

SETTLEMENT AGREEMENT

BETWEEN

CONSUMER ADVOCACY GROUP, INC.

AND

YOUNG SUNG (U.S.A.), INC.

Consumer Advocacy Group, Inc., on behalf of itself and in the public interest pursuant to Health and Safety Code section 25249.7, subdivision (d) ("CAG") and Young Sung (U.S.A.), Inc. ("YOUNG SUNG") (collectively, the "Parties") enter into this agreement ("Settlement Agreement") to settle this case of alleged Proposition 65 violations for the purpose of avoiding prolonged and costly litigation:

1.0 Introduction

1.1 CAG is a California-based non-profit entity that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.

1.2 YOUNG SUNG is the manufacturer or distributor of certain consumer products. The consumer products in question are (1) Steering Wheel Cover (Stating on its packing "Fits Most Steering Wheels. 14 1/2" - 16" (37cm - 40.6cm) Diameter." "Stretch and Adjust Cover Over Wheel Young Sung USA Inc. Los Angeles, CA 90006"); (2) YINHONG TYPE R Steering Wheel Lock #YH6080 (referred to throughout as the "Covered Product").

1.3 CAG alleges that the Covered Product contains LEAD and YOUNG SUNG did not conform to the standards set forth in the California Safe Drinking Water and Toxic Enforcement Act (*Cal. Health & Safety Code* § 25249.5, *et seq.* ("Proposition 65")). On February 27, 1987, the Governor of California added LEAD to the list of chemicals known to the State to cause reproductive toxicity, developmental, female, male, *Cal. Code Regs. tit. 27, § 27001(c)*. On October 1, 1992, the Governor of California added LEAD to the list of chemicals known to the State to cause cancer, *Cal. Code Regs. tit. 27, § 27001(c)*. Twenty (20) months after its inclusion in these lists, LEAD became subject fully to the discharge prohibitions and warning requirements of Proposition 65.

1.4 On December 23, 2009, CAG served YOUNG SUNG and public enforcement agencies with a document entitled "Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of

1986" ("Notice"). The Notice alleged that YOUNG SUNG violated Proposition 65 by failing to warn consumers in California that use of the Covered Product exposes persons to LEAD.

1.5 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below, including but not limited to the existence and sufficiency of any purportedly Proposition 65-compliant warnings on the Covered Product ("Dispute").

1.6 By execution of this Settlement Agreement, the Parties do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission or evidence of fault, wrongdoing, or liability by YOUNG SUNG, its officers, directors, employees, or parent, subsidiary or affiliated corporations, in any administrative or judicial proceeding or litigation in any court, agency, or forum. Except for the cause of action and allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that CAG and YOUNG SUNG may have against one another in any other pending legal proceeding as to allegations unrelated to those alleged in the Dispute.

2.0 Release

2.1 Upon execution of this Settlement Agreement, CAG fully releases and forever discharges only YOUNG SUNG, its principals, spouses, heir, successors, and shareholders, its accountants, attorneys, and agents (collectively, "Released Parties") from all known and unknown rights, claims, causes of action, damages, suits, penalties, liabilities, injunctive relief, declaratory relief, and attorney fees, costs, and expenses related to or arising out of the facts and claims alleged in the Dispute. Without limiting the foregoing, the Parties intend the scope of this release to cover all Claims Covered (as defined in Section 3 below) as to the Released Parties put in controversy by the Dispute.

2.2 CAG has full knowledge of the contents of Section 1542 of the Civil Code. CAG acknowledges that the claims released in section 2.1 above may include unknown claims and waives Section 1542 as to any such unknown claims. Section 1542 reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH
THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS

OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

CAG acknowledges and understands the significance and consequences of this specific waiver of Civil Code Section 1542.

3.0 Claims Covered

3.1 This Settlement Agreement is a final and binding resolution between CAG and the Released Parties of the following claims and cause of action:

All Proposition 65 claims and any and all other claims that were or could have been asserted in the Dispute arising from or related to allegations that the Released Parties exposed, knowingly and intentionally, users of the Covered Product and others to such use to LEAD, a chemical designated by the State of California to cause cancer, reproductive toxicity, developmental, female, male, without first giving clear and reasonable warning of such to persons exposed up to the effective date of this Settlement Agreement.

