

SETTLEMENT AGREEMENT
BETWEEN
CONSUMER ADVOCACY GROUP, INC.
AND
ALL UNITED IMPORTS, INC.

Consumer Advocacy Group, Inc. (“CAG”) and All United Imports, Inc. (hereto referred to as “All United”), (CAG and All United 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 All United 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 All United previously sold, at various times, Ground Crayfish, including but not limited to “Traditional Taste Brand;” “Crayfish Ground;” “Net Wt. 2oz. (56.6 g);” “Exp 10-01-2022;” “Traditional Taste Foods Inc.,” “Distributed by All United Imports, Inc.,” “X002GCJDUJ;” “UPC811518020868” (referred to throughout as the “Covered Products”). The Covered Products are limited to those sold by All United only, irrespective of whether or not All United was the ultimate retailer.

1.3 CAG alleges that Covered Products contain Lead and Lead Compounds, and Inorganic Arsenic, and that All United 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. 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.

1.5 Lead and/or Inorganic Arsenic is referred to hereafter as the “Listed Chemicals”.

1.6 On or about October 1, 2021 (Attorney General Notice #2021-02458), CAG served All United 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 containing the Listed Chemical, Lead.

1.7 On or about February 21, 2023 (Attorney General Notice #2023-00520) CAG served All United 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 containing the Listed Chemicals Lead and Inorganic Arsenic.

1.8 The Sixty-Day Notices (referred to as “Notices”) alleged that All United 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 Chemical.

1.9 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”).

1.10 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 All United, 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 All United 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

This Settlement Agreement is a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and (a) All United, 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, and specifically including all parties listed in Appendix A attached hereto (“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 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. The Covered Products are limited to those sold by All United, irrespective of whether or not All United acted as a retailer or a wholesaler. Other than All United, its related companies and Downstream Releasees, no other Parties are released from their liability relating to the Covered Products.

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 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' alleged exposure of persons to the Listed Chemical contained in the Covered Products or any failure by Releasees to warn about exposures to the Listed Chemical 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.

3.0 All United's Duties

3.1 All United agrees, promises, and represents that after the Effective Date if the Covered Products that is offered for sale in California exceed 40 parts per billion (“ppb”) of Lead and 20 ppb of Inorganic Arsenic, All United shall provide compliant Proposition 65 warnings as provided below.

3.2 All United agrees, promises, and represents that, as of the Effective Date, to the extent it ships or sells any Covered Products that exceeds the respective levels of Listed Chemicals specified above, it will provide warnings on such Covered Products that comply with Proposition 65. 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. The Parties agree that product labeling stating that:

WARNING: Consuming this product can expose you to chemicals including Lead and Lead Compounds, which is 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.

or

WARNING: Consuming this product can expose you to chemicals including Inorganic Arsenic, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/food.

shall constitute compliance with Proposition 65 with respect to the Listed Chemical in the Covered Products for any Covered Products which exceed the respective levels of Listed Chemicals specified above and were distributed and/or sold by Releasees or Downstream Releasees after the Effective Date. 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 All United sell or distribute any Covered Product 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.

3.3 For any Covered Products still existing in All United's inventory as of the Effective Date, All United shall place a Proposition 65 compliant warning on them, unless the Covered Products does not exceed the respective levels of Listed

Chemicals specified above. Any warning provided pursuant to this section shall comply with the warning requirements under Title 27, California Code of Regulations, § 25600, et seq.

4.0 Payments

4.1 All United agrees, to pay a total of One Hundred and Ten Thousand Dollars (\$110,000) by June 15, 2023 by separate checks apportioned as follows:

4.1.1 Penalty: All United 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.

4.1.2 Attorneys' Fees and Costs: Seventy Thousand Dollars (\$70,000) 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 All United'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 All United 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 All United represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind All United 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 identified in Section 2 above.

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 All United 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 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 All United:

Depeng Bi, Esq.
The Law Offices of Konrad Sherinian, LLC
1755 Park Street, Suite 200
Naperville, IL 60563

With a Copy to:

All United Imports, Inc.

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

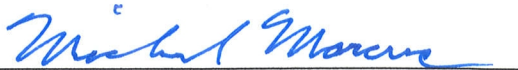
13.1 If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

14.0 GOVERNING LAW

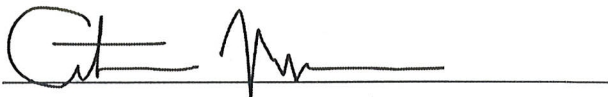
14.1 The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed, preempted or is otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemical and/or the Covered Products, then All United 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: 6/13/2023 By: 
Printed Name: Michael Marcus
Title: Director

ALL UNITED IMPORTS, INC.

Dated: 6/13/2023 By: 
Printed Name: Antonio Macias
Title: President

APPENDIX A

Antonio Macias, CEO
All United Imports, Inc.
Traditional Taste Foods Inc.
9332 S. Anthony Ave.
Chicago, IL 60617

All United Imports, Inc.
Agent for Service of Process
Tony Garcia
10716 S. Ewing Ave.
Chicago, IL 60617

Amazon.com Services LLC
Attn: Michael Deal
410 Terry Avenue North
Seattle, WA 98109

Antonio Macias, CEO
All United Imports, Inc.
2525 S Blue Island Ave.
Chicago, IL 60608

Salem Salem, CEO
Bethany Investments LLC
DBA Deal Galaxy
1 E Erie St
Ste 525 Unit #2220
Chicago, IL 60611

Amazon.com Services LLC
Agent for Service of Process
CSC – Lawyers
Incorporating Service
2710 Gateway Oaks Dr., Ste 150N
Sacramento, CA 95833

Antonio Macias, CEO
All United Imports, Inc.
14166 Grant Street
Crown Point, IN 46307

Bethany Investments LLC
DBA Deal Galaxy
Agent for Service of Process
8 South 261 Aintree Drive
Naperville, IL 60540

Amazon.com, Inc.
Amazon.com Services LLC
Agent for Service of Process
Corporation Service Company
251 Little Falls Drive
Wilmington, DE 19808