1 2	Reuben Yeroushalmi (SBN 193981) YEROUSHALMI & YEROUSHALMI An Association of Independent Law Corporation	FILED Superior Court of California County of Los Angeles
3	9100 Wilshire Boulevard, Suite 240W Beverly Hills, California 90212 Telephone: 310.623.1926 Facsimile: 310.623.1930	06/15/2023 David W. Slayton, Executive Officer / Clerk of Cour
4		By: P. Herrera Deputy
5	Attorneys for Plaintiff,	
6	Consumer Advocacy Group, Inc.	
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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
9	COUNTY OF LOS ANGELES	
10	CONSUMER ADVOCACY GROUP, INC., in the public interest,	Case Number: 21STCV01324
11		Related to: CGC-13-536301
12	Plaintiff	
13		REVISED CONSENT JUDGMENT [PROPOSED]
14	V. AMAZON.COM, LLC, a Delaware Limited Liability Company; AMAZON.COM SERVICES, INC., a Delaware Corporation; RHEE BROS., INC., a Maryland Corporation; KOREAN FARM, INC., a California Corporation and DOES 1-10,	Health & Safety Code § 25249.5 et seq.
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21	Defendants.	
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1. INTRODUCTION

1.1 This Consent Judgment is entered into by and between plaintiff, CONSUMER ADVOCACY GROUP, INC. (referred to as "CAG") acting on behalf of itself and in the interest of the public, on the one hand, and defendants, Rhee Bros., Inc. ("Rhee Bros."), and Korean Farm., Inc. ("Korean Farm"), (hereinafter jointly referred to as "Defendants"), on the other hand, with each a Party to the actions referenced below, and collectively referred to as "Parties."

1.2 Defendants and Products

- 1.2.1 Korean Farm is a California corporation which employs ten or more persons. Rhee Bros. is a Maryland corporation. Defendants distribute, and sell: **Rice** (hereinafter referred to as the "Covered Products")
- 1.2.2 For purposes of this Consent Judgment, Korean Farm is deemed to be a person in the course of doing business in California and is subject to the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.6 et seq. ("Proposition 65"). Rhee Bros. disputes the allegation that it is a person in the course of doing business in California, subject to the provisions of Proposition 65. However, for purposes of this Consent Judgment only, Rhee Bros. consents to be subject to the provisions of Proposition 65.

1.3 Chemicals of Concern

1.3.1 Lead and Lead Compounds (hereinafter "Lead") are known to the State of California to cause cancer and/or birth defects or other reproductive harm.

1.4 **Notices of Violation**

1.4.1 On or about September 10, 2013, CAG served Defendants and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (hereinafter the "2013 Notice") that provided the Defendants with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead in Rice sold and/or distributed by Defendants. No other public enforcer has commenced or diligently prosecuted the allegations set forth in the 2013 Notice.

1.4.2 On or about August 25, 2020, CAG served Defendants and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (hereinafter the "2020 Notice") that provided the Defendants with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead in Rice sold and/or distributed by Defendants. No other public enforcer has commenced or diligently prosecuted the allegations set forth in the 2020 Notice.

1.5 Complaints

- 1.5.1 On December 19, 2013, CAG filed a complaint for civil penalties and injunctive relief (the "2013 Complaint") in San Francisco Superior Court, Case No. CGC-13-536301 against Defendants. The 2013 Complaint alleges, among other things, that Defendants violated Proposition 65 by failing to give clear and reasonable warnings of exposure to Lead from Covered Products.
- 1.5.2 On or about February 17, 2015, the 2013 Complaint was coordinated and assigned Judicial Council Coordination Proceeding number 4816 (the "JCCP Action").
- 1.5.3 On January 12, 2021, CAG filed a complaint for civil penalties and injunctive relief (the "2021 Complaint") in Los Angeles Superior Court, Case No.
 21STCV01324 (the "2021 Action"), against Defendants. The 2021 Complaint alleges, among other things, that Defendants violated Proposition 65 by failing to give clear and reasonable warnings of exposure to Lead from Covered Products. The 2013 Complaint and the 2021 Complaint are hereinafter referred to as the "Complaints."
- 1.5.4 On June 21, 2022, the 2021 Action was deemed related to the JCCP Action and is now pending before Judge Berle in Department 6 of the Los Angeles Superior Court, Complex Division.

