

SETTLEMENT AGREEMENT
BETWEEN
CONSUMER ADVOCACY GROUP, INC.
AND
QUICKSPICE, INC.

Consumer Advocacy Group, Inc. (“CAG”) and Quickspice, Inc. (“QUICKSPICE”), (collectively, the “Parties”) enter into this agreement (“Settlement Agreement”) for the purpose of avoiding prolonged and costly litigation to settle CAG’s allegations that QUICKSPICE and the manufacturers, distributors, and/or retailers of the products described herein violated the California Safe Drinking Water and Toxic Enforcement Act (*Cal. Health & Safety Code* § 25249.5, *et seq.* (“Proposition 65”)). The Settlement Agreement shall be effective on the date upon which the Parties fully-execute this agreement (“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 At various times, QUICKSPICE has sold and/or distributed seaweed snacks, including but not limited to the following, which are hereinafter collectively referred to as the “Covered Products”:

“YANGBAN;” “SEA VEGGIES;” “BLESSING OF THE SEA;” “HEALTHY SEAWEEED SNACK;” “NET WT. 0.21OZ (6G);” “12 SHEETS;” “PRODUCT OF KOREA;” “DISTRIBUTED BY DW GLOBAL INC.;” “8 83298 61958 7”

and “YANGBAN;” “SEA VEGGIES;” “BLESSING OF THE SEA;”
“HEALTHY SEAWEED SNACK;” “SEASALT;” “12 SHEETS;” “PRODUCT
OF KOREA;” “DISTRIBUTED BY DW GLOBAL INC.,” “8 83298 61958 7”

The Covered Products include all seaweed products manufactured under the “Dongwon” and “Yangban” brands, but are limited to only such products distributed and/or sold by QUICKSPICE.

1.3 CAG alleges that the Covered Products contain: (1) Lead and Lead Compounds (“Lead”), and (2) Cadmium and Cadmium Compounds (“Cadmium”). CAG further alleges that QUICKSPICE did not provide adequate warnings about those materials on the Covered Products as required by Proposition 65.

1.4 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(b)). Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Lead to the list of chemicals known to the State to cause cancer, Lead became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.5 On February 27, 1987, the Governor of California added Lead to the list of chemicals known to the State to cause developmental and reproductive toxicity (*Cal. Code Regs.* tit. 27, § 27001(c)). Lead is known to the State to cause developmental, female, and male reproductive toxicity. Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Lead to the list of chemicals known to the State to cause developmental and reproductive toxicity, Lead became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.6 On October 1, 1987 the Governor of California added Cadmium to the list of chemicals known to the State to cause cancer (*Cal. Code Regs.* tit. 27, § 27001(b)). Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Cadmium to the list of chemicals known to the State to cause cancer, Cadmium became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.7 On May 1, 1997, the Governor of California added Cadmium to the list of chemicals known to the State to cause developmental and reproductive toxicity (*Cal. Code Regs.* tit. 27, § 27001(c)). Cadmium is known to the State to cause developmental, and male reproductive toxicity. Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Cadmium to the list of chemicals known to the State to cause developmental and reproductive toxicity, Cadmium became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.8 Lead and Cadmium are hereinafter collectively referred to as the “Listed Chemicals.”

1.9 On or about August 29, 2018 (Attorney General Notice #AG 2018-01626), CAG served Gelson’s Markets, Dongwon F&B Co. Ltd, DW Global, Inc., 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” asserting Proposition 65 violations relating to alleged Cadmium levels in the Covered Products.

1.10 On or about December 20, 2019 (Attorney General Notice #AG 2020-00341), CAG served QUICKSPICE, DPI Specialty Foods, Inc., DPI Specialty Foods West,

Inc., 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” asserting Proposition 65 violations relating to alleged Cadmium levels in the Covered Products.

1.11 On or about December 3, 2020 (Attorney General Notice #AG 2020-003281), CAG served Gelson’s Markets, Dongwon F&B Co. Ltd, DW Global, Inc., QUICKSPICE, DPI Specialty Foods, Inc., DPI Specialty Foods West, Inc., 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” asserting Proposition 65 violations relating to alleged Lead levels in the Covered Products.

1.12 These three Sixty-Day Notices (collectively, the “Notices”) alleged specifically that QUICKSPICE and the other noticed parties (“Noticed Parties”) violated Proposition 65 by failing to warn consumers in California that use of the Covered Products exposes persons to the Listed Chemicals.

1.13 The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth below concerning the Parties’ and the Covered Products’ compliance with Proposition 65 (the “Dispute”).

