered Products to a distributor Pacific NW knows will sell Covered Products in the State of California.

Nothing in Section 2 of this Settlement Agreement is intended by either Party to set a precedent for the level of lead or other chemicals that are permissible in the Covered Products or any consumer products under Proposition 65.

2.2 General Warning Requirements

Commencing on the Compliance Date, Pacific NW agrees any Covered Products sold that are not reformulated pursuant to paragraph 2.1 shall display a Proposition 65 warning. Pacific NW agrees that, where required under the terms of this Settlement Agreement, the 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. Where required, each warning shall be provided in a manner such that the consumer or user understands to which specific Covered Products the warning applies, so as to minimize the risk of consumer confusion.

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 the Covered Products sold in the State of California by Pacific NW, 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 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.

OR

SHORT FORM

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

SHORT FORM

3) **WARNING:** [or] **CA WARNING:** [or]
CALIFORNIA WARNING: Can expose you to lead, a [carcinogen and] 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:** [Cancer and] Reproductive Harm –
www.P65Warnings.ca.gov/food.

Pacific NW shall use the phrase "cancer and" or "carcinogen and" in the warning if the anticipated exposure level is greater than 15 micrograms of lead per day.

Pursuant to Cal. Code Regs. Tit. 27 ("CCR"), § 25607.1, where the warning is required and 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, 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 CCR § 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 CCR § 25602(b), to the extent Covered Products are sold online directly by Pacific NW, shipped to the State of California, and require a warning under the terms of this Agreement, a warning that complies with the content requirements of CCR § 25603 must be provided as of the Compliance Date via one 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 January 1, 2028, a retail seller is not responsible under CCR § 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 CCR § 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 Pacific NW where Covered Products are sold into the State of California. In addition, Pacific NW shall advise any third-party website to which it directly sells its Covered Products that an online warning, as set forth above, is required as a condition of selling the Covered Products in the State of California.

Notwithstanding the foregoing, Pacific NW and Releasees (as defined herein) may comply with the terms of this Settlement Agreement by providing warnings as specified in the Proposition 65 regulations applicable to the Covered Products and chemical at issue in effect as of the

Compliance Date, or as such regulations may be modified or amended in the future and from time to time. The Parties agree and intend for compliance with the terms of this Section 2 to constitute compliance with Proposition 65 with respect to alleged exposures to lead from the Covered Products.

There shall be no obligation for Pacific NW to provide a warning for Covered Products that entered the stream of commerce prior to the Compliance 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 or legislation 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, Pacific NW 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 the Covered Products are no longer required, a lack of warning by Pacific NW 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 Compliance 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.

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, Pacific NW agrees to pay two thousand dollars (\$2,000.00) 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 California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount retained by EHA. Pacific NW 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.
- One payment of \$500.00 to EHA, due thirty (30) 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

3.2 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, Pacific NW agrees to pay eighteen thousand dollars (\$18,000.00) to EHA and its counsel for all

fees and costs incurred in investigating, bringing this matter to the attention of Pacific NW, and negotiating a settlement. The eighteen thousand dollars (\$18,000.00) payment is due on or before forty-five (45) days after the Effective Date.

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

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

3.3 Tax Documentation

Pacific NW 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 Pacific NW cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after Pacific NW receives the requisite W-9 forms from EHA's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 EHA's Release of Pacific NW

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and Pacific NW 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, officers, directors, shareholders, employees, agents, parent companies, subsidiaries affiliates, divisions and assignees (collectively, "Releasors"), against Pacific NW and each of its respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, employees, attorneys, shareholders, agents, divisions, packagers, co-manufacturers, and any entity, including, but not limited to each entity to whom Pacific NW directly or indirectly distributes or sells the Covered Products, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, including but not limited to Amazon.com, marketplace hosts, franchisees, cooperative members, licensors and licensees ("Releasees"), based on the failure to warn about exposures to lead required under Proposition 65 in the Covered Products manufactured,

sold or distributed for sale in California before the Compliance 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, and on behalf of Releasors 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 Pacific NW and 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 lead required under Proposition 65 in the Covered Products manufactured, distributed, sold or offered for sale by Pacific NW and/or Releasees, up to and including the Compliance Date.

4.2 Pacific NW's Release of EHA

Pacific NW, 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 Pacific NW 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 Pacific NW each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5. PUBLIC BENEFIT

It is Pacific NW's understanding that the commitments it has agreed to herein, and actions to be taken by Pacific NW 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 Pacific NW 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 Pacific NW's alleged failure to provide a warning concerning actual or alleged exposure to lead from the Covered Products Pacific NW and Releasees have 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 Pacific NW 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 Pacific NW:

Mr. Gary Gastel
President, The Genius Brand
1720-A Peachtree Industrial Blvd
Buford, GA 30518

With Copy to:

Jennifer K. Singh
Amin Wasserman Gurnani
515 South Flower Street, 18th Floor
Los Angeles, CA 90071
jsingh@awglaw.com

For EHA:

Noam Glick
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101
noam@entornolaw.com

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: 5/21/26

Date: 5/21/2026

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

By: 
Signed by:
4E3ACE8A-9C67-8D70-83C4-B040C1462ED5
PACIFIC NORTHWEST NATURALS, LLC