1.6 Consent to Jurisdiction

1.6.1 For purposes of this Consent Judgment, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaints and personal jurisdiction over Defendants as to the acts alleged in the Complaints, that venue is proper in the

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County of Los Angeles and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Complaints and of all claims which were or could have been raised by any person or entity based in whole or in part, directly or indirectly, on the facts alleged therein or arising therefrom or related thereto.

1.7 **No Admission**

This Consent Judgment resolves claims that are denied and disputed. The 1.7.1 Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. Nothing in this Consent Judgment shall be construed as an admission by the Parties of any material allegation of the Complaints, any fact, conclusion of law, issue of law or violation of law, including without limitation, any admission concerning any violation of Proposition 65 or any other statutory, regulatory, common law, or equitable doctrine, or the meaning of the terms "knowingly and intentionally expose" or "clear and reasonable warning" as used in Health and Safety Code section 25249.6. Nothing in this Consent Judgment, nor compliance with its terms, shall constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, or of fault, wrongdoing, or liability by Defendants, their officers, directors, employees, or parent, subsidiary or affiliated corporations, or be offered or admitted as evidence in any administrative or judicial proceeding or litigation in any court, agency, or forum. Furthermore, nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any other or future legal proceeding, except as expressly provided in this Consent Judgment.

2. **DEFINITIONS**

- 2.1 "Covered Products" means Rice sold or supplied by Defendants.
- 2.2 "Effective Date" means the date that this Consent Judgment is approved by the Court.
 - 2.3 "Lead" means Lead and Lead Compounds.
 - 2.4 "Listed Chemical" means Lead.

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3. INJUNCTIVE RELIEF / REFORMULATION / CLEAR AND REASONABLE WARNINGS.

- 3.1 The injunctive relief set forth herein will mirror the injunctive relief as set out in the Consent Judgment between CAG and the California Rice Commission in the JCCP Action and the Consent Judgment between CAG and Defendant Mercado Latino, Inc. in the 2013 Action. After the Effective Date, Defendants shall not, without the warning referenced below, sell in California, offer for sale in California, or ship for sale in California any Rice unless the level of Lead contained therein does not exceed 56 parts per billion ("ppb").
- 3.2 For any Covered Products that exceeds 56 ppb for the Listed Chemical, that are sold in California, offered for sale in California, or shipped for sale in California after the Effective Date, Defendants must provide a Proposition 65 compliant warning for the Covered Products as set forth below. Nothing is intended herein to provide for a permanent warning on Defendants' product if the concentration levels of Lead do not exceed 56 ppb. Any warning provided pursuant to this section shall be affixed to the packaging of, or directly on, the Covered Products, and 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. The warning must be set off from other surrounding information, enclosed in a box. Where the packaging of the Covered Product includes consumer information as defined by California Code of Regulations title 27 §25600.1(c) in a language other than English, the warning must also be provided in that language in addition to English. Should Defendants sell any Covered Product through the internet, the warning will be posted in the manner provided for with respect to internet sales, as provided for in 27 CCR sections 25601 and 25602, as they may be subsequently amended. The Parties agree that the following warning language shall constitute compliance with Proposition 65 with respect to the alleged Lead, in the Covered Products sold, offered for sale, or shipped for sale in California by Defendants after the Effective Date:

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.

- 3.3 For any Covered Products still existing in the Defendants' inventory as of the Effective Date, that will be sold, offered for sale, or shipped for sale, in California, Defendants shall place a Proposition 65 compliant warning on them, unless the Covered Products do not exceed their respective levels of Lead.
- 3.4 Defendants may use the short form warning language to sell through the Covered Products that exceeds 56ppb of Lead for 120 days after the Effective Date. The language of the warning will be as follows:
 - ▲ WARNING: Cancer and Reproductive Harm www.P65Warnings.ca.gov

After 120 days Defendants shall only use the long form warning as specified in Paragraph 3.2 above for Covered Products that exceeds 56ppb of Lead.

