

SETTLEMENT AGREEMENT  
BETWEEN  
CONSUMER ADVOCACY GROUP, INC.  
AND  
COPRA II LLC

Consumer Advocacy Group, Inc. ("CAG" or "Plaintiff") and Copra II LLC (hereafter referred as "Copra II" or "Defendant") enter into this agreement ("Settlement Agreement") for the purpose of avoiding prolonged and costly litigation to settle CAG's allegations that Copra II violated Proposition 65. CAG and Copra II may collectively be referred to hereafter as the "Parties", and sometimes individually as a "Party." The effective date of this Settlement Agreement shall be the date upon which it is fully executed by all Parties hereto (the "Effective Date").

1.1 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 Defendant caused and/or causes to be manufactured, imported, distributed, and/or sold in California, various seaweed products. "Covered Products" under this Settlement Agreement (defined below) are seaweed products that Copra II caused and/or causes to be manufactured, imported, distributed, and/or sold in California, including but not limited to the following:

- i. Roasted Seaweed, including but not limited to "TAO KAE NOI Roasted Seaweed"; "Classic Flavor"; "No MSG Added"; "Seasoned Seaweed"

Classic Flavor Taokaenoi Brand"; "Net Wt. 0.18 oz (5g)"; "UPC 8 55258 00628 7"; "Product of USA"

ii. Crispy seaweed, including but not limited to "TAO KAE NOI Crispy

Seaweed"; "Seaweed Snack"; "Original Flavor"; "Delicious with Good from the sea"; "Net Wt. 1.12oz (32g)"; "UPC 8 857107 231774";

"Product of Thailand"

iii. Crispy Seaweed with Almond, including but not limited to "Seaweed

Snack"; "Crispy Seaweed Taokaenoi"; "Hot & Spicy Flavour"; "Delicious with good from the sea"; "Net wt. 1.12oz (32g)"; "Distributed by

Winneram International, Inc."; "Product of Thailand"; "UPC 8 857107 231781"

iv. Grilled Seaweed Snacks, including but not limited to "TAO KAE NOI";

"GRILLED SEAWEED"; "SUPER CRISP"; "KIMCHI FLAVOUR";

"NET WT. 0.84 OZ (24G)"; "MFD: 12 MAY 2018 17A"; "EXP: 12 MAY

2019"; "PRODUCT OF THAILAND"; "DISTRIBUTED BY

WINNERAM INTERNATIONAL INC."; "PRODUCED AND

DISTRIBUTED BY: TAOKAENOI FOOD & MARKETING PCL."; "8

858702 404273";

v. Grilled seaweed, including but not limited to "TAO KAE NOI";

"GRILLED SEAWEED"; "SUPER CRISP"; "HOT CHILLI SQUID";

"NET WT. 0.84OZ (24G)"; "MFD: 12 MAY 2018 17A"; "EXP: 12 MAY

2019"; "PRODUCT OF THAILAND"; "DISTRIBUTED BY

WINNERAM INTERNATIONAL INC;” “PRODUCED AND  
DISTRIBUTED BY: TAOKAENOI FOOD & MARKETING PCL.;” “8  
858702 403634”;

- vi. Grilled seaweed, including but not limited to “Taekaenoi Grilled Seaweed Super Crisp”; “Hot Chili Squid”; “Net Wt. 0.84 oz (24G); “SNK011 Hot Chili Squid Flavour”; “Grilled Seaweed”; “Imported by K.N.T.C. El Monte, CA 91731; “UPC 8 858702 403634”; “Product of Thailand”
- vii. Roasted and crispy seaweed including but not limited to “TAO KAE NOI Roasted Seaweed”; “Classic Flavor”; “No MSG Added”; “Seasoned Seaweed Classic Flavor Taokaenoi Brand”; “Net Wt. 0.18 oz (5g)”; “UPC 8 55258 00628 7”; “Product of USA” and “TAO KAE NOI Crispy Seaweed”; “Seaweed Snack”; “Original Flavor”; “Delicious with Good from the sea”; “Net Wt. 1.12oz (32g)”; “UPC 8 857107 231774”; “Product of Thailand”.
- viii. “Covered Products” under this Settlement Agreement (including those specified above) are limited to but defined to include all seaweed products that Copra II caused and/or causes to be manufactured, imported, distributed, and/or sold in California including but not limited to all Taokaenoi and TKN branded seaweed, whether imported, distributed, and/or sold to California consumers by Copra II and/or any other entity.

