1	Reuben Yeroushalmi (SBN 193981)				
2	Shannon E. Royster (SBN 314126) YEROUSHALMI & YEROUSHALMI				
	An Association of Independent Law Corporations 9100 Wilshire Boulevard, Suite 240W Beverly Hills, California 90212				
3					
4	Telephone: 310.623.1926 Facsimile: 310.623.1930				
5					
6	Attorneys for Plaintiff, Consumer Advocacy Group, Inc.				
7					
8	SUPERIOR COURT OF THE STATE OF CALIFORNIA				
9	COUNTY OF LOS ANGELES				
10	CONSUMER ADVOCACY GROUP, INC.,	CASE NO. 20STCV21985			
11	in the public interest,				
12	Plaintiff,	[Assigned for All Purposed to the Hon. Michelle Williams Court, Dept. 74]			
13	v.	CONSENT JUDGMENT [PROPOSED]			
14					
15	GW SUPERMARKET OF ROSEMEAD, INC., a California Corporation; <i>et al.</i> ,	Health & Safety Code § 25249.5 et seq.			
16	Defendants.				
17					
18	1. INTRODUCTION 1.1 This Consent Judgment is entered into by and between plaintiff, CONSUMER				
19	ADVOCACY GROUP, INC. (referred to as "CAG") acting on behalf of itself and in the interest				
20	of the public, and defendant, RICHIN TRADING, INC. (hereinafter referred to as "Defendant"),				
21	with each a Party to the action and collectively referred to as "Parties."				
22	1.2 Defendant and Products				
23	1.2.1 Defendant is a California corporation which employs ten or more persons				
24	Defendant distributes, and sells: (i) Dried Anchovies including but no				
25	limited to "Richin Dried Anchovy"; "Net Wt: 4oz. (114g)"; "Pack for				
26	Richin Trading Inc.;" "UPC 7 15685 13015 6"; "Product of Malaysia"; Lo				
27	or batch "QJ 11" and (ii) Black Fungus including but not limited t				
28		x Fungus"; "Net Wt: 2.5 oz (70g)"; "UPC 7 15685			
		1			

170060"; and "Richin Brand"; "Black Fungus"; "Net Wt: 2.5 oz (70g)"; "UPC 7 15685 17000 8"

1.2.2 For purposes of this Consent Judgment, Defendant is deemed a person in the course of doing business in California and are subject to the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.6 et seq. ("Proposition 65").

1.3 Chemicals of Concern

1.3.1 Lead and Lead Compounds (hereinafter "Lead") are known to the State of California to cause cancer and/or birth defects or other reproductive harm.

1.3.2 Cadmium and Cadmium Compounds (hereinafter "Cadmium") are known to the State of California to cause cancer and/or birth defects or other reproductive harm.

1.4 **Notices of Violation**

1.4.1 On or about January 9, 2020, CAG served Defendant and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (hereinafter "Notice 1") that provided the Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead, and Cadmium contained in Dried Anchovies sold and/or distributed by Defendant. No other public enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

1.4.2 On or about April 23, 2021, CAG served Defendant and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (hereinafter "Notice 2") that provided the Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead contained in Black Fungus sold and/or distributed by Defendant. No other public enforcer has commenced or diligently prosecuted the allegations set forth in Notice 2.

1.4.3 Notice 1, and Notice 2 are referred to as the "Notices."

1.5 **Complaint**

1

2

3

4

2

1.5.1 On June 10, 2020, CAG filed a complaint for civil penalties and injunctive relief ("Complaint 1") in Los Angeles Superior Court, Case No. 20STCV21985 against Defendant. The Complaint alleges, among other things, that Defendant violated Proposition 65 by failing to give clear and reasonable warnings of exposure to Lead, and Cadmium from Dried Anchovies.

1.5.2 On December 10, 2021, CAG filed a complaint for civil penalties and injunctive relief ("Complaint 2") in Los Angeles Superior Court, Case No. 21STCV45172 against Defendant. The Complaint alleges, among other things, that Defendant violated Proposition 65 by failing to give clear and reasonable warnings of exposure to Lead from Black Fungus.

1.5.3 Upon entry of an order approving this Consent Judgment, the Complaint on file in this matter shall be deemed amended to include the claims alleged in Complaint 2.