1.14 Other than the Notices, the Noticed Parties have not received a Proposition 65 notice from CAG concerning the Covered Products. And other than this Dispute, the Noticed Parties are not aware of any threatened or pending Proposition 65 lawsuits filed by CAG that pertain to the Covered Products.

1.15 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 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 in any administrative or judicial proceeding or litigation in any court, agency, or forum, including against QUICKSPICE, the Noticed Parties, and/or their respective owners, officers, directors, employees, parents, subsidiaries, affiliates, or agents. 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, QUICKSPICE, or the Noticed Parties may have against one another in any other legal proceeding concerning allegations unrelated to the Dispute or the 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) QUICKSPICE, 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 (collectively, “Downstream Releasees”), on the other hand, for 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/or Downstream

Releasees arising from or relating to the exposure of persons to the Listed Chemicals (individually or collectively) and/or the failure to warn about exposure to the Listed Chemicals (individually or collectively) arising only in connection with the Covered Products that are manufactured, shipped, and/or otherwise distributed before the Effective Date, even if sold by Downstream Releasees after the Effective Date.

2.2 This Settlement Agreement is likewise a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and all entities from whom Releasees directly or indirectly purchase, obtain, or otherwise receive the Covered Products, including but not limited to manufacturers or distributors (collectively, “Upstream Releasees”), on the other hand, for 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 Upstream Releasees arising from or relating to the exposure of persons to the Listed Chemicals (individually or collectively) and/or the failure to warn about exposure to the Listed Chemicals (individually or collectively) arising only in connection with the Covered Products that are manufactured, shipped, and/or otherwise distributed by Noticed Parties Gelson’s Markets, DPI Specialty Foods, Inc., and DPI Specialty Foods West, Inc., up to the Effective Date.

2.3 For the avoidance of doubt, the Downstream Releasees include, but are not limited to, the Noticed Parties Gelson’s Markets, DPI Specialty Foods, Inc., and DPI Specialty Foods West, Inc., and the Upstream Releasees include, but are not limited to, the Noticed Parties Dongwon F&B Co. Ltd. and DW Global, Inc. And the Covered Products are limited to those sold and/or distributed by QUICKSPICE.

2.4 CAG, on behalf of itself and its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases 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 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 any Covered Products sold up to the Effective Date. For the avoidance of doubt, the releases in this Section 2.4 are limited to Claims that arise from or relate to Releasees' and/or Downstream Releasees' alleged exposure of persons to the Listed Chemicals (individually or collectively) contained in the Covered Products and any failure by Releasees and/or Downstream Releasees to warn about such exposure to the Listed Chemicals (individually or collectively) contained in the Covered Products.

2.5 Furthermore, CAG, on behalf of itself and its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases 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 Upstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted with respect to any Covered Products. For the avoidance of doubt, the releases in

this Section 2.5 are limited to Claims that arise from or relate to: (i) the Upstream Releasees' alleged exposure of persons to the Listed Chemicals (individually or collectively) in the Covered Products sold and/or distributed by Gelson's Markets, DPI Specialty Foods, Inc., and/or DPI Specialty Foods West, Inc. up to the Effective Date, and (ii) the Upstream Releasees' failure to warn about such exposure to the Listed Chemicals (individually or collectively) in the Covered Products sold and/or distributed by Gelson's Markets, DPI Specialty Foods, Inc., and/or DPI Specialty Foods West, Inc. up to the Effective Date.

2.6 CAG acknowledges that it is familiar with section 1542 of California's Civil Code, which provides that:


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, on behalf of itself and 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 section 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 5.0 below are paid in full.

2.7 Nothing in this Settlement Agreement shall, in any manner, affect any other case that CAG is currently litigating.

3.0 Quickspice's Duties

3.1 QUICKSPICE agrees, promises, and represents that, after the Effective Date, to the extent it ships or sells any Covered Products that exceed 75 parts per billion (ppb) Lead and 85 ppb Cadmium, it will provide warnings on such Covered Products 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:** Consuming this product can expose you to Lead and Cadmium, 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.

shall constitute compliance with Proposition 65 with respect to the Listed Chemicals in the Covered Products for all purposes.

3.2 The Parties agree and CAG acknowledges that the requirements of this Section 3.0 shall not apply to Covered Products that are already in the stream of commerce as of the Effective Date, which Products are expressly subject to the releases provided in Section 2.0 herein.

4.0 CAG's Duties

4.1 CAG agrees, promises and represents that, within ten (10) days after the receipt of all payments outlined in Section 5.0 herein, CAG shall voluntarily dismiss without prejudice its lawsuit against the Downstream Releasees, and all claims therein,

which is pending in Los Angeles Superior Court and captioned *Consumer Advocacy Group, Inc. v. Gelson's Markets, et al.*, Case No. 19STCV15569.