1.3 CAG alleges that Covered Products contain Lead and Lead Compounds (collectively “Lead”), and Cadmium and Cadmium Compounds (collectively

“Cadmium”), and that Defendant allegedly did not provide or cause to be provided 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 February 27, 1987, the Governor of California added Lead to the list of chemicals known to the State of California to cause developmental and reproductive toxicity (*Cal. Code Regs. tit. 27, § 27001(c)*). 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.

1.5 On October 1, 1987, the Governor of California added Cadmium and Cadmium Compounds to the list of chemicals known to the State of California 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, 1992 the Governor of California added Lead and Lead Compounds to the list of chemicals known to the State of California 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 and



Lead Compounds to the list of chemicals known to the State to cause cancer, Lead became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.7 On May 1, 1997, the Governor of California added Cadmium to the list of chemicals known to the State of California to cause developmental and reproductive toxicity (Cal. Code Regs. tit. 27, § 27001(c)). 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 collectively referred to hereafter as the “Listed Chemicals”.

1.9 On or about July 15, 2020, CAG served Defendant 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” (Attorney General Notice #AG 2020-01733) regarding Covered Products containing the Listed Chemicals (the “Notice”).

1.10 The Notice alleged that Defendant violated Proposition 65 by failing to warn consumers in California that use of Covered Products exposes such persons to the Listed Chemicals.

1.11 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below concerning Defendant's and the Covered Products' compliance with Proposition 65 (the "Dispute").

1.12 By execution of this Settlement Agreement, Defendant does not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any actual or alleged violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine. Defendant expressly maintains that all the products it causes to be manufactured, imported, distributed, and sold, including but not limited to the Covered Products, comply with all laws including Proposition 65, and are completely safe for their intended use. Nothing in this Settlement Agreement shall be construed as an admission by Defendant 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 Defendant, its officers, directors, employees, or parents, subsidiaries, commonly owned, or affiliated corporations including but not limited to Taokaenoi Food & Marketing PCL and Taokaenoi, USA, Inc. 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 Defendant 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) Defendant, and its owners, parents, subsidiaries, affiliates, sister, commonly owned, and related companies (including but not limited to Taokaenoi Food & Marketing PCL and Taokaenoi USA, Inc.), employees, shareholders, officers, directors, insurers, attorneys, predecessors, successors, and assigns of any of them (collectively “Releasees”); and (b) all entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Products, including but not limited to importers (including but not limited to K.N.T.C. El Monte), distributors (including but not limited to JDJ Trading Co., LLC and Ace Solutions Holding, Inc.), downstream wholesalers (including but not limited to Winneram USA, Inc.), customers, retailers (including but not limited to Tawa, Inc. dba 99 Ranch Market, Wilson’s Asian Market, Inc., Amazon.com, Inc., Amazon.com Services, Inc., SF Supermarket, Inc., Trans Family, Inc., Cathay L.A., Inc., Realm of Creativity. Seong Un Joe dba Shop Simply), franchisees, cooperative members, licensors, and licensees (“Downstream Releasees”), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any other 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 alleged exposures to the Listed Chemicals and the failure to warn about exposure to the Listed Chemicals arising in connection with Covered Products manufactured, imported, shipped, and/or otherwise distributed prior to the Effective Date, even if sold by Releasees or Downstream Releasees after the Effective Date.

CAG, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waive and release with respect to 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 manufactured, distributed, or sold through the Effective Date 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 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 Covered Products.

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.

### **3.0 Public Benefit**

3.1 It is Defendant's understanding that the commitments it has agreed to herein, and actions to be taken by Defendant under this Settlement Agreement, confer a significant benefit to the general public as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of Defendant that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to Defendant's alleged failure to provide a warning concerning actual or alleged exposure to the Listed Chemicals prior to use of the Covered Products it has

caused to be manufactured, imported, distributed, sold, or offered for sale in California, or will cause to be manufactured, distributed, sold, or offered for sale in California, such private party action would not confer a significant benefit on the general public as to those Covered Products addressed in this Settlement Agreement, provided that Defendant is in material compliance with this Settlement Agreement.

#### **4.0 Defendant's Duties**

4.1 Defendant agrees, promises, and represents that after the Effective Date Defendant shall not cause to be manufactured for sale, or distribute in California any Covered Products unless the level of Lead in the Covered Products does not exceed 75 parts per billion ("ppb"), and the level of Cadmium in the Covered Products does not exceed 85 ppb unless the Covered Products carry a warning as set forth in Section 4.2 below.