4. SETTLEMENT PAYMENT

- 4.1 **Payment and Due Date**: Defendants shall pay a total of one hundred thousand dollars (\$100,000) in full and complete settlement of all monetary claims by CAG related to the Notices, as follows:
- 4.1.1 **Civil Penalty**: Defendant shall issue separate checks totaling eight thousand five hundred and eighty dollars (\$8,580.00) as penalties pursuant to Health & Safety Code § 25249.12:
- (a) Defendants will issue a check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of six thousand

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four hundred and thirty-five dollars (\$6,435.00) representing 75% of the total penalty and Defendants will issue a separate check to CAG in the amount of two thousand one hundred and forty-five dollars (\$2,145.00) representing 25% of the total penalty; and

(b) Separate 1099s shall be issued for each of the above payments:

Defendants will issue a 1099 to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486). Defendants will also issue a 1099 to CAG c/o Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.

4.1.2 Additional Settlement Payments: Defendants shall make a separate payment, in the amount of six thousand four hundred and twenty dollars (\$6,420.00) as an additional settlement payment to "Consumer Advocacy Group, Inc." pursuant to Health & Safety Code § 25249.7(b) and California Code of Regulations, Title 11 § 3203(d). Defendants will issue a separate check to CAG for the Additional Settlement Payment. CAG will use this payment as follows, eighty five percent (85%) for fees of investigation, purchasing and testing for Proposition 65 listed chemicals in various products, and for expert fees for evaluating exposures through various mediums, including but not limited to consumer product, occupational, and environmental exposures to Proposition 65 listed chemicals, and the cost of hiring, consulting and retaining experts who assist with the extensive scientific analysis necessary for those files in litigation and to offset the costs of future litigation enforcing Proposition 65 but excluding attorney fees; fifteen percent (15%) for administrative costs incurred during investigation and litigation to reduce the public's exposure to Proposition 65 listed chemicals by notifying those persons and/or entities believed to be responsible for such exposures and attempting to persuade those persons and/or entities to reformulate their products or the source of exposure to completely eliminate or lower the level of Proposition 65 listed chemicals including but not limited to costs of documentation and tracking of products investigated, storage of products, website enhancement and maintenance, computer and software maintenance, investigative equipment, CAG's member's time for work done on investigations, office supplies, mailing supplies and postage. Within 30 days of a request from the Attorney

General, CAG shall provide to the Attorney General copies of documentation demonstrating how the above funds have been spent. CAG shall be solely responsible for ensuring the proper expenditure of such additional settlement payment.

- 4.1.3 **Reimbursement of Attorneys' Fees and Costs:** Defendants shall pay eighty-five thousand dollars (\$85,000.00) to "Yeroushalmi & Yeroushalmi" as reimbursement for reasonable investigation fees and costs, attorneys' fees, and any other costs incurred as a result of investigating, bringing this matter to Defendants' attention, litigating, and negotiating a settlement in the public interest.
- 4.2 Other than the payment to OEHHA described above, all payments referenced in paragraphs 4.1.1, 4.1.2, and 4.1.3 above, shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Blvd., Suite 240W, Beverly Hills, CA 90212. The payment to OEHHA shall be delivered to Office of Environmental Health Hazard Assessment, Attn: Mike Gyurics, 1001 I Street, Mail Stop 12-B, Sacramento, California 95812. Concurrently with payment to OEHHA, Defendants shall provide CAG with written confirmation that the payment to OEHHA was delivered.