4.0 Defendant's Duties

4.1 YOUNG SUNG agrees, promises, and represents that upon execution of this Settlement Agreement, it will not sell or distribute the Covered Product in California as well as throughout the United State in the future unless the product is reformulated in such a fashion that no lead or other Proposition 65 listed chemicals would exist in the Covered Product.

5.0 Payments

5.1 YOUNG SUNG shall compensate CAG a total of \$22,000.00 (the "Settlement Amount") to recover all its costs and attorney's fees. The payment shall be made to "YEROUSHALMI & ASSOCIATS."

6.0 Authority to Enter Into Settlement Agreement

6.1 CAG represents that its signatory to this Settlement Agreement has full authority to enter into this Settlement Agreement on behalf of CAG and to bind legally CAG. YOUNG SUNG represents that its signatory to this Settlement Agreement has full authority to enter into this Settlement Agreement on behalf of YOUNG SUNG and to bind legally YOUNG SUNG.

7.0 Attorney General Review

7.1 Consistent with section 3003, subdivision (a) of Title 11 of the California Code of Regulations, CAG shall submit this Settlement Agreement to the Attorney General's Office for review within five (5) days of the Parties' execution of this Settlement Agreement.

8.0 Execution in Counterparts and Facsimile

8.1 This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document. A facsimile or portable document format (PDF) signature shall be as valid as the original.

9.0 Entire Agreement

9.1 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 any of the Parties.

10.0 Modification of Settlement Agreement

10.1 Any modification to this Settlement Agreement shall be in writing by the Parties.

11.0 Application of Settlement Agreement

11.1 This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, CAG, its predecessors, successors, any affiliated company or individual, assigns and all officers, directors, and employees of any of the releasing entities, and the Released Parties identified in Section 2.1 above.

12.0 Notification Requirements

12.1 Any notice required or permitted hereunder shall be effective only if in writing and delivered in person or sent by telecopy, certified or registered mail return receipt requested, or traceable overnight delivery service, to the following designees:

For CAG:

Reuben Yeroushalmi
YEROUSHALMI & ASSOCIATES
9100 Wilshire Boulevard, Suite 610 E
Beverly Hills, CA 90212
Fax: (310) 623-1930

For YOUNG SUNG:

O Pyung Kwon, President
Young Sung (U.S.A.), Inc.
1122 South Alvarado Street
Los Angeles, CA 90006

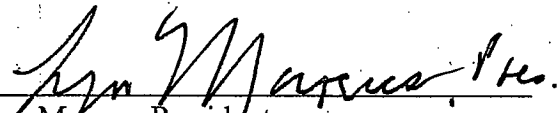
With a cc to:

Frederick W. Lee
Law Offices of Frederick W. Lee
500 N. State College Blvd., Suite 1200
Orange, CA 92868
Fax: (714) 634-1239

Any party may change its designee(s) for purposes of notification by providing notice of such change pursuant to this section.

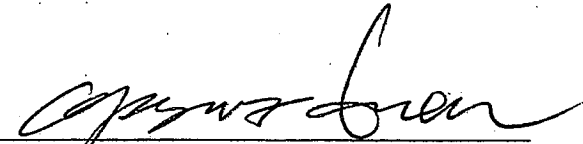
CONSUMER ADVOCACY GROUP, INC.

Dated: 7/26/10

By: 
Lyn Marcus, President

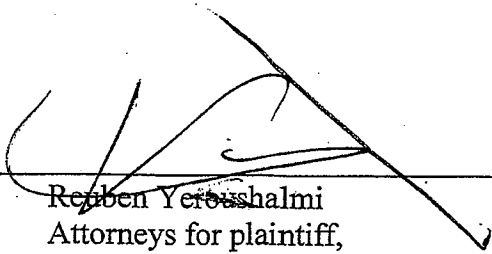
YOUNG SUNG (U.S.A.), Inc.

Dated: 7/13/10

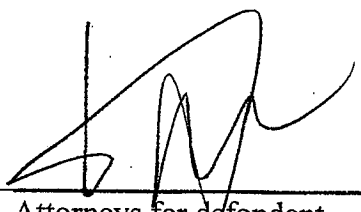
By: 
O Pyung Kwon, President

As to form only:

Dated: 7/26/10

By: 
Reuben Yeroshalmi
Attorneys for plaintiff,
Consumer Advocacy Group, Inc.

Dated: 7/13/10

By: 
Attorneys for defendant,
Young Sung (U.S.A.), Inc.