

SETTLEMENT AGREEMENT

BETWEEN

CONSUMER ADVOCACY GROUP, INC.

AND

PULMUONE FOODS USA, INC.

Consumer Advocacy Group, Inc. (“CAG”) and Pulmuone Foods USA, Inc. (hereto referred to as “Pulmuone”), (CAG and Pulmuone 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 Pulmuone 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 Pulmuone previously sold, at various times,(i) Seaweed To Go Packs, including but not limited to “Pulmuone”; “Crispy Seaweed To Go Packs”; “9+3 Packs”; “Net Wt. 54g (1.9 oz)”; “Net Wt. 4.5g (0.16 oz)”; “Best Before Oct 18 2022”; “Distributed by Pulmuone Foods USA, Inc.”; “Product of USA”; “UPC 7 53214 74124 4” and (ii) Dried Seaweed, including but not limited to “Pulmuone”; “Dried Seaweed”; “Net Wt. 3.5 oz (100 g)”; “Distributed by Pulmuone Foods USA, Inc.”; “Product of Republic of Korea”; “UPC 8801114136416” and “Sliced

Dried Seaweed”; “Pulmuone”; “100g (225 kcal)”; “Net Wt 2.5 oz (100g); UPC 8801114308455 (collectively referred to throughout as the “Covered Products”).

Covered Products shall include, all dried seaweed and seaweed to go packs sold by Pulmuone prior to the Effective Date, including the following:

Product Name
Crispy Seaweed To Go Packs
Dried Seaweed
Sliced Dried Seaweed

1.3 CAG alleges that Seaweed To Go Packs contain Lead and Lead Compounds (“Lead”) and that Dried Seaweed contains Lead, and Cadmium and Cadmium Compounds (“Cadmium”), Inorganic Arsenic Oxides, and Crispy Seaweed to Go Packs and Sliced Dried Seaweed contains Lead and Cadmium, and that Pulmuone 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 February 27, 1987, the Governor of California added lead to the list of chemicals known to the State to cause reproductive toxicity (*Cal. Code Regs.* tit. 27, § 27001(c)). Lead is known to the State to cause developmental, female, and male reproductive toxicity. On October 1, 1992, the Governor of California added lead and lead 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 lead

and lead compounds to the list of chemicals known to the State to cause cancer and reproductive toxicity, lead and lead compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.5 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 and Cadmium Compounds is known to the State to cause developmental, male reproductive toxicity. Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of Cadmium and Cadmium Compounds to the list of chemicals known to the State to cause reproductive toxicity, Cadmium and Cadmium Compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.6 Lead, Cadmium and Inorganic Arsenic Oxide (“Inorganic Arsenic”) are referred to hereafter as the “Listed Chemicals”. Listed Chemicals is defined as follows:

Lead in Seaweed To Go Packs;  
Lead and Cadmium in Crispy Seaweed To Go Packs, and Sliced Dried Seaweed;  
Lead, Cadmium and Inorganic Arsenic in Dried Seaweed.

1.7 On or about February 2, 2023 (Attorney General Notice # 2023-00312), CAG served Pulmuone U.S.A., Inc., Pulmuone Co., Ltd., Pulmuone Food Co., Ltd., Pulmuone, Asian Mart, 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” regarding Seaweed To Go Packs containing the Listed Chemicals.

1.8 July 28, 2023 (Attorney General Notice # 2023-02331), CAG served Pulmuone Foods Co., Ltd., Pulmuone, Transocean Resources Management Inc. DBA Yamibuy, 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 Dried Seaweed containing the Listed Chemicals.

1.9 May 14, 2021, CAG served Pulmuone, Pulmuone Foods Co., Ltd. and Asian 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 the Sliced Dried Seaweed containing the Listed Chemicals.

1.10 October 15, 2021, CAG served Pulmuone, Pulmuone Foods Co., Ltd. and H Mart, 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 Pulmuone Crispy Seaweed To Go Packs containing the Listed Chemicals.

1.11 The Sixty-Day Notices (referred to as “Notices”) alleged that Pulmuone and the other noticed parties violated Proposition 65 by failing to warn consumers in California that use of Covered Products exposes persons to the Listed Chemicals.

1.12 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 (the "Dispute").

1.13 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 Pulmuone, 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 Pulmuone 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**

2.1.1. This Settlement Agreement is a full, final, and binding resolution between CAG, on behalf of itself, its past and current agents, representatives, attorneys, successors and assigns, and (a) Pulmuone, 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 (“Downstream Releasees”), and (c) any and all entities that manufactured the Covered Products or any component parts thereof, or any distributors or suppliers who sold the Covered Products or any component parts thereof to Pulmuone (“Upstream Releasees”) of any and all 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, Upstream Releasees and Downstream Releasees regarding exposing persons to the Listed Chemical and the failure to warn about exposure to the Listed Chemical 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 Covered Products are limited to those sold or distributed for sale by Pulmuone.

2.1.2. 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,

finances, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) (collectively "Claims"), against Releasees, Upstream 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', Upstream Releasees', and/or Downstream Releasees' alleged exposure of persons to the Listed Chemical contained in the Covered Products or any failure by Releasees, Upstream Releasees, and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Products.