5. MATTERS COVERED BY THIS CONSENT JUDGMENT

5.1 This Consent Judgment is a full, final, and binding resolution between CAG on behalf of itself and in the public interest and Defendants for failure to provide Proposition 65 warning of exposure to Lead, from the Covered Products as set forth in the Notices, and fully resolves all claims that have been or could have been asserted against Defendants in the 2013 Action, the 2021 Action, and the JCCP Action up through the Effective Date for failure to provide Proposition 65 warnings for the Covered Products regarding Lead. CAG, on behalf of itself and in the public interest, hereby discharges Defendants and their respective officers, directors, insurers, employees, parents, shareholders, members, divisions, subdivisions, subsidiaries, and their successors and assigns ("Defendant Releasees") and all customers, retailers and downstream entities in the distribution chain of the Covered Products to whom Defendants distributed or sold Covered Products, and the predecessors, successors and assigns of

any of them, and all of their respective officers, directors, shareholders, members, managers, employees, agents only as to Covered Products sold by the Defendants, including without limitation Amazon.com, LLC and Amazon.com Services, Inc. (collectively, "Downstream Releasees") (Defendant Releasees and Downstream Releasees are collectively referred to herein as the "Released Parties"), for all Covered Products placed into the stream of commerce up through the Effective Date for violations of Proposition 65 based on exposure to Lead from the Covered Products. Defendant's compliance with the terms of this Consent Judgment shall be deemed to constitute compliance with Proposition 65 regarding alleged exposures to Lead from the Covered Products. Nothing in this Section affects CAG's right to commence or prosecute an action under Proposition 65 against any person other than Defendant Releasees or Downstream Releasees after the Effective Date. The scope of the release for the Downstream Releasees is limited to the "Covered Products" distributed for sale by Defendants only.

5.2 CAG on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, 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 the Released Parties arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to Lead from the Covered Products. In furtherance of the foregoing, as to alleged exposures to Lead from the Covered Products, CAG on behalf of itself only, hereby waives any and all rights and benefits which it now has, or in the future may have, conferred upon it with respect to Claims arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to Lead from the Covered Products by virtue of the provisions of section 1542 of the California Civil Code, which provides 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.

CAG understands and acknowledges that the significance and consequence of this waiver of California Civil Code section 1542 is that even if CAG suffers future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, Claims arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to Lead from the Covered Products, including but not limited to any exposure to, or failure to warn with respect to exposure to Lead from the Covered Products, CAG will not be able to make any claim for those damages against Released Parties. Furthermore, CAG acknowledges that it intends these consequences for any such Claims arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to Lead from Covered Products as may exist as of the date of this release but which CAG does not know exist, and which, if known, would materially affect their decision to enter into this Consent Judgment, regardless of whether their lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

6. ENTRY OF CONSENT JUDGMENT

- 6.1 CAG shall file a motion seeking approval of this Consent Judgment pursuant to California Health & Safety Code § 25249.7(f). Upon entry of the Consent Judgment, CAG and Defendant waive their respective rights to a hearing or trial on the allegations of the 2013 Complaint or the 2021 Complaint.
- 6.2 The Parties shall make all reasonable efforts possible to have the Consent Judgment approved by the Court.
- 6.3 If this Consent Judgment is not approved in full by the Court, (a) this Consent Judgment and any and all prior agreements between the Parties merged herein shall terminate and become null and void, and the actions shall revert to the status that existed prior to the execution date of this Consent Judgment; (b) no term of this Consent Judgment or any draft

11. ATTORNEY FEES

thereof, or of the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall have any effect, nor shall any such matter be admissible in evidence for any purpose in the 2013 Action, 2021 Action, the JCCP Action, or in any other proceeding; and (c) the Parties agree to meet and confer to determine whether to modify the terms of the Consent Judgment and to resubmit it for approval.

7. MODIFICATION OF JUDGMENT

- 7.1 This Consent Judgment may be modified only upon written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any Party as provided by law and upon entry of a modified Consent Judgment by the Court.
- 7.2 Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with the other Party prior to filing a motion to modify the Consent Judgment.

