# SETTLEMENT AND RELEASE AGREEMENT

## 1. INTRODUCTION

### 1.1. Clean Product Advocates, LLC and Lusamerica Foods, Inc.

This Settlement Agreement is entered into by and between Clean Products Advocates, LLC ("CPA"), on the one hand, and Lusamerica Foods, Inc ("Lusamerica"), on the other hand, with CPA and Lusamerica collectively referred to as the "Parties."

### 1.2. General Allegations

CPA alleges that Lusamerica distributed and offered for sale in the State of California "Berkeley Bowl Wild/Pre-Frozen 16/20 Pink EZ Peel Shrimp, Argentinian" containing Cadmium, 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.* and its implementing regulations ("Proposition 65"). California has identified and listed Cadmium under Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm.

### 1.3. Product Description

The products that are covered by this Settlement Agreement are defined as Berkeley Bowl Wild/Pre-Frozen 16/20 Pink EZ Peel Shrimp, Argentinian and including but not limited to seafood products that Lusamerica has imported, sold, offered for sale or distributed in California. All such items shall be referred to herein as the "Products."

### 1.4. Notice of Violation

On 08/11/2026 CPA allegedly served Lusamerica Foods, Inc.; Berkeley Bowl Produce, Inc. and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with a document entitled "60-Day Notice of Violation" ("Notice") that provided Lusamerica and such public enforcers with notice that Lusamerica was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Products exposed users in California to Cadmium. 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 the Notice concerning Lusamerica's compliance with Proposition 65. Lusamerica denies the material factual and legal allegations contained in CPA's Notice and maintains that all products that it has knowingly distributed in California, including the Products, have been and are in compliance with Proposition 65 Nothing in this Settlement Agreement shall be construed as an admission by Lusamerica 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 Lusamerica of any fact, binding, conclusion, issue of law, or violation of law, such being specifically denied by Lusamerica on its behalf. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Lusamerica 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.

## 2. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS

As of the Effective Date, Lusamerica, at its sole discretion, agrees to either (a) cease selling, offering for sale or distributing the Products in California, (b) import, or otherwise source for authorized sale in California only Reformulated Products, as defined pursuant to Section 2.1 below, or (c) provide a clear and reasonable Proposition 65 warning on the Products pursuant to Section 2.2 below.

### 2.1. Reformulation Standards

The Products shall be deemed to comply with Proposition 65 with regard to Cadmium and be exempt from any Proposition 65 warning requirements for Cadmium in the Products if the exposure does not exceed 4.1 micrograms of Cadmium per day as calculated below ("Reformulated Products").

For the Purpose of this Agreement, the amount of Cadmium a person is exposed to from the Covered Product shall be calculated using the following formula: micrograms of Cadmium 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 servings recommended on the product label), which equals micrograms of Cadmium exposure per day.

Products that were supplied or contracted to be supplied to third parties by Lusamerica prior to 6 months after the Effective Date shall be deemed exempted from the requirements of this Section 2 and shall be permitted to be sold through as previously manufactured, packaged and labeled.

### 2.2. Warning Option

Products that do not meet the warning exemption standard set forth in Section 2.1 above shall be accompanied by a warning as described in Section 2.3 below. This warning requirement shall only be required as to Products that are manufactured, distributed, marketed, imported, sold, shipped for sale or offered for sale to consumers by Lusamerica in the State of California. No Proposition 65 warning shall be required for any Products that are supplied or contracted to be supplied to third parties by Lusamerica prior to 6 months after the Effective Date, and all such Products are hereby deemed to be exempt from Proposition 65 enforcement.

**2.3. Warning Language**

2.3.1. A clear and reasonable exposure Warning must be provided for Covered Product(s) that do not qualify as Reformulated Products under Section 2.1 and that Lusamerica distributes into the State of California after the Compliance Date. The Warning shall consist of either the Standard Warning (under 2.3.1. (a)) or the Short-Form Warning (under 2.3.1. (b)).

a. Standard Warning. The Standard Warning shall consist of the statement:

> **WARNING**: Consuming this product can expose you to chemicals including Cadmium, which are 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

b. Short-Form Warning. The Short-Form Warning shall consist of either of the the statements below:

> **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

The font size of the Short-Form warning must be a minimum of 6 points, and it cannot be smaller than the largest size font used for Consumer Information.

Warning language on products manufactured on or after **January 1, 2028** must use the Short-Form Warning requirements outlined in Section 25603(b)(3) and must include at least one chemical name for each applicable endpoint (cancer and/or reproductive toxicity).

2.3.2. Print Warning. Standard Warning or Short-Form Warning provided pursuant to Section 2.3 in print form must:

a. contain the word "**WARNING**:" in all capital letters, in bold font, followed by a colon;
b. be affixed to or printed on the Products' label, or on a placard, shelf tag, sign or electronic device;
c. 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 under customary conditions of purchase or use;
d. be set off from other surrounding information;
e. be enclosed in a box with a black, bold border.