1.6 **Consent to Jurisdiction**

1.6.1 For purposes of this Consent Judgment, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Los Angeles and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in cause of action two in Complaint 1 and all allegations contained in Complaint 2 and of all claims which were or could have been raised by any person or entity based in whole or in part, directly or indirectly, on the facts alleged therein or arising therefrom or related thereto.

1.7 No Admission

1.7.1 This Consent Judgment resolves claims that are denied and disputed. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. Nothing in this Consent Judgment shall be construed as an admission by the Parties of any material allegation of the Complaint (each and every allegation of which Defendant denies), any fact, conclusion of law, issue of law or violation of law, including without limitation, any admission concerning any violation of Proposition 65 or any other statutory, regulatory, common law, or equitable doctrine, or the meaning of the terms "knowingly and intentionally expose" or "clear and reasonable warning" as used in Health and Safety Code section 25249.6. Nothing in this Consent Judgment, nor compliance with its terms, shall constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, or of fault, wrongdoing, or liability by any Defendant, its officers, directors, employees, or parent, subsidiary or affiliated corporations, or be offered or admitted as evidence in any administrative or judicial proceeding or litigation in any court, agency, or forum. Furthermore, nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument, or defense the Parties may have in any other or future legal proceeding, except as expressly provided in this Consent Judgment.

2. **DEFINITIONS**

2.1 "Covered Products" means Dried Anchovies and Black Fungus sold or supplied by Defendant.

2.2 "Effective Date" means the date that this Consent Judgment is approved by the Court.

2.3 "Lead" means Lead and Lead Compounds.

2.4 "Cadmium" means Cadmium and Cadmium Compounds.

3. INJUNCTIVE RELIEF / REFORMULATION / CLEAR AND REASONABLE WARNINGS.

3.1 After the Effective Date, Defendant shall not sell in California, offer for sale in California, or ship for sale in California any Dried Anchovies unless the level of Lead does not exceed 34 parts per billion ("ppb") and the level of Cadmium does not exceed 85 ppb,

3.2 After the Effective Date, Defendant shall not sell in California, offer for sale in California, or ship for sale in California any Black Fungus unless the level of Lead does not exceed 20 ppb.

3.3 For any Covered Products that exceeds their respective levels of Lead, or Cadmium that are placed into the stream of commerce in California by Defendant after the Effective Date, Defendant must provide a Proposition 65 compliant warning for the Covered Products as set forth below. Any warning provided pursuant to this section shall be affixed to the packaging of, or directly on, the Covered Products, and be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. The warning must be set off from other surrounding information, enclosed in a box. Where the packaging of the Covered Product includes consumer information as defined by California Code of Regulations title 27 §25600.1(c) in a language other than English, the warning must also be provided in that language in addition to English. The Parties agree that the following warning language shall constitute compliance with Proposition 65 with respect to the alleged Lead, and Cadmium in the Covered Products placed into the steam of commerce by Defendant after the Effective Date.

For Products containing Lead:

WARNING: Consuming this product can expose you to Lead, a chemical known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to <u>www.P65Warnings.ca.gov/food</u>.

For Products containing Cadmium:

WARNING: Consuming this product can expose you to Cadmium, a chemical 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.

3.4 For any Covered Products still existing in the Defendant's inventory as of the Effective Date, Defendant shall place a Proposition 65 compliant warning on them, unless the Covered Products does not exceed their respective levels of Lead, or Cadmium. Any warning provided pursuant to this section shall comply with the warning requirements under Section 3.2 above.

4. SETTLEMENT PAYMENT

4.1 **Payment and Due Date**: Within ten (10) days of the Effective Date, Defendant shall pay a total of Two hundred thousand dollars (\$200,000) in full and complete settlement of all monetary claims by CAG related to the Notices, as follows:

4.1.1 **Civil Penalty**: Defendant shall issue separate checks totaling Eleven thousand four hundred and forty dollars (\$11,440.00) as penalties pursuant to Health & Safety Code § 25249.12:

(a) Defendant will issue a check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of eight thousand five hundred and eighty dollars (\$8,580.00) representing 75% of the total penalty and Defendant will issue a separate check to CAG in the amount of two thousand eight hundred and sixty dollars (\$2,860.00) representing 25% of the total penalty; and

(b) Separate 1099s shall be issued for each of the above payments: Defendant will issue a 1099 to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486). Defendant will also issue a 1099 to CAG c/o Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.

