

SETTLEMENT AGREEMENT BETWEEN
CONSUMER ADVOCACY GROUP, INC.

AND

BC FOOD LA, LLC doing business as B&C FOOD CO

Consumer Advocacy Group, Inc. ("CAG") and BC FOOD LA, LLC doing business as B&C FOOD CO (hereto referred to as "B&C Foods"), (CAG and B&C Foods 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 B&C Foods violated 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").

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 B&C Foods previously sold, at various times:

Dried Seaweed including but not limited to: "B & C;" "DRIED SEAWEEDS;"
"IMPORTED BY: B&C FOOD CO. 11264 ½ E. Rush St. South El Monte, CA 91733 6 920423
929761;" "Consume Before: 04 08 2019." (collectively "Seaweed")

1.3 CAG alleges that Dried Seaweeds contains Lead and Lead Compounds ("Lead") and Inorganic Arsenic ("Arsenic"); Cadmium Compounds ("Cadmium"); and that B&C Foods 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 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.

1.6 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 On February 27, 1987 the Governor of California added Inorganic Arsenic Compounds 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 Inorganic Arsenic Compounds to the list of chemicals known to the State to cause cancer, Inorganic Arsenic Compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.9. On May 1, 1997, the Governor of California added Inorganic Arsenic Oxides to the list of chemicals known to the State to cause developmental toxicity (Cal. Code Regs. tit. 27, § 27001(c)). Inorganic Arsenic Oxides is known to the State to cause developmental, toxicity.

Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Inorganic Arsenic Oxides to the list of chemicals known to the State to cause developmental toxicity, Inorganic Arsenic Oxides became fully subject to Proposition 65 warning requirements and discharge prohibitions. Inorganic Arsenic Compounds and Inorganic Arsenic Oxides is hereinafter referred to as "Arsenic".

- 1.10 Lead, Cadmium and Arsenic is referred to hereafter as the "Listed Chemicals".
- 1.11 On or about May 11, 2020 (Attorney General Notice #AG 2020-0), CAG served, B&C Foods, Wondergreen, Inc., Green Farm Market 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 Covered Products, Seaweed, containing the Listed Chemicals.
- 1.12 The Sixty-Day Notice (referred to as "Notice") alleged that B&C Foods and the other noticed parties violated Proposition 65 by failing to warn consumers in California that use of Covered Products, Seaweed exposes persons to the Listed Chemicals.
- 1.13 On November 20 2020, CAG filed a lawsuit in the Superior Court of Los Angeles County California against Green Farm Market, Case No 20STCV43207; Green Farm Market filed a cross-complaint against B&C Foods on January 11, 2021 (the Lawsuit).
- 1.14 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below concerning the Parties,' and the Covered Products' compliance with Proposition 65, and all disputes concerning Listed Chemicals in the Seaweed(the "Dispute").
- 1.15 B&C Foods denies the allegations in the Notice. 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 B&C Foods, 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 CAG or B&C 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) B&C Foods, 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, downstream wholesalers, customers, retailers, Green Farm Market, franchisees, cooperative members, and licensees and specifically including without limitation, those entities identified in Paragraphs 1.11 through 1.15 above ("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 Chemicals and the failure to warn about exposure to the Listed Chemicals arising only in

connection with the Covered Products manufactured, shipped, and/or otherwise distributed prior to the

Effective Date, even if sold by Downstream Releasees after the Effective Date. The release as to the Downstream Releasees shall be limited to the Seaweed sold or supplied by B&C Foods only. CAG, 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/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 Products sold up to the Effective Date, only to the extent that such Claims relate to Releasees' and/or Downstream Releasees' alleged exposure of persons to the Listed Chemicals contained in the Covered Products or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemicals 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 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, 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.

2.2 Upon payment of the amounts set forth below in Section 4.0, CAG will caused to be filed a Request for Dismissal of the Lawsuit 20STCV43207 without prejudice.

3.0 B&C Foods' Duties

3.1 B&C Foods agrees, promises, and represents that after the Effective Date B&C Foods shall provide warnings for cancer and reproductive toxicity on Seaweed that comply with Proposition 65 if the level of Lead in Seaweed exceeds 75 parts per billion (ppb), the level of Cadmium exceeds 85 ppb, and, the level of Inorganic Arsenic exceeds 15ppb . 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. Any warnings warnings shall be consistent with 27 CCR section 25600 *et seq.* Where a label is used for the Covered Product exceeds 75ppb Lead, 85ppb Cadmium, and 15ppb Inorganic Arsenic and 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. Should B&C sell or distribute any Covered Products that exceeds 75ppb Lead, 85ppb Cadmium, and 15ppb Inorganic Arsenic through the internet, the warning will be posted in the manner provided for with respect to internet sales, as provided for in 27 CCR section 25602(b), as may be subsequently amended.

4.0 Payments

4.1 On or before December 10, 2023, B&C Foods agrees, to pay a total of ninety-eight thousand dollars (\$98,000.00) by separate checks apportioned as follows:

4.1.1 Penalty: B&C Foods shall issue two separate checks for a total amount of twenty thousand dollars (\$20,000.00) as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of fifteen thousand dollars (\$15,000.00) representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of five thousand dollars (\$5,000.00) representing 25% of the total penalty.

OEHHA's check shall be delivered to:

Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010
Attn: Mike Gyurics

CAG's check shall be delivered to:

Attn: 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 95812-4010, Attn: Mike Gyurics (EIN: 68-0284486) in the amount of \$15,000.00. The second 1099 shall be issued in the amount of \$5,000.00 to made payable to CAG and delivered to Yeroushalmi & Yeroushalmi 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. By the Effective Date, CAG shall provide B&C with W-9 forms for CAG and OEHHA.

4.1.2 Attorneys' Fees and Costs: Seventy-eight thousand dollars (\$78,000.00) of the Settlement Amount shall be paid to Yeroushalmi & Yeroushalmi, 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 B&C's attention. Payment shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. By the Effective Date, Yeroushalmi & Yeroushalmi shall provide B&C with its completed and signed W-9 form. Except as expressly set forth in this Section 4.1.2, each Party shall bear its respective costs, fees, and attorney's fees with respect to the Notices, the Dispute, this Settlement Agreement, and all matters therein.

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 B&C Foods represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind B&C 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 and Downstream Releasees identified in Section 2 above to the extent permitted by law.

11.0 Enforcement of Settlement Agreement

11.1 Notwithstanding the above, CAG may bring an action to enforce any breach of the monetary settlement terms in Section 4.0, above, upon five (5) days written notice by CAG to B&C Foods of the alleged breach in accordance with the notification requirements set forth in Section 12.0, below. In case of any enforcement action, the prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

12.0 Notification Requirements

12.1 Any notice required or permitted hereunder shall be effective only if given in \-Titing 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 & YEROUSHALMI

9100 Wilshire Boulevard, Suite 240W Beverly Hills, CA 90212

For B&C Foods:

Cameron W. Roberts

ROBERTS & KEHAGIARAS LLP=====

100 W. Broadway, Suite 660, Long Beach, CA 90802


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 Chemicals and/or the Covered Products, then B&C Foods shall provide written notice to CAO 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.

Dated: December 12, 2023 CONSUMER ADVOCACY GROUP, INC.
By: 
Printed Name: Michael Marcus Title: Director

Dated: DEC 11, 2023 BC FOOD LA, LLC doing business as B&C FOOD CO
By: 
Printed Name: ALLEN PUNG Title: PRESIDENT