

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Berj Parseghian and Pivot Sweets, LLC:

This Settlement Agreement is entered into by and between Berj Parseghian ("PARSEGHIAN"), represented by his attorneys KJT Law Group, LLP on the one hand, and Pivot Sweets, LLC ("PIVOT"), on the other hand, with Parseghian and PIVOT collectively referred to as the "Parties."

1.2. General Allegations

PARSEGHIAN alleges that PIVOT manufactured, distributed, and offered for sale in the State of California products containing lead and that such sales have not included warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq.* ("Proposition 65"). California has identified and listed lead under Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

1.3. Product Description

The product covered by this Settlement Agreement is defined as Enjoy Small World Wins Gummies, including but not limited to, Enjoy Small World Wins Gummies – Sour – Strawberry. Green Apple. Peach. Watermelon Lime; UPC #: 6 05245 01125 7 and Enjoy Small World Wins Gummies – Classic – Strawberry. Green Apple. Peach. Watermelon Lime; UPC #: 6 05245 01124 0, that PIVOT has sold, offered for sale, manufactured, or distributed in California. All such items shall be referred to herein as "Covered Products."

1.4. Notice of Violation

On or about August 7, 2026, PARSEGHIAN alleges he served PIVOT; Side Step Sweets LLC; and Walmart, Inc. and Wal-Mart.com USA LLC (together, "Walmart"); and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with documents entitled "60-Day Notice of Violation" ("Notice") that provided PIVOT and such public enforcers with notice that PIVOT was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Covered Products exposed users in California to lead. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notice.

1.5. No Admission

The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in PIVOT denies the allegations contained in PARSEGHIAN's Notice and maintains that all products that it has placed for sale and distribution in California, including the Covered Products, have been and are in compliance with Proposition 65 or any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by PIVOT of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by PIVOT of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by PIVOT. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of PIVOT 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, and signature pages have been exchanged. The "Compliance Date" shall be sixty (60) days after the Effective Date.

2. INJUNCTIVE RELIEF:

2.1 Beginning on the Compliance Date, PIVOT shall be permanently enjoined from manufacturing for sale in the State of California, "Distributing into the State of 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 per day, unless it meets the warning requirements under Section 2.2.

As used in this Settlement Agreement, the term "Distributing into the State of California" shall mean to directly ship a Covered Products into California for sale in California or to sell a Covered Products to a distributor that PIVOT knows or has reason to know will sell the Covered Products in California. The injunctive relief in Section 2 does not apply to any Covered Products that were in inventory, packaged, distributed or shipped by PIVOT prior to the Compliance Date and all claims as to such Covered Products are released in this Settlement Agreement.

For purposes of this Settlement Agreement, the "Daily Lead Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of recommended daily servings appearing on the label), which equals

micrograms of lead exposure per day. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one.

2.2 Clear and Reasonable Warnings

If PIVOT is required to provide a warning pursuant to Section 2.1, one of the following warnings must be utilized ("Warning").

Option 1:

WARNING: Consuming this product can expose you to chemicals including 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.

Option 2:

WARNING: Can expose you to lead, a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov/food.

Option 3:

WARNING: Risk of cancer and reproductive harm from exposure to lead. See www.P65Warnings.ca.gov/food.

In lieu of the word "WARNING," PIVOT may use "CALIFORNIA WARNING" or "CA WARNING."

The Warning shall be securely affixed to or printed upon the label of each Covered Products, and it must be set off from other surrounding information. For purposes of this Settlement Agreement, the term "label" means a display of written, printed or graphic material that is printed on or affixed to a Covered Products or its immediate container or wrapper. The warning must be set off from other surrounding information, enclosed in a box. If consumer information, as defined in Cal. Code. Regs. tit. 27, § 25600.1, on the package is in a foreign

language, the warning must also be provided in the foreign language. In addition, for any Covered Products sold over the internet, the Warning shall appear to the California consumer prior to purchase in full text or through a clearly marked hyperlink using the word "WARNING," "CALIFORNIA WARNING," or "CA WARNING" in all capital and bold letters when a California delivery address is indicated for any purchase of any Covered Products. If a hyperlink is used, the hyperlink must go directly to a page prominently displaying either the Option 1 Warning, the Option 2 Warning, or the Option 3 Warning without content that detracts from the Warning. The Warning shall comply with the safe harbor provisions applicable to the Covered Products and chemical at issue, as those regulations may be amended from time to time. The Parties agree that compliance with the Proposition 65 regulations applicable to the Covered Products and chemical at issue shall be deemed compliance with the warning requirements of this Agreement.

2.3 Correction Notice

In the event that PIVOT is allegedly not in compliance with this Agreement, PARSEGHIAN shall provide PIVOT with written notice of non-compliance (the "Compliance Notice") before it may issue a Notice of Violation. PIVOT, upon receiving the Compliance Notice, may bring Covered Products into compliance or demonstrate that Covered Products are already compliant within thirty (30) days of receipt of the Compliance Notice. If Covered Products are brought into compliance or demonstrated to be compliant during this period, PARSEGHIAN shall take no further action.