8. RETENTION OF JURISDICTION

- 8.1 This Court shall retain jurisdiction of this matter to implement and enforce the terms of this Consent Judgment under Code of Civil Procedure § 664.6.
- 8.2 In any proceeding brought by either Party to enforce this Consent Judgment, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

9.. DUTIES LIMITED TO CALIFORNIA

9.1 This Consent Judgment shall have no effect on Covered Products sold by Defendants outside the State of California.

10. SERVICE ON THE ATTORNEY GENERAL

10.1 CAG shall serve a copy of this Consent Judgment, signed by the Parties, on the California Attorney General so that the Attorney General may review this Consent Judgment prior to its approval by the Court. No sooner than forty-five (45) days after the Attorney General has received the aforementioned copy of this Consent Judgment, and in the absence of any written objection by the Attorney General to the terms of this Consent Judgment, may the Court approve this Consent Judgment.

11.1 Except as specifically provided in Section 4.1.3 and 8.2, each Party shall bear its own costs and attorney fees in connection with this action.

12. GOVERNING LAW

- 12.1 The validity, construction and performance of this Consent Judgment shall be governed by the laws of the State of California, without reference to any conflicts of law provisions of California law.
- 12.2 The terms of this Consent Judgment shall be governed by the laws of the State of California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Consent Judgment are rendered inapplicable or are no longer required as a result of any such repeal or preemption, or rendered inapplicable by reason of law generally as to the Covered Products, then any Defendant subject to this Consent Judgment may provide written notice to CAG of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve a Defendant from any obligation to comply with any pertinent state or federal law or regulation.
- 12.3 The Parties, including their counsel, have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code § 1654.

1 **EXECUTION AND COUNTERPARTS 13.** 2 This Consent Judgment may be executed in counterparts and by means of 13.1 3 facsimile or portable document format (pdf), which taken together shall be deemed to constitute 4 one document and have the same force and effect as original signatures. 5 14. **NOTICES** 6 Any notices under this Consent Judgment shall be by First-Class Mail or E-mail. 14.1 7 If to CAG: 8 Reuben Yeroushalmi 9 YEROUSHALMI & YEROUSHALMI 9100 Wilshire Boulevard, Suite 240W 10 Beverly Hills, CA 90212 (310) 623-1926 11 Email: lawfirm@yeroushalmi.com 12 13 If to Defendants.: 14 David C. Bolstad 15 **Christopher Foster** 16 SAFARIAN CHOI & BOLSTAD LLP 555 S. Flower Street, Suite 650 17 Los Angeles, CA 90071 (213 481 6565 18 dbolstad@safarianchoi.com 19 20 **15. AUTHORITY TO STIPULATE** 21 Each signatory to this Consent Judgment certifies that he or she is fully authorized 15.1 22 by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of 23 the party represented and legally to bind that party. 24 25 26 27 **AGREED TO: AGREED TO:** 28 13

Date: ______, 2023 Date: _____, 2023 Name: Name: Title: Title: KOREAN FARM, INC. RHEE BROS, INC. **AGREED TO:** CONSUMER ADVOCACY GROUP, INC. IT IS SO ORDERED. Date: JUDGE OF THE SUPERIOR COURT

CONSENT JUDGMENT [PROPOSED]

Date: 6 Date: ______, 2023 St2/13hm Name: STEVEN RHEE Name: _____ Title: PREST DEWT Title: RHEE BROS, INC. KOREAN FARM, INC. **AGREED TO:** Date: ______, 2023 Name: _____ Title: CONSUMER ADVOCACY GROUP, INC. IT IS SO ORDERED. Date: JUDGE OF THE SUPERIOR COURT

CONSENT JUDGMENT [PROPOSED]

Date: _______, 2023 Date: JUNE 5, 2023, 2023 Name: RUBIN RIME Name: Title: PRESIDENT Title: RHEE BROS, INC. KOREAN FARM, INC. AGREED TO: Date: ______, 2023 Name: Title: CONSUMER ADVOCACY GROUP, INC. IT IS SO ORDERED. Elihu M. Berle Date: R'}^ÁFÍÉAG€GH Elihu M. Berle / Judge JUDGE OF THE SUPERIOR COURT