2.3.3. Online/Internet Warning. If Lusamerica Foods, Inc. or a Distributor sell(s) Covered Product via internet websites to customers located in California, a warning meets the requirements of this subarticle if it complies with the content requirements of Section 25603 and the warning must also be provided using one or more of the following methods:

(a) a warning on the product display page, or

(b) 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

(c) an otherwise prominently displayed warning provided to the purchaser prior to completing the purchase. If the warning is provided using the short-form warning label content pursuant to Section 25602(a)(4), the warning provided on the website may use the same content. For purposes of this subsection, the warning is not prominently displayed if the purchaser must search for it in the general content of the website.

2.3.4. For internet purchases made before January 1, 2028, 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).

2.3.5 FOREIGN LANGUAGE - 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.

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

In full satisfaction of all potential civil penalties and attorney's fees, costs and any other expenses incurred by CPA or its counsel. Lusamerica shall pay the total Settlement amount of Fourteen Thousand Dollars ($14,000) (The "Settlement Amount") as set forth below.

3.1 **Civil Penalties to Health & Safety Code 25249.7 (B):**

Five Hundred Dollars of the Settlement Amount shall be considered a "civil penalty" pursuant to California Health and Safety Code. Lusamerica shall issue two separate checks within ten (10) days of the Effective Date for a total amount of Five Hundred Dollars ($500) as follows, and all payments shall be delivered to the addresses listed below.

3.1 (a) One Check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of Three Hundred Seventy Five Dollars ($375), representing 75% of the total civil penalty; and

3.1 (b) One check payable to "Clean Product Advocates, LLC" in the amount of One Hundred Twenty Five Dollars ($125), representing 25% of the total civil penalty.

3.2 **Attorney's Fees and Costs:**

Thirteen Thousand Five Hundred Dollars ($13,500) of the total Settlement Amount shall be paid to Cliffwood Law Firm, PC within ten (10) days of the Effective Date, as CPA's attorneys, for reasonable investigation fees, and costs, attorney's fees, and any other cost incurred as a result of investigating and bringing this matter to Lusamerica's attention.

## 4. PAYMENT PROCEDURES

4.1 All Payments owed to OEHHA, pursuant to section 3.1(a) shall be delivered directly to OEHHA (Memo line "Prop 65 Penalties NOV #2026-03950") at the following address:

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

4.2 All Payments owed to CPA, pursuant to Section 3.1(b) shall be delivered to:

CPA
% Elham Shabatian, Esq.
Cliffwood Law Firm, PC
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

4.3 All Payments owed to Cliffwood Law Firm, PC pursuant to Section 4.3, shall be delivered to:

Cliffwood Law firm, PC
Attn: Elham Shabatian, Esq.
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

4.4 **PROOF OF PAYMENT**

A copy of each check payable to OEHHA, shall be mailed to Cliffwood Law firm, PC, simultaneous with payment to Cliffwood Law Firm, PC at the address set forth above, as proof of payment to OEHHA.

## 5. RELEASE OF ALL CLAIMS

### 5.1. Release of Lusamerica, 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 and 4 above, CPA, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, parents, subsidiaries its past and current agents, representatives, attorneys, successors and/or assignees (collectively, "Releasors"), hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and fully releases all claims relating to the 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) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against (a) Lusamerica (b) each of Lusamerica's downstream distributors in the stream of commerce (including but not limited to Berkeley Bowl Produce, Inc. and any other upstream or downstream entities in the distribution chain for the Products, including, but not limited to, manufacturers, wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, third-party re-sellers, and users, (including but not limited to Aqua Star)(c) Lusamerica 's parent companies, corporate affiliates, subsidiaries, affiliates, doing business as entities ("DBAs"), successor companies, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities, and (d) the employees, shareholders, officers, directors, members, managers, equity owners, insurers, attorneys, predecessors, successors and assigns of any of the entities identified in subsection (a) and (c), above (collectively "Releasees"). CPA also, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees and *not* in its representative capacity, provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of any nature, character or kind, known or unknown, suspected or unsuspected, against Lusamerica and the Releasees. CPA agrees it will not knowingly file any Prop. 65 notices against Lusamerica and will promptly withdraw any such notices within 15 days of Lusamerica's request.

**5.2 Lusamerica's Release of CPA**

Lusamerica, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against CPA, its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by CPA and/or its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter or with respect to the Products.

**5.3 California Civil Code § 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 Products will develop or be discovered. CPA on behalf of itself only, on one hand, and Lusamerica, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action thereof. The Parties acknowledge that the claims released in §§ 5.1 and 5.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 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.

CPA and Lusamerica each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

**6. 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. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Lusamerica shall have no further obligations pursuant to this Settlement Agreement.

**7. 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) electronic mail; or (ii) overnight courier on any party by the other party at the following addresses:

**For Lusamerica Foods, Inc.:**
Heinz Binder, Esq.
Heinz Binder Law
641 Morse Street, San Jose, CA. 95126

**For Clean Product Advocates, LLC:**
Elham Shabatian Esq.
Cliffwood Law Firm, PC
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

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

**8. 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.

**9. 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

**10. MODIFICATION**

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

**11. 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: October 29, 2026

Name: FERNANDO FREDERICO
Title: PRESIDENT
Lusamerica Foods, Inc.

Date: October , 2026

10/29/2026

Name:
Title: Deki Yangzom, Director
Clean Products Advocates, LLC