

SETTLEMENT AGREEMENT
BETWEEN
CONSUMER ADVOCACY GROUP, INC.
AND
WANG GLOBALNET, SAMJIN GLOBALNET CO., LTD.

Consumer Advocacy Group, Inc. ("CAG"), and Wang Globalnet ("Wang"), Samjin Globalnet Co., Ltd. ("Samjin"), Wang Globalnet Trading, BC Ltd., and Hanmi, Inc. dba Wang Globalnet (collectively referred to as "GLOBALNET"), enter into this agreement ("Settlement Agreement") for the purpose of avoiding prolonged and costly litigation to settle CAG's allegations that GLOBALNET violated Proposition 65. CAG and GLOBALNET are collectively referred to hereafter as the "Parties." The effective date of this Settlement Agreement shall be the date 90 days after which it is fully executed by all Parties hereto (the "Effective Date").

1.0 Introduction

1.1 CAG is a California-based 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 GLOBALNET previously sold, at various times, Seasoned Seaweed snacks, including but not limited to "SEASONED SEAWEED (LAVER), ALGUE SECHEE ASSAISONNE" KOREA (NET WT/ POIDS NET: 5G 0.17 oz) Item No. 17187 UPC: 0 87703 17187 9, and WANG ALL NATURAL CRISPY SEA SNACK, UPC: 0 87703 17959 2 (all such seaweed snacks manufactured, imported and/or sold by GLOBALNET in California are hereafter

referred to as the "Covered Products"). The Covered Products are limited to those manufactured, imported and/or sold by GLOBALNET.

1.3 CAG alleges that the Covered Products contain Lead and that GLOBALNET did not provide a required warning in compliance with the California Safe Drinking Water and Toxic Enforcement Act (*Cal. Health & Safety Code* § 25249.5, *et seq.* ("Proposition 65")).

1.4 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, and on October 1, 1992, the Governor added lead and lead compounds to the list of chemicals known to the State to cause cancer. These additions took place more than twenty (20) months before CAG served its "Sixty-Day Notice of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986" which is further described below.

1.5 Lead and Lead Compounds are referred to hereafter as the "Listed Chemical".

1.6 On or about September 16, 2014 CAG served Wang Globalnet, Samjin Globalnet Co., Ltd., Wang Globalnet Trading BC Ltd., Hanmi, Inc. dba Wang Globalnet, Shinmi Australia Pty. Ltd., KS Victoria Pty. Ltd., Asian Savour World Pty. Ltd., HNK, Inc., Koha Oriental Foods, Green Farm Market, and certain relevant 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" regarding Covered Products allegedly containing the Listed Chemical (the "Notice").

1.7 CAG's Notice alleges that GLOBALNET and the other noticed parties violated Proposition 65 by failing to warn consumers in California that use and/or consumption of the Covered Products exposes California consumers to the Listed Chemical.

1.8 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below concerning GLOBALNET's compliance with Proposition 65 with respect to the alleged Listed Chemical contained in the Covered Products (the "Dispute").

1.9 GLOBALNET denies the material factual and legal allegations contained in the Notice, and maintains that all of the products that it has sold and distributed in California, including the Covered Products, have been, and are, in compliance with all laws, and are completely safe for their intended use. By execution of this Settlement Agreement, GLOBALNET does 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 GLOBALNET 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 GLOBALNET, its officers, directors, employees, or parents, subsidiaries or affiliated corporations, in any administrative or judicial proceeding or litigation in any court, agency, or forum. Except for the allegations settled and compromised,

nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that GLOBALNET may have in any other pending legal proceeding as to allegations unrelated to the Dispute or claims released herein.

2.0 Release

This Settlement Agreement is a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and: (a) GLOBALNET, and its owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively "Releasees"); and (b) all entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("Downstream Releasees"), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has been, could have been or may in the future be asserted against the Releasees and Downstream Releasees regarding exposing persons to the Listed Chemical and the failure to warn about exposure to the Listed Chemical arising in connection with the Covered Products manufactured, imported, shipped, and/or otherwise distributed prior to the Effective Date, even if sold by Downstream Releasees after the Effective Date. The Covered Products are limited to those manufactured, imported, distributed and/or sold by GLOBALNET.