4.1.2 Additional Settlement Payments: Defendant shall make a separate payment, in the amount of eight thousand five hundred and sixty dollars (\$8,560.00) as an additional settlement payment to "Consumer Advocacy Group, Inc." pursuant to Health & Safety Code § 25249.7(b) and California Code of Regulations, Title 11 § 3203(d). Defendant will issue a separate check to CAG for the Additional Settlement Payment. CAG will use this payment as follows, eighty five percent (85%) for fees of investigation, purchasing and testing for Proposition 65 listed chemicals in various products, and for expert fees for evaluating exposures through various mediums, including but not limited to consumer product, occupational, and

1 environmental exposures to Proposition 65 listed chemicals, and the cost of hiring consulting and 2 retaining experts who assist with the extensive scientific analysis necessary for those files in 3 litigation and to offset the costs of future litigation enforcing Proposition 65 but excluding 4 5 6 7 8 9 10 11 12 13 14 15 settlement payment. 16 4.1.3 17 18 19 20 21 4.2 22 23 24 25

26

27

28

attorney fees; fifteen percent (15%) for administrative costs incurred during investigation and litigation to reduce the public's exposure to Proposition 65 listed chemicals by notifying those persons and/or entities believed to be responsible for such exposures and attempting to persuade those persons and/or entities to reformulate their products or the source of exposure to completely eliminate or lower the level of Proposition 65 listed chemicals including but not limited to costs of documentation and tracking of products investigated, storage of products, website enhancement and maintenance, computer and software maintenance, investigative equipment, CAG's member's time for work done on investigations, office supplies, mailing supplies and postage. Within 30 days of a request from the Attorney General, CAG shall provide to the Attorney General copies of documentation demonstrating how the above funds have been spent. CAG shall be solely responsible for ensuring the proper expenditure of such additional Reimbursement of Attorneys Fees and Costs: Defendant shall pay one hundred and eighty thousand dollars (\$180,000) to "Yeroushalmi & Yeroushalmi" as reimbursement for reasonable investigation fees and costs, attorneys' fees, and any other costs

incurred as a result of investigating, bringing this matter to Defendant's attention, litigating, and negotiating a settlement in the public interest.

Other than the payment to OEHHA described above, all payments referenced in paragraphs 4.1.1, 4.1.2, and 4.1.3 above, shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Blvd., Suite 240W, Beverly Hills, CA 90212. The payment to OEHHA shall be delivered to Office of Environmental Health Hazard Assessment, Attn: Mike Gyurics, 1001 I Street, Mail Stop 12-B, Sacramento, California 95812. Concurrently with payment to OEHHA, Defendant shall provide CAG with written confirmation that the payment to OEHHA was delivered.

1 2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

5.

MATTERS COVERED BY THIS CONSENT JUDGMENT

5.1 This Consent Judgment is a full, final, and binding resolution between CAG on behalf of itself and in the public interest and Defendant for failure to provide Proposition 65 warning of exposure to Lead and Cadmium in Dried Anchovies and Lead in Black Fungus as set forth in the Notices, and fully resolves all claims that have been or could have been asserted against Defendant in this action up through the Effective Date for failure to provide Proposition 65 warnings for the Covered Products regarding Lead, and Cadmium. CAG, on behalf of itself and in the public interest, hereby discharges Defendant and its officers, directors, insurers, employees, parents, shareholders, divisions, subdivisions, subsidiaries, and their successors and assigns ("Defendant Releasees") and all customers, retailers and downstream entities in the distribution chain of the Covered Products to whom Defendant distributed or sold Covered Products, and the predecessors, successors and assigns of any of them, and all of their respective officers, directors, shareholders, members, managers, employees, agents only as to Covered Products sold by the Defendant (collectively, "Downstream Releasees"), for all Covered Products placed into the stream of commerce up through the Effective Date for violations of Proposition 65 based on exposure to Lead, and Cadmium in Dried Anchovies and Lead in Black Fungus Defendant's compliance with the terms of this Consent Judgment shall be deemed to constitute compliance with Proposition 65 regarding alleged exposures to Lead and Cadmium in Dried Anchovies and Lead in Black Fungus. Nothing in this Section affects CAG's right to commence or prosecute an action under Proposition 65 against any person other than Defendant Releasees or Downstream Releasees after the Effective Date.

