

SETTLEMENT AGREEMENT
BETWEEN
CONSUMER ADVOCACY GROUP, INC.
AND

ROLAND FOODS, LLC AND AMERICAN ROLAND FOOD CORP.

Consumer Advocacy Group, Inc. (“CAG”) and Roland Foods, LLC and American Roland Food Corp. (jointly referred to as “Roland Foods”) enter into this agreement (“Settlement Agreement”) for the purpose of avoiding prolonged and costly litigation concerning claims and defenses regarding CAG’s allegations that Roland violated Cal. Health & Safety Code §§ 25249.5 *et seq* (“Proposition 65”). The effective date of this Settlement Agreement shall be the date upon which it is fully executed by all Parties hereto (the “Effective Date”). CAG and Roland are collectively referred to herein as the “Parties” and individually as a “Party.”

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 Roland Foods previously sold, at various times; the **“FENG SHUI, GLUTEN FREE, NO ARTIFICIAL COLORS, MAKI ROLLS SEAWEED WRAPPED RICE CRACKERS** (the “Covered Product”).

1.3 CAG alleges that Covered Product contains cadmium and that Roland Foods did not provide a required warning in compliance with Proposition 65.

1.4 On October 1, 1987, the Governor added Cadmium to the list of chemicals known to the State to cause reproductive toxicity. This addition 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 Cadmium is referred to hereafter as the “Listed Chemical”.

1.6 On or about December 15, 2014 CAG served Roland Foods, LLC, American Roland Food Corp., Fresh & Easy Neighborhood Market, Inc., The Yucaipa Companies LLC and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” (“Notice”) with respect to the Covered Product. The Notice alleged that Roland Foods and the other noticed parties violated Proposition 65 by failing to warn consumers in California that use of the Covered Product exposes persons to the Listed Chemical.

1.7 The Parties enter into this Settlement Agreement to settle disputed claims and defenses concerning the allegations regarding compliance with Proposition 65 (the “Dispute”).

1.8 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, or by any Releasee, of any fact, conclusion of law, issue of law, or violation of law, except with respect to an action seeking to enforce the terms of this

Settlement Agreement. 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 Roland Foods, its officers, directors, employees, members, managers, shareholders, equity owners, 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 CAG or Roland Foods may have against one another in any other pending legal proceeding as to allegations unrelated to the Dispute or claims released herein.

2.0 Release

2.1 This Settlement Agreement is a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and (a) Roland Foods and its respective owners, parents, subsidiaries, affiliates, sister and related companies, (b) all entities to which any of them directly or indirectly provide, distribute, or sell the Covered Product, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees, including but not limited to Fresh & Easy Neighborhood Market, Inc. and The Yucaipa Companies LLC (the entities identified in this subsection (b) are collectively referred to as “Downstream Releasees”), and (c) employees, shareholders, officers, directors, members, managers, equity owners, insurers, attorneys, predecessors, successors, and assigns of any of the entities identified in subsections (a) and (b), above (the entities identified in subsections (a), (b) and (c),

above, are collectively referred to as “Releasees”), with respect to the claims released in Section 2.2, below.

2.2 CAG, on behalf of itself and 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 against and releases and discharges the Releasees regarding any and all claims, actions, causes of action (in law or in equity), suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, expenses and fees (including, but not limited to, investigation fees, expert fees, and attorney’s fees) , and expenses (collectively, “Claims”) of any nature, character or kind, whether known or unknown, or suspected or unsuspected, which arise under Proposition 65, or any other statutory or common law, concerning alleged exposures to, or failure to warn of, any Listed Chemical in the Covered Product (“Released Claims”). CAG and Roland Foods agree that compliance with Section 3 of this Settlement Agreement shall be deemed to constitute compliance with Proposition 65 with respect to any Listed Chemical in the Covered Product, even if sold by Downstream Releasees after the Effective Date.

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, its past and current agents, representatives, attorneys, successors, and/or assignees expressly waives and relinquishes any and all rights and benefits which it may

have under, or which may be conferred on it 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 it 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 Roland Foods' Duties

3.1 Roland Foods, agrees, promises, and represents that, as of ninety (90) days following the Effective Date, it will cease to import or purchase any Covered Product for sale or distribution in California.

4.0 Payments

4.1 Roland Foods agrees to pay a total settlement amount of Thirty-eight thousand dollars (\$38,000.00) within ten (10) days of the Effective Date by separate checks apportioned as follows:

4.1.1 Payment to CAG: Six thousand dollars (\$ 6,000.00) 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. By the Effective Date, CAG shall provide Roland Foods with CAG's Employer Identification Number.

4.1.2 Attorneys' Fees and Costs: Twenty-six thousand dollars (\$26,000.00) of such payment shall be paid to Yeroushalmi & Associates, as CAG's attorneys, for reasonable investigation fees and costs, attorneys' fees, and any other costs incurred as a result of investigating and bringing this matter to Roland Foods' attention. The check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Associates, 9100

Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. By the Effective Date, Yeroushalmi & Associates shall provide Roland Foods with its Employer Identification Number.

4.1.3 Penalty: Roland Foods shall issue two separate checks for a total amount of six thousand dollars (\$6,000.00) as penalties pursuant to Health & Safety Code § 25249.12: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of four thousand five hundred dollars (\$4,500.00), representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of one thousand five hundred dollars (\$1,500.00), representing 25% of the total 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 \$4,500.00. The second 1099 shall be issued in the amount of \$1,500.00 to CAG and delivered to: Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.

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 Roland Foods represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Roland Foods 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 and the 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 incurred in 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 Roland Foods 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 Roland Foods must contain (a) the name of the product, (b) specific dates when the product was sold after the Effective Date in California without reformulation, (c) the store or other place at which the product was available for sale to consumers, and (d) any other evidence or other support for the allegations in the notice.

11.3 Within 30 days of receiving the notice described in Section 11.2, Roland Foods shall either (1) send the store or other place at which the product was available for sale to the public a letter directing that the offending product be immediately removed from inventory and returned to Roland Foods for full credit, including shipping costs, or (2) refute the information provided under Section 11.2. 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.
YERUSHALMI & ASSOCIATES
9100 Wilshire Boulevard, Suite 240W
Beverly Hills, CA 90212

For Roland Foods:

Sarah Esmaili, Esq.
Arnold & Porter LLP
Three Embarcadero Center,
10th Floor
San Francisco, CA 94111

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 Product, then Roland Foods, at its sole option, 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: 4-2-15

By: 

Printed Name: MUNEEL SASSOAN

Title: EXECUTIVE DIRECTOR

ROLAND FOODS, LLC and

AMERICAN ROLAND FOOD CORP.

Dated: 4/2/2015

By: 

Printed Name: James D. Wagner

Title: President