CAG, and its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waive and release with respect to the Covered Products all rights to institute or participate in, directly or indirectly, any form of legal action, 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) (collectively "Claims"), against Releasees and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted with respect to the Covered Products manufactured, imported, distributed, and /or sold up to the Effective Date, including without limitation to the extent that such claims relate to Releasees' and/or Downstream Releasees' alleged exposure of persons to the Listed Chemical contained in the Covered Products or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Products.

CAG acknowledges that it is familiar with Section 1542 of Civil Code, which provides 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, and its past and current agents, representatives, attorneys, successors, and/or assignees expressly waive and relinquish any and all rights and benefits which they may have under, or which may be conferred on them by the provisions of Civil Code § 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that they may lawfully waive such rights or benefits pertaining to the released matters. The release in this section shall have no force or effect until the full amount of payments set forth in Section 4.0 below are paid in full.

3.0 GLOBALNET's Duties

3.1 GLOBALNET agrees, promises, and represents that, as of the Effective Date, to the extent it manufactures or imports any Covered Product for sale in California that exceeds 75 parts per billion ("ppb") of lead, it will provide warnings for such Covered Products that comply with Proposition 65. The warnings shall be provided in a clear and reasonable manner that will assure the warning is likely to be read or seen by the consumer prior to or at the time of sale or purchase. The Parties agree that product labeling stating that "WARNING: This product contains chemicals known to the State of California to cause cancer, birth defects, or other reproductive harm" shall constitute compliance with Proposition 65 with respect to the Listed Chemical in the Covered Products for any Covered Products that contain lead in excess of 75 ppb that were manufactured, imported, distributed and/or sold by Releasees or Downstream

Releasees after the Effective Date. Covered Products containing less than 75 ppb of the listed Chemical do not require a Proposition 65 warning.

3.2 Notwithstanding anything in this Agreement to the contrary, CAG agrees that GLOBALNET's compliance with this Settlement Agreement is compliance with Proposition 65 with respect to the Listed Chemical in Covered Products for both itself, the Releasees and the Downstream Releasees as to Covered Products manufactured, imported, and/or sold by Globalnet.

4.0 Payments

4.1 In complete resolution of all claims raised in the Notice, GLOBALNET agrees to pay a total of Thirty-six Thousand dollars (\$36,000) within seven (7) days of the full execution of this Settlement Agreement by separate checks apportioned as follows:

4.1.1 Payment to CAG: Five Thousand dollars (\$5,000) shall be paid to Consumer Advocacy Group, Inc. The check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. Upon the full execution of this Settlement Agreement, CAG shall provide GLOBALNET with CAG's Employer Identification Number.

4.1.2 Attorneys' Fees and Costs: Twenty-six Thousand dollars (\$26,000) of such payment shall be paid to Yeroushalmi & Associates, in complete resolution of any claim for CAG's attorneys, including for all CAG's investigation fees and costs, attorneys' fees, and all CAG's other costs

incurred as a result of investigating and bringing this matter to GLOBALNET's attention, and for negotiating and finalizing this Settlement Agreement. The check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. Upon the full execution of this Settlement Agreement, Yeroushalmi & Associates shall provide GLOBALNET with its Employer Identification Number.

4.1.3 Penalty: GLOBALNET shall issue two separate checks for a total amount of Five Thousand dollars (\$5,000) as civil penalties pursuant to Health & Safety Code § 25249.12. After investigation, CAG agrees that this civil penalty satisfies the public interest based on the relevant factors under Proposition 65. The two checks shall be issued as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of Three Thousand seven-hundred and fifty dollars (\$3,750), representing 75% of the total civil penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of One Thousand two-hundred and fifty dollars (\$1,250), representing 25% of the total civil penalty. Both checks shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. Additionally, two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of \$3,750. The second 1099 shall be issued in

the amount of \$1,250 to CAG and delivered to: Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. Upon receipt of the check for OEHHA's portion of the civil penalty, CAG shall transmit the check to OEHHA.

