

SETTLEMENT AGREEMENT  
BETWEEN  
CONSUMER ADVOCACY GROUP, INC.  
AND  
MARUESU CORPORATION

Consumer Advocacy Group, Inc. (“CAG”) and Maruesu America Inc. (“Maruesu”) enter into this agreement (“Settlement Agreement”) for the purpose of avoiding potentially prolonged and costly litigation, and to settle CAG’s allegations that Maruesu violated Proposition 65. CAG and Maruesu sometimes individually referred to as a “Party” and are collectively referred to as the “Parties.” 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 potential exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.

1.2 Maruesu previously sold in California, at various times, (i) Squid Snacks, including but not limited to “Ikaten Daio Tempura Squid Snack”; “6 Grams of Protein”; “Made from Fresh Squid”; “Net wt. 9.35 oz (265g) 5 ct x1.87 oz (53g) pouches”; “UPC 8 50027 00805 9”; “X002PPHMBT”; and (ii) Sardines including but not limited to “Maruesu Corporation”; “Softly Roasted and Easy-To-Eat Sliced Sardines”; “Seasoned Sardine”; “Net Wt. 1.79 oz. (51 g)”; “Imported by

JFC International Inc.”; “Product of Japan”; “64256”; “PT81174”; “UPC 4 978576 286196” (collectively Squid Snacks, and Sardines are referred to throughout this Settlement Agreement as the “Covered Products”). The Covered Products are limited to those manufactured, distributed, or sold by Maruesu and the Maruesu Releasees (as defined in Section 2.1.1 below) only.

1.3 CAG alleges that Covered Products contain Lead and Lead Compounds (“Lead”) and/or Cadmium and Cadmium Compounds (“Cadmium”), and that Maruesu 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 “Listed Chemical(s)” shall mean Lead and Lead Compounds in Covered Products and Cadmium and Cadmium Compounds in Squid Snacks.

1.6 On or about April 30, 2021 (Attorney General Notice # 2021-01084), CAG served, Maruesu, Maruesu America Inc., Amazon.com, Inc., Amazon.com Services, 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 Squid Snacks allegedly containing the Listed Chemical(s).

1.7 On or about August 27, 2021 (Attorney General Notice # 2021-02153), CAG served, Maruesu, Maruesu America Inc., JFC International, Walmart, 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 Sardines allegedly containing the Listed Chemical(s).

1.8 On or about October 1, 2021 (Attorney General Notice # 2021-02452), CAG served, Maruesu, Maruesu America Inc., Amazon.com, Inc., Amazon.com Services, 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 Squid Snacks allegedly containing the Listed Chemical(s).

1.9 On or about December 29, 2022, (Attorney General Notice #2022-03153), CAG served, Maruesu, Maruesu America Inc., Amazon.com, Inc., Amazon.com Services, Inc., other noticed parties, 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 Squid Snacks and Sardines containing the Listed Chemical(s).

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

1.11 The Parties enter into this Settlement Agreement to settle disputed claims concerning the Covered Products’ compliance with Proposition 65 (the “Dispute”).

1.12 Maruesu expressly maintains that all products it sells, including the Covered Products, comply with all laws, including but not limited to Proposition 65, and are completely safe for their intended use. Maruseu further maintains that the Covered Products are manufactured in conformance with good manufacturing practices, that the Listed Chemicals are not added to Covered Products, and to the extent the Listed Chemicals are present in Covered Products they are “naturally occurring” as that term is used in 27 Cal. Code of regs §25501. CAG disputes and disagrees with Maruesu’s assertion. 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 Maruesu, 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 Maruesu may have against one another in any other pending legal proceeding as to allegations unrelated to the Dispute or claims released herein. However, CAG agrees that compliance with the terms of this Settlement Agreement is compliance with Proposition 65 as to any actual or alleged Listed Chemicals in Covered Products.

## **2.0 Release**

2.1.1. This Settlement Agreement is a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and (a) Maruesu, 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 or via whom the Releasees directly or indirectly provided, distributed, or sold the Covered Products, including but not limited to marketplace retailers such as Amazon.com Services LLC, Amazon.com, Inc., and any Amazon affiliates (collectively “Amazon”), and Golden Tracy International and each of

their owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, officers, directors, insurers, attorneys, predecessors, successors, and assigns (Collectively “Downstream/Marketplace Releasees”) with only JFC International and Walmart and its affiliates excluded from the release for Attorney General Notice # 2021-02452 (the “Excluded Entities”) 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/Marketplace Releasees regarding actual or alleged exposures to the Listed Chemicals and the failure to warn about exposure to the Listed Chemicals arising in connection with Covered Products manufactured, shipped, and/or otherwise distributed prior to the Effective Date, even if sold by or on websites operated by Downstream/Marketplace Releasees after the Effective Date. This release specifically releases Amazon and Golden Tracy International) and all of their affiliates for their sales of Covered Products supplied by Maruesu and/or the Releasees as well as all other Downstream/Marketplace Releasees for their sales of the Covered Products except for the Excluded Entities as set forth above. The release for Downstream/Marketplace Releasees is limited to Covered Products manufactured, imported, distributed, or sold to them by Maruesu and the Releasees or sold via Amazon and other marketplace websites only.