2.1.3. 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.**

2.1.4. CAG, its past and current agents, representatives, attorneys, successors, and/or assignees ("CAG Parties") 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 CAG Parties agree that they will not make, assert or maintain against Releasees, Upstream Releasees and Downstream Releasees released herein, any claim, demand, action, or suit arising out of or in connection with the Claims. 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.

### **3.0 Pulmuone's Duties**

3.1 Pulmuone agrees, promises, and represents that after the Effective Date Pulmuone shall either not sell in California, offer for sale in California, or ship for sale in California any (i) Seaweed To Go Packs unless the level of the Lead does not exceed 75 parts per billion (“ppb”), or (ii) any Dried Seaweed, Sliced Dried Seaweed and Seaweed To Go unless the level of Lead does not exceed 75 ppb, and the level of Cadmium does not exceed 85 ppb, or (iii) any Dried Seaweed unless the level of Lead does not exceed 75 ppb, level of Cadmium does not exceed 85 ppb and level of Arsenic does not exceed 15 ppb, or provide a Proposition 65 compliant warning for such products sold in California if they exceed these levels as set forth in the following paragraphs.

3.2 For any Covered Products that exceed the levels of the Listed Chemicals set forth above that are manufactured for distribution and/or sale into California after the Effective Date, Pulmuone must provide a Proposition 65 compliant warning for the Covered Products as set forth in Proposition 65 and its



implementing regulations and/or as set forth below. The warning shall be consistent with Title 27 California Code of Regulations, § 25607.2. The warning shall be provided for cancer and birth defects, or other reproductive harm. 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 reasonably 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 and 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. Should Pulmuone sells or distributes any Covered Products through the internet, the warning will be posted in the manner provided for with respect to internet sales, as provided for in 27 CCR sections 25601 and 25602, as they may be subsequently amended, for sales to consumers in California.

The Parties agree that the following warning language are examples of what shall constitute compliance with Proposition 65 with respect to alleged Listed Chemicals in the Covered Products manufactured and placed into the stream of commerce by Pulmuone after the Effective Date, provided, however, that a label which is otherwise in compliance with Proposition 65, and which may be different than one of the examples listed below, shall also be deemed compliant:

For Lead, Cadmium or Arsenic, as Applicable:

[California Prop. 65] **WARNING:** Consuming this product can expose you to chemicals including, Lead 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 Prop. 65] **WARNING:** Consuming this product can expose you to chemicals including Cadmium, which are known to the State of California to cause birth defects or other reproductive harm. For more information go to [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

Or

[California Prop. 65] **WARNING:** Consuming this product can expose you to chemicals including Inorganic Arsenic Oxide, which are known to the State of California to cause birth defects or other reproductive harm. For more information go to [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

#### **4.0 Payments**

4.1 Pulmuone agrees, to pay a total of one hundred eight-two thousand, five hundred dollars (\$182,500) within five (5) days of the Effective Date by separate checks apportioned as follows:

4.1.1 Penalty: Pulmuone shall issue two separate checks for a total amount of sixty-two thousand five hundred dollars (\$62,500.00) as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of forty-six thousand eight hundred seventy-five dollars, (\$46,875), representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of fifteen thousand six hundred twenty-five dollars (\$15,625), 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 \$46,875. The second 1099 shall be issued in the amount of \$15,625 to CAG and delivered to Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212.

4.1.2 Attorneys' Fees and Costs: one hundred twenty thousand dollars (\$120,000) of such payment 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 Pulmuone'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 & Yeroushalmi shall provide Pulmuone with its Employer Identification Number.

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

5.3 CAG Parties represent and warrant that they, and each of them, have not assigned or transferred or purported to transfer or assign any matter herein released.

**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, Upstream Releasees and Downstream Releasees identified in Section 2 above.

**11.0 Enforcement of Settlement Agreement**

11.1 Any party may file suit before the Superior Court of the County of Los Angeles, to enforce the terms and conditions contained in this Settlement Agreement, pursuant to California Code of Civil Procedure §664.6, if any default is not cured after 10-days' notice in writing to Defendants of violation of the

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 and delivered in person, certified or registered mail return receipt requested, or traceable overnight delivery service, with a copy by e-mail, to the following designees:

For CAG:

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

For Pulmuone:

Harry Yoon, CFO  
harry.yoon@pulmuone.com  
PULMUONE FOODS USA, INC.  
2315 & 2309 Moore Ave.  
Fullerton, CA 92833

With a Copy to:

Kenneth W. Chung, Esq.  
kchung@kringandchung.com  
KRING & CHUNG, LLP  
38 Corporate Park  
Irvine, CA 92606

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 Chemical and/or the Covered Products, then Pulmuone shall provide written notice to CAG of any asserted change in the law, and Parties shall modify this Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected.

CONSUMER ADVOCACY GROUP, INC.

Dated: 1-22-2025

By: Willard Bayer

Printed Name: Willard BAYER

Title: President

PULMUONE FOODS USA, INC.

Dated: 1/21/2025

By: [Signature]

Printed Name: Harry Yoon

Title: CFO