5.0 Authority to Enter Into Settlement Agreement

5.1 CAG represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind CAG to this Settlement Agreement.

5.2 GLOBALNET represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind GLOBALNET to this Settlement Agreement.

6.0 Report of the Settlement Agreement to the Office of the Attorney General Of California

6.1 CAG shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' execution of this Settlement Agreement.

7.0 Execution in Counterparts and Facsimile

7.1 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.

8.0 Entire Agreement

8.1 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.

9.0 Modification of Settlement Agreement

9.1 Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

10.0 Application of Settlement Agreement

10.1 This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, CAG, GLOBALNET, the Releasees and Downstream Releasees identified in Section 2 above.

11.0 Enforcement of Settlement Agreement

11.1 Any party may file suit before the Superior Court of the County of Los Angeles, consistent with the terms and conditions set forth in paragraphs 11.2 and 11.3 of this Settlement Agreement, to enforce the terms and conditions contained in this Settlement Agreement. The prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

11.2 No action to enforce this Settlement Agreement may be commenced or maintained, and no notice of violation related to the Covered Product may be served or filed against GLOBALNET by CAG, unless the party seeking enforcement or alleging violation notifies the other party of the specific acts alleged to breach this Settlement Agreement at least 90 days before serving or filing any action or Notices of Violation and the entity receiving the notice fails to comply with the requirements set forth in Section 11.3 below. Any notice to GLOBALNET must contain: (a) the name of the specific product; (b) the specific dates when the product was sold after the Effective Date in California without a warning if it contains over 75 ppb of the Listed Chemical; (c) the California store

or other place at which the product was available for sale to consumers; and (d) any other evidence or support for the allegations in the notice.

11.3 Within 30 days of receiving any notice sent by CAG pursuant to Section 11.2, GLOBALNET shall either: (1) send the store or other place at which the product was available for sale to the public in California a letter directing that the offending product be immediately removed from inventory and returned to GLOBALNET for full credit, including shipping costs; or (2) refute the information provided under Section 11.2. Should GLOBALNET send a letter directing removal of (or direct its sales agents to remove) the product without a warning from sale in California and provide a copy of said letter or written direction to CAG within 30 days of receipt of a notice of alleged violation under this Settlement Agreement, CAG shall take no further action to enforce the terms of this Settlement Agreement or otherwise prosecute the notice of alleged violation of this agreement, and Globalnet shall have no further obligations to CAG monetary or otherwise. Should the parties be unable to resolve the dispute, any party may seek relief under Section 11.1.

12.0 Notification Requirements

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

For CAG:

Reuben Yeroushalmi, Esq.
YEROUSHALMI & ASSOCIATES
9100 Wilshire Boulevard, Suite 240W
Beverly Hills, CA 90212

For GLOBALNET:

Michael Kwon
Wang Globalnet
2465 Fruitland Ave.
Vernon CA 90058

With Copy To:

James Robert Maxwell, Esq.
ROGERS JOSEPH O'DONNELL
311 California Street, 10th fl
San Francisco, CA 94104

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

13.0 SEVERABILITY

13.1 If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

14.0 GOVERNING LAW

14.1 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, preempted or is otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemical and/or the Covered

Products, then GLOBALNET shall provide written notice to CAG of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Covered Product are so affected.

CONSUMER ADVOCACY GROUP, INC.,

Dated: 3-27-15

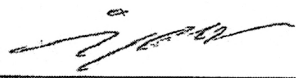
By: 

Printed Name: MICHEL SASSOON

Title: EXECUTIVE DIRECTOR

WANG GLOBALNET,

Dated: 3/25/2015

By: 

Printed Name: Yumin Lee

Title: SVP