5.0 Payments

5.1 On or before December 22, 2020, QUICKSPICE agrees to pay a total of two hundred and forty thousand dollars (\$240,000) (the "Settlement Payment") by separate checks apportioned as follows:

5.1.1 Penalty: QUICKSPICE shall issue two separate checks for a total amount of sixty thousand dollars (\$60,000) as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of forty-five thousand dollars (\$45,000), representing 75% of the total penalty; and (b) one check to CAG in the amount of fifteen thousand dollars (\$15,000), representing 25% of the total penalty. OEHHA's check shall be delivered to the Office of Environmental Health Hazard Assessment at P.O. Box 4010 Sacramento, California 95812-4010, and directed to the attention of Mike Gyurics. CAG's check shall be delivered to Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212, and directed to the attention of Reuben Yeroushalmi. An IRS Form 1099 shall be issued for each such payment. The first Form 1099 shall be issued to OEHHA, P.O. Box 4010 Sacramento, CA 95812-4010, Attn: Mike Gyurics (EIN: 68-0284486) in the amount of \$45,000. The second Form 1099 shall be issued in the amount of \$15,000 to CAG and delivered to Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.

5.1.2 Attorneys' Fees and Costs: One hundred and eighty thousand dollars (\$180,000) of the Settlement 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 QUICKSPICE's attention. The check shall be delivered to Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212, and directed to the attention of Reuben Yeroushalmi.

5.1.3 By the Effective Date, Yeroushalmi & Associates shall provide QUICKSPICE with an IRS W-9 reflecting its Employer Identification Number. The Parties acknowledge that QUICKSPICE cannot issue any settlement payments to CAG until it receives the requisite IRS W-9 form, and that any delay in payment resulting from Yeroushalmi & Associates' failure timely to provide such IRS W-9 form shall not constitute a breach of the Settlement Agreement.

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 and legally bind CAG to this Settlement Agreement.

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

7.0 Reporting Settlement Agreement to the California Attorney General

7.1 CAG shall report this Settlement Agreement to the California Attorney General's Office within five (5) days of its Effective Date.

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 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, Downstream Releasees and Upstream Releasees identified in Section 2.0 herein.

10.2 Nothing in this Settlement Agreement shall alter the Parties' obligations to be liable for their own taxes or impose any obligations relating to taxes due on the payments made under this Settlement Agreement. For the avoidance of doubt, CAG understands and agrees that CAG, Yeroushalmi & Yeroushalmi, and OEHHA shall be and remain responsible for any taxes due or owing by them on any payments received pursuant to this Settlement Agreement.

11.0 Enforcement of Settlement Agreement

11.1 CAG may bring an action to enforce any breach of the monetary settlement terms in Section 5.0 herein, upon five (5) days written notice to QUICKSPICE of the alleged breach in accordance with the notice requirements set forth in Section 12.0 herein.

11.2 QUICKSPICE may bring an action to enforce any breach of the terms of this Settlement Agreement by CAG upon five (5) days written notice to CAG of the alleged breach in accordance with the notice requirements set forth in Section 12.0 herein.

11.3 In any action to enforce the terms of this Settlement Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs associated with bringing such action.

11.4 For the avoidance of doubt, any action to enforce the terms of this Settlement Agreement shall lie only against the Parties as described in this Section 11, and shall not invalidate or otherwise affect the releases granted in Section 2.0 herein.

12.0 Notification Requirements

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

For CAG:

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

For QUICKSPICE:

James J. Ward, Esq.
Anne Kelts Assayag, Esq.
BAKER & MCKENZIE LLP
600 Hansen Way
Palo Alto, CA 94304, USA
joe.ward@bakermckenzie.com
anne.assayag@bakermckenzie.com

A courtesy copy of all such notices shall likewise be emailed to the recipient using the above-noted email addresses. 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, after execution of this Settlement Agreement, a court finds any provisions of this Settlement Agreement unenforceable, then the validity of the remaining enforceable provisions 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.

14.2 If Proposition 65 is repealed, preempted or otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemicals and/or the Covered Products, then QUICKSPICE 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 Products are so affected.

CONSUMER ADVOCACY GROUP, INC.

Dated: 12/18/20 By: Michael Marcus
Printed Name: Michael Marcus
Title: Director

QUICKSPICE INC.

Dated: 12/18/20 By: Paul Oh
Printed Name: Paul Oh
Title: PRESIDENT