4.2 Defendant agrees, promises, and represents that, as of the Effective Date, to the extent it causes to be manufactured or distributes any Covered Products in California that exceed the respective levels for Lead, and/or Cadmium in Section 4.1, it will cause warnings to be provided on such Covered Products that comply with Proposition 65. The warnings shall be provided in such a conspicuous and prominent manner that they are reasonably likely to be read, seen, or heard by the consumer prior to or at the time of the sale, purchase, or use. The Parties agree that product labeling stating that:

[California Proposition 65] **WARNING:** Consuming this product can expose you to chemicals including Lead [and/or Cadmium], which are 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](http://www.P65Warnings.ca.gov/food).

Or

[California Proposition 65] **WARNING:** Cancer and Reproductive Harm - [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

shall constitute compliance with Proposition 65 with respect to the Listed Chemicals in Covered Products for any Covered Products that Defendant causes to be manufactured for sale by Releasees or Downstream Releasees after the Effective Date. CAG agrees that compliance with this Settlement Agreement is compliance with Proposition 65 with respect to Listed Chemicals in Covered Products.

## **5.0 Payments**

5.1 In complete resolution of all claims for damages, penalties, restitution, attorney's fees, investigative expenses, testing expenses, or any other monetary relief of any kind related to claims that were raised or that could have been raised in the Notice with respect to Covered Products containing Listed Chemicals, Defendant agrees, to pay a total of one hundred and thirty-five thousand dollars (\$135,000) within 10 days of the Effective Date by separate checks apportioned as follows:

5.1.1 Penalty: Defendant shall issue two separate checks for a total amount of forty thousand dollars (\$40,000) as follows: (a) one check made

payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of thirty thousand dollars, (\$30,000), representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of ten thousand dollars (\$10,000), 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: 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 \$30,000. The second 1099 shall be issued in the amount of \$10,000 to CAG and delivered to Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212.

5.1.2 Attorneys' Fees and Costs: Ninety-five thousand dollars (\$95,000) of such payment shall be paid to Yeroushalmi & Yeroushalmi, as CAG's attorneys, in complete resolution of all claims for reasonable investigation fees and costs, attorneys' fees, and any other costs or expenses incurred as a result of investigating and bringing this matter to Defendant's attention, and negotiating and finalizing the terms of this Settlement Agreement. The check 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 Copra II with its Employer Identification Number.

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

**7.0 Report of the Settlement Agreement to the Office of the Attorney General Of California**

7.1 CAG shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' full execution of this Settlement Agreement.

**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 one and 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 and Downstream Releasees identified in Section 2 above.

**11.0 Enforcement of Settlement Agreement**

11.1 Any alleged violation of the terms of this Settlement Agreement with respect to the Listed Chemicals in Covered Products shall be enforced exclusively hereunder by the Parties hereto pursuant to the terms of this Settlement Agreement. Before CAG moves to enforce the terms of this Settlement Agreement or any alleged violation related to Listed Chemicals in Covered Products, CAG must provide written notice to Defendant of any alleged violation, and provide all evidence supporting the alleged violation including any applicable test results, product photographs, and purchase receipts, subject to a reasonable confidentiality agreement if requested. The Parties will thereafter meet and confer for a minimum period of 30 days to allow time for Defendant and/or any releasee hereunder with respect to Covered Products to present to CAG any relevant compliance information and/or corrective action taken related to the alleged violation, including if applicable the date of manufacture, import,

distribution, or sale of the Covered Product at issue for purposes of determining the applicability of the release hereunder to such Covered Product. If the Parties cannot resolve the alleged violation, either Party may move to enforce the terms of this Settlement Agreement consistent with the terms hereof. Notwithstanding the above, CAG may bring an action to enforce any breach of the monetary settlement terms in Section 5.0, above, upon five (5) days written notice by CAG to Defendant of the alleged breach in accordance with the notification requirements set forth in Section 12.0 below. In case of any enforcement action related to this Settlement Agreement, 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 writing through 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 Defendant:

Copra II LLC

3547 53 rd Ave. W. PMB 141  
Bradenton, FL 34210

With Copy to:

James Robert Maxwell, Esq.  
ROGERS JOSEPH O'DONNELL  
311 California Street, 10th floor  
San Francisco, CA 94104

12.2 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**

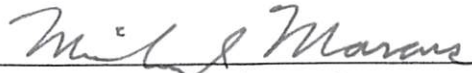
14.1 The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed, preempted or is otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemicals and/or the Covered Products, then Copra II 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: December 21, 2020

By: 

Printed Name: Michael Marcus

Title: Director

COPRA II LLC

Dated: Dec 18, 2020

By: 

Printed Name: Tim Minges

Title: Manager