5.2 CAG on behalf of itself, 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 and releases all claims, 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) of any nature whatsoever, whether known or unknown,

fixed or contingent (collectively "Claims"), against the Released Parties arising from any 1 2 violation of Proposition 65 or any other statutory or common law regarding the failure to warn 3 about exposure to Lead, and Cadmium from the Covered Products. In furtherance of the foregoing, as to alleged exposures to Lead and Cadmium in Dried Anchovies and Lead in Black 4 5 Fungus, CAG on behalf of itself only, hereby waives any and all rights and benefits which it now 6 has, or in the future may have, conferred upon it with respect to Claims arising from any 7 violation of Proposition 65 or any other statutory or common law regarding the failure to warn 8 about exposure to Lead and Cadmium in Dried Anchovies and Lead in Black Fungus by virtue of 9 the provisions of section 1542 of the California Civil Code, which provides as follows: 10 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO 11 IST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE 12 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH DEBTOR OR RELEASED PARTY. 13 CAG understands and acknowledges that the significance and consequence of this waiver of 14 California Civil Code section 1542 is that even if CAG suffers future damages arising out of or 15 resulting from, or related directly or indirectly to, in whole or in part, Claims arising from any 16 violation of Proposition 65 or any other statutory or common law regarding the failure to warn 17 about exposure to Lead, and Cadmium from the Covered Products, including but not limited to 18 any exposure to, or failure to warn with respect to exposure to Lead and Cadmium in Dried 19 Anchovies and Lead in Black Fungus CAG will not be able to make any claim for those damages 20 against Released Parties. Furthermore, CAG acknowledges that it intends these consequences for 21 any such Claims arising from any violation of Proposition 65 or any other statutory or common 22 23 law regarding the failure to warn about exposure to Lead and Cadmium in Dried Anchovies and 24 Lead in Black Fungus as may exist as of the date of this release but which CAG does not know 25 exist, and which, if known, would materially affect their decision to enter into this Consent 26 Judgment, regardless of whether their lack of knowledge is the result of ignorance, oversight, 27 error, negligence, or any other cause. 28

6.

ENFORCEMENT OF JUDGMENT

6.1 CAG may bring a motion or an action to enforce any breach of the terms in Section 4 upon five (5) business days' written notice by CAG to the Defendant.

6.2 In any proceeding brought by either Party to enforce this Consent Judgment, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs.

|| 7.

ENTRY OF CONSENT JUDGMENT

7.1 CAG shall file a motion seeking approval of this Consent Judgment pursuant to California Health & Safety Code § 25249.7(f). Upon entry of the Consent Judgment, CAG and Defendant waive their respective rights to a hearing or trial on the allegations of the Complaint.

7.2 The Parties shall make good faith efforts to have the Consent Judgment approved by the Court.

7.3 If this Consent Judgment is not approved in full by the Court, (a) this Consent Judgment and any and all prior agreements between the Parties merged herein shall terminate and become null and void, and the actions shall revert to the status that existed prior to the execution date of this Consent Judgment; (b) no term of this Consent Judgment or any draft thereof, or of the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall have any effect, nor shall any such matter be admissible in evidence for any purpose in this Action, or in any other proceeding; and (c) the Parties agree to meet and confer in good faith to determine whether to modify the terms of the Consent Judgment and to resubmit it for approval.

7.4 Within five court days of receipt of all payments outlined in Section 4, CAG shall file a request for dismissal without prejudice of Complaint 2.

24 || **8**. N

MODIFICATION OF JUDGMENT

8.1 This Consent Judgment may be modified only upon written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any party as provided by law and upon entry of a modified Consent Judgment by the Court.

8.2 Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with the other Party prior to filing a motion to modify the Consent Judgment.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

27

9.

1

2

RETENTION OF JURISDICTION

9.1 This Court shall retain jurisdiction of this matter to implement and enforce the terms of this Consent Judgment under Code of Civil Procedure § 664.6.

9.2 In any proceeding brought by either Party to enforce this Consent Judgment, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

10.