3. CONSIDERATION

In settlement of all the claims referred to in this Settlement Agreement, the Parties reached an accord on the compensation due, under the private attorney general doctrine and

principles of contract law. Under these legal principles, PIVOT shall pay \$30,000.00 as settlement and for fees and costs, incurred as a result of investigating and bringing this matter to PIVOT's attention.

4. PENALTIES PURSUANT TO HEALTH & SAFETY CODE SECTION 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, \$4,000.00 shall be considered a "civil penalty." The civil penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds (\$3,000.00) remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty (\$1,000.00) shall be remitted to PARSEGHIAN. PIVOT shall make these payments on or before the date that is ten (10) business days after the Effective Date, at which time such payments shall be made as follows:

(a) The \$1,000.00 payment owed to PARSEGHIAN shall be payable to "Berj Parseghian" and sent to:

**KJT LAW GROUP LLP
230 Maryland Avenue, Suite 306
Glendale, CA 91206**

(b) The \$3,000.00 payment owed to OEHHA shall be sent directly to OEHHA at the following addresses:

For United States Postal Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA. 95812-0410

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street, MS #19B
Sacramento, CA 95814.

In PIVOT's sole discretion, the payments to PARSEGHIAN and OEHHA may be made via wire transfer.

5. REIMBURSEMENT OF FEES AND COSTS

In settlement of all the claims referred to in this Settlement Agreement, \$26,000.00 shall be considered reimbursement of PARSEGHIAN's attorneys' fees, expert and investigation fees, and related costs associated with this matter and the Notice. The Parties reached an accord on the compensation due to PARSEGHIAN and his counsel under the private attorney general doctrine and principles of contract law. PIVOT shall mail a check payable to "KJT Law Group," via certified mail on or before the date that is ten (10) business days after the Effective Date, at which time such payment shall be made as follows:

All payments owed to PARSEGHIAN's counsel shall be sent to:

KJT LAW GROUP LLP
231 Maryland Avenue, Suite 306
Glendale, CA 91206.

In PIVOT's sole discretion, the payment to PARSEGHIAN's counsel may be made via wire transfer.

PARSEGHIAN and his counsel acknowledge that PIVOT cannot make any payments under this Agreement until it receives the requisite tax documentation for the payees from PARSEGHIAN's counsel.

6. RELEASE OF ALL CLAIMS

6.1. Release of PIVOT, Downstream Customers and Upstream Vendors

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 through 6 above, PARSEGHIAN, on behalf of himself, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims relating to the Covered Products, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses (including, but not limited to, investigation fees, expert fees and attorneys' fees) against PIVOT, its equity owners, parent companies, corporate affiliates, subsidiaries, predecessors, successors and assigns, and each of its distributors, wholesalers, online marketplaces, licensors, licensees, auctioneers, and retailers, including, but not limited to, Side Step Sweets LLC and Walmart (collectively, "Releasees") for any alleged violations of Proposition 65 arising from alleged exposure to lead in relation to the Covered Products, up through the Compliance Date. This release applies to Covered Products in inventory or the stream of commerce prior to the Compliance Date.

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. This Settlement Agreement is expressly intended to cover and include all such claims up through the Compliance Date. PARSEGHIAN, in his capacity, expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on him by the provisions of California Civil Code section 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that he 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.

PARSEGHIAN acknowledges and understands the significance and consequences of this specific waiver of California Civil Code section 1542.

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. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

For PIVOT: Sherry E. Jackman, Esq.
Sedina L. Banks, Esq.
GREENBERG GLUSKER LLP
2049 Century Park East, Suite 2600
Los Angeles, CA 90067

For PARSEGHIAN: Tro Krikorian, Esq.
KJT Law Group, LLP
230 N. Maryland Ave., Suite 306
Glendale, CA 91206

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

9. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or e-signatures, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments, and understandings. No other agreements, oral or otherwise, exist to bind either of the Parties.

11. MODIFICATION

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

12. DRAFTING

No inference, assumption or presumption shall be drawn, and no provision of this Agreement shall be construed against any of the Parties, based upon the fact that one of the Parties and/or one of the Parties' attorneys prepared and/or drafted all or any portion of this Agreement. It is conclusively presumed that the Parties participated equally in the preparation and drafting of this Agreement.

13. 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.

14. PUBLIC BENEFIT

It is the Parties' understanding that the commitments PIVOT has agreed to herein, and actions to be taken by PIVOT under this Settlement Agreement confer a significant benefit to the general public, as set forth in Cal. Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of the Parties 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 PIVOT's alleged failure to provide a warning concerning actual or alleged exposure to lead and lead compounds 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 the Covered Products addressed in this Settlement Agreement, provided that PIVOT is in material compliance with this Settlement Agreement.

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15. 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.

IN WITNESS WHEREOF, the Parties have agreed, accepted, and executed this Agreement on the date written.

Executed on 10/12/2026.

Berj Parseghian

DocuSigned by:
BERJ PARSEGHIAN
47B4A0E5007E404
By:

Executed on 10/8/2026.

Pivot Sweets, LLC


By: Michael McDonald

Its: President/CEO