

**SETTLEMENT AGREEMENT BETWEEN CONSUMER ADVOCACY GROUP, INC.
AND GIMME HEALTH FOODS, INC.**

Consumer Advocacy Group, Inc. (“CAG”) and Gimme Health Foods, Inc. (hereto referred to as “Gimme”), (CAG and Gimme collectively referred to as, the “Parties”) enter into this agreement (“Settlement Agreement”) for the purpose of avoiding prolonged and costly litigation to settle CAG's allegations that Gimme violated Proposition 65. The effective date of this Settlement Agreement shall be the last date upon which it is fully executed by all Parties hereto (the “Effective Date”).

1. 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. Gimme sells and has previously sold, at various times, various types of roasted seaweed snacks and sushi nori, including, but not limited to “gimMe™ organic Roasted Seaweed Snacks; Teriyaki; (Net Wt. 35 oz. (10g); USDA Organic; Product of Korea; Manufactured for Gimme Health Foods LLC; UPC 851093004099” and “gimMe™ organic Roasted Seaweed Snacks; Sesame; Net Wt. 35oz (10g); USDA Organic; Gluten Free; Product of Korea; Manufactured For Gimme Heath Foods LLC; UPC # 851093004075” (referred to throughout collectively as the “Covered Product”). The Covered Product is limited to those roasted seaweed snacks and sushi nori sold by Gimme.

1.2 CAG alleges that the Covered Product contains Lead and that Gimme 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”)).

1.3 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.

1.4 Lead is referred to hereafter as the “Listed Chemical.”

1.5 On or about August 21, 2015 and November 6, 2015 CAG served Gimme Health Foods, Inc. and its customers, Marshalls of MA, Inc., Marmaxx Operating Corp., and The TJX Companies, Inc. (Marshalls of MA, Inc., Marmaxx Operating Corp., and The TJX Companies, Inc. referred to herein as the “Noticed Parties”) 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” regarding the Covered Product containing the Listed Chemical (the “Notices”).

1.6 The Notices alleged that Gimme and the Noticed Parties violated Proposition 65 by failing to warn consumers in California that use of the Covered Product exposed persons to the Listed Chemical.

1.7 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties and to resolve and moot the allegations CAG presented to Gimme and the Noticed Parties concerning the Covered Product's compliance with Proposition 65 (the "Dispute") based on the terms set forth below.

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 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 Gimme or the Downstream Releasees or their respective 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 CAG, or Gimme or the Noticed Parties may have against one another in any other legal proceeding as to allegations unrelated to the Dispute, the Covered Product or claims released herein. Gimme contends that the Covered Products do not exceed allowable levels of the Listed Chemical.

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2. Release

This Settlement Agreement is a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and (a) Gimme 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 Product, including but not limited to the Noticed Parties and other 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 the Covered Product manufactured, shipped, and/or otherwise distributed by Gimme or its Releasees prior to and up to 90 days after the Effective Date, even if sold by Downstream Releasees after the Effective Date. The Covered Product is limited to those manufactured for or distributed or sold by Gimme to others.

CAG, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases, with respect to the Covered Product, 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 in respect of any Covered Product manufactured, distributed or sold by Releasees or Downstream Releasees up to 90 days after the Effective Date,

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 Product or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Product.

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 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 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.

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3. Gimme's Duties

3.1 Gimme, promises, and represents that within ninety (90) days from the Effective Date, Gimme shall either have reformulated any Covered Product distributed and offered for sale in California so that the level of Lead in the Covered Product does not exceed 75 parts per billion ("ppb"), or it shall not offer for sale in California any Covered Product without first providing a compliant Proposition 65 Warning. The warnings shall be provided in such a conspicuously and prominent manner that will assure the message is made available and likely to be read, seen, or heard by the consumer prior to or at the time of the 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, and birth defects, or other reproductive harm" shall constitute compliance with Proposition 65 with respect to the Listed Chemical in the Covered Product.

3.2 Gimme agrees, promises, and represents that, as of 90 days after the Effective Date, to the extent it ships or sells into California any Covered Product which has not been reformulated to the point where the level of Listed Chemical in the Covered Product does not exceed 75 ppb, it will provide warnings on such Covered Product that comply with Proposition 65. The warnings shall be provided in such a conspicuously and prominent manner that will assure the message is made available and likely to be read, seen, or heard by the consumer prior to or at the time of the 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 and birth defects, or other reproductive harm" shall constitute compliance with Proposition 65 with respect to the Listed Chemical in the Covered Product for any Covered Product in existing inventory as of 90 days after the Effective Date that has not been

reformulated and is distributed and/or sold by Releasees or Downstream Releasees into California after the Effective Date.

4. **Payments**

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

(a) Payment to CAG: Eight thousand dollars (\$8,000.00) shall be paid to Consumer Advocacy Group, Inc. The check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. By the Effective Date, CAG shall provide Gimme with CAG's Employer Identification Number.

(b) 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 Gimme's attention. The check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. By the Effective Date, Yeroushalmi & Associates shall provide Gimme with its Employer Identification Number.

(c) Penalty: Gimme shall issue two separate checks for a total amount of Four thousand dollars (\$4,000.00) 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 Three thousand dollars (\$3,000.00), representing 75% of

the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of One thousand dollars (\$1,000.00), representing 25% of the total penalty. Both checks shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 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 95812 (EIN: 68-0284486) in the amount of \$3,000.00. The second 1099 shall be issued in the amount of \$1,000.00 to CAG and delivered to: Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.

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

6. 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. 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. Modification of Settlement Agreement

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

9. Application of Settlement Agreement

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

10. Enforcement of Settlement Agreement

10.1 Any party may file suit before the Superior Court of the County of Alameda, consistent with the terms and conditions set forth in paragraphs 10.2 and 10.3 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.

10.2 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 Gimme 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 Notice of Violation and the entity receiving the notice fails to comply with the requirements set forth in Section 10.3 below. Any such notice to Gimme, or the Releasees must contain (a) the name of the product, (b) specific dates when the product was sold in California, (c) the store or other place at which the product was available for sale to consumers, and (d) evidence that more than one sample with different lot codes exceeded 75 ppb.

10.3 Within 30 days of receiving the notice described in Section 10.2, Gimme 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 Gimme for full credit, including shipping costs, or (2) refute the information provided under Section 10.2. Should the parties be unable to resolve the dispute, any party may seek relief under Section 10.1.

11. Notification Requirements

11.1 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 Consumer Advocacy Group, Inc.:

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

For Gimme Health Foods, Inc.

Richard A. Lyons, Esq.
WENDEL, ROSEN, BLACK & DEAN LLP
1111 Broadway, 24th Floor
Oakland, CA 94607

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

12. SEVERABILITY

12.1 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.

13. GOVERNING LAW

13.1 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 Gimme 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 is so affected.

Dated: 04/08/16

CONSUMER ADVOCACY GROUP, INC.

By: Michael Marcus

Printed Name: Michael Marcus

Title: Director

Dated: 4/8/16

GIMME HEALTH FOODS, INC.

By: Stephen Broad

Printed Name: Stephen Broad

Title: CEO