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, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) (collectively "Claims"), against Releasees and Downstream/Marketplace Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in respect to the alleged Listed Chemicals in any Covered Products manufactured, distributed, or sold up to the Effective Date, or any failure by Releasees and Downstream/Marketplace Releasees to warn about exposures to the Listed Chemicals 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 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 Covered Products. 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.

2.1.5. **Public Benefit.** It is the Parties' understanding that the commitments Maruesu has agreed to herein, and actions to be taken by Maruesu 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 the Parties' 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 Maruesu'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 manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer 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 Maruesu is in material compliance with this Settlement Agreement.

### **3.0 Maruesu's Duties**

3.1 Maruesu agrees, promises, and represents that after the Effective Date Maruesu shall either not sell in California, offer for sale in California, or ship for sale in California any Squid Snacks unless the level of the Lead does not exceed 34 parts per billion ("ppb") and the level of Cadmium does not exceed 34ppb, or any Sardines unless the level of Lead does not exceed 20 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, Maruesu 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 Maruesu sell or distribute 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 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 Maruesu after the Effective Date:

[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).

Language in brackets is optional. Or Maruesu may use any other safe harbor warning authorized by 27 Cal Code of regs Section 25607.1-25607.2 as those sections may be amended from time to time.

#### **4.0 Payments**

4.1 In complete resolution of all claims of any kind 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 Notices, and negotiating this Settlement Agreement, Maruesu agrees to pay a total of one hundred and ten thousand dollars (\$110,000) by December 13, 2024, by separate checks apportioned as follows:

4.1.1 Penalty: In complete resolution of any claim for civil penalties or damages of any kind related to the claims raised in the Notice, Maruesu shall issue two separate checks for a total amount of twenty thousand dollars (\$20,000) as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of fifteen thousand dollars, (\$15,000),

representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of five thousand dollars (\$5,000), representing 25% of the total penalty. OEHHA's check shall be delivered by Maruesu or its agents to:

For United States Postal Service Delivery:

Mike Gyurics  
Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
P.O. Box 4010  
Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Mike Gyurics  
Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
1001 I Street  
Sacramento, CA 95814

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 at one of the addresses listed above, (EIN: 68-0284486) in the amount of \$15,000. The second 1099 shall be issued in the amount of \$5,000 to CAG and delivered to Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212.

4.1.2 Attorneys' Fees and Expenses: Ninety thousand dollars (\$90,000) of such payment shall be paid to Yeroushalmi & Yeroushalmi, as CAG's

attorneys, for any and all attorney's fees, investigation fees, testing expenses, and any other fees, costs, and/or expenses of any kind incurred as a result of investigating and bringing this matter to Maruesu's attention, and negotiating 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 Maruesu with its Employer Identification Number for purposes of issuing a 1099 to the attention of Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. The Parties' acknowledge that Maruesu cannot make any of the settlement payments required hereunder without the required EIN and/or W-9 information for the settlement payees to be provided by Plaintiff.

**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 Maruesu represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Maruesu 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' full 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 one and 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 are merged herein. 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/Marketplace Releasees identified in Section 2 above.

## **11.0 Enforcement of Settlement Agreement**

11.1 Before any Party may take action to enforce the terms of this Settlement Agreement for alleged breach, that Party must give the other Party written notice and a good faith opportunity to respond and cure the alleged violation. The Parties must thereafter meet and confer for a period of no less than 30 days to try to resolve any alleged violation. Plaintiff shall not bring an enforcement action or institute a judicial proceeding or seek any other relief of any kind if Maruesu demonstrates that it has complied with the requirements of Section 2. In the event that meet-and-confer efforts are unsuccessful, the Party alleging a violation may initiate a judicial proceeding to enforce this Settlement Agreement no earlier than 30 days after issuing the written notice specified herein. In the event that a Party initiates such a judicial proceeding, the prevailing Party shall be entitled to recover its reasonable attorney's fees and costs in accordance with applicable law.

## **12.0 Notice 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, to the following designees:

For CAG:

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

For Maruesu:

Current President/CEO  
Maruesu America Inc.  
3070 Bristol St.  
Costa Mesa, CA 92626

With Copy to:

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

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 Maruesu 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: 12-5-24

By: Willard Bayer

Printed Name: Willard Bayer

Title: President

MARUESU AMERICA, INC.

Dated: November 27, 2024

By: 田中 稔朗

Printed Name: Toshiro Tanaka

Title: President