DUTIES LIMITED TO CALIFORNIA

This Consent Judgment shall have no effect on Covered Products sold by 10.1 Defendant outside the State of California.

SERVICE ON THE ATTORNEY GENERAL 11.

11.1 CAG shall serve a copy of this Consent Judgment, signed by the Parties, on the California Attorney General so that the Attorney General may review this Consent Judgment prior to its approval by the Court. No sooner than forty-five (45) days after the Attorney General has received the aforementioned copy of this Consent Judgment, and in the absence of any written objection by the Attorney General to the terms of this Consent Judgment, may the Court approve this Consent Judgment.

12. **ATTORNEY FEES**

12.1 Except as specifically provided in Section 4.1.3, 6.2 and 9.2, each Party shall bear its own costs and attorney fees in connection with this action.

13. **GOVERNING LAW**

13.1 The validity, construction and performance of this Consent Judgment shall be governed by the laws of the State of California, without reference to any conflicts of law provisions of California law.

13.2 The terms of this Consent Judgment shall be governed by the laws of the State of 26 California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Consent Judgment are 28

CONSENT JUDGMENT [PROPOSED]

rendered inapplicable or are no longer required as a result of any such repeal or preemption, or rendered inapplicable by reason of law generally as to the Covered Products, then any Defendant subject to this Consent Judgment may provide written notice to CAG of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve a Defendant from any obligation to comply with any pertinent state or federal law or regulation.

13.3 The Parties, including their counsel, have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code § 1654.

14.

EXECUTION AND COUNTERPARTS

14.1 This Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document and have the same force and effect as original signatures.

15. NOTICES

15.1 Any notices under this Consent Judgment shall be by First-Class Mail or E-mail.

If to CAG:

Reuben Yeroushalmi YEROUSHALMI & YEROUSHALMI 9100 Wilshire Boulevard, Suite 240W Beverly Hills, CA 90212 (310) 623-1926 Email: lawfirm@yeroushalmi.com If to Defendant.: Joseph Hohenwarter LAW OFFICE OF JOSEPH HOHENWARTER 333 N. Lantana St., Suite 267 Consultor CP, 93910 (805) 383-7156 Email: bohenwarter.lawyer@verizon.net

16. AUTHORITY TO STIPULATE

-

7

3

+

5

1

7

S

L)

11)

11

16.1 Fach signatory to this Consent Judgment certifies that he or she is fully authorized by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of the party represented and legally to bind that party.

1.2	AGREED TO:		AGREED TO:
13	Date:	. 2022	Date: 6/1 , 2022
14			
15			family
16	Name:		Name: Jeanie Wong
17	Tule		Name: Jeanie Wony Title: President
18	CONSUMER ADVO	CACY GROUP, INC.	RICHIN TRADING, INC.
19			
2()	IT IS SO ORDERED.		
22			
23	Dote:		
2.1		JUI	OGE OF THE SUPERIOR COURT
25			
26			
27			
28			
			13
			IEN'I [PROPOSED]

	1				
1					
2	If to Defendant.: Joseph Hohenwarter				
3	LAW OFFICE OF JOSEPH HOHENWARTER 333 N. Lantana St., Suite 267				
4	(805) 383-7156				
5	Email: hohenwarter.lawyer@verizon.net				
6 7	14 ΑΠΤΠΟΡΙΤΎ ΤΟ ΟΤΙΡΙΙΙ ΑΤΈ				
	16. AUTHORITY TO STIPULATE				
8	16.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized				
10	by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of				
11	the party represented and legally to bind that party.				
12	AGREED TO:	AGREED TO:			
13	Date: June 8 2022	Date:, 2022			
14	<i>Duce. <u>Vuno</u>, 2022</i>	, 2022			
15	Mile Maxins				
16	Date: June 8, 2022 Mile Marcus Name: Michael Marcus	Name:			
17	Title: Director	Title:			
18	CONSUMER ADVOCACY GROUP, INC.	RICHIN TRADING, INC.			
19					
20	IT IS SO ORDERED.				
21					
22	Date:				
23	JUDGE OF THE SUPERIOR COURT				
25					
26					
20					
28					
	13				
	CONSENT JUDGMENT [PROPOSED]				