

SETTLEMENT AGREEMENT

BETWEEN

CONSUMER ADVOCACY GROUP, INC.

AND

FOREVER LINK INTERNATIONAL, INC.

Consumer Advocacy Group, Inc., a California corporation (“CAG”) and Forever Link International, Inc., a California corporation (hereto referred to as “Forever Link”), (CAG and Forever Link 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 Forever Link violated Proposition 65. The effective date of this Settlement Agreement shall be the date of the latest signature of the Parties below (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.

Forever Link previously sold, at various times: **Sandals with Plastic Components** (“Covered Products”), including but not limited to Silver Metallic Sandals, "Forever 8/12"; "USA 9 EUR 40"; "DV 19 D5201 C0908"; "400203870644"; "PO#RT-18-02"; "Style: Rafele-23"; Made in China." The Covered Products are limited to those sold by Forever Link only.

1.2 CAG alleges that Covered Products contain Di (2-ethylhexyl) phthalate (“DEHP”), also known as Diethyl Hexyl Phthalate and Bis (2-ethylhexyl)

phthalate and Di-n-Butyl Phthalate (“DBP”), and that Forever Link 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”)).

1.3 On January 1, 1988, the Governor of California added DEHP to the list of chemicals known to the State to cause cancer, and on October 24, 2003, the Governor added DEHP to the list of chemicals known to the State to cause developmental male reproductive toxicity. These additions took place more than twenty (20) months before CAG served its “Sixty-Day Notice of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” which is further described below. On December 2, 2005, the Governor of California added DBP to the list of chemicals known to the State to cause developmental, female, and male reproductive toxicity. These additions took place more than twenty (20) months before CAG served its “Sixty-Day Notice of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” which is further described below.

1.4 DEHP and DBP are collectively referred to hereafter as the “Listed Chemicals”.

1.5 On or about June 18, 2020 (Attorney General Notice # 2020-01551), CAG served, Ross Stores, 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 Covered Products containing the Listed Chemicals.

1.6 On or about July 22, 2022 (Attorney General Notice # 2022-01667), CAG served, Forever Link 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.

1.7 The aforementioned Sixty-Day Notices (referred to as “Notices”) alleged that Forever Link 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.

1.8 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”).

1.9 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 Forever Link, 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 Forever Link 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) Forever Link, (b) Forever Link's owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, officers, directors, insurers, attorneys, predecessors, successors, agents, and assigns (collectively, "Affiliates;" Forever Link and Affiliates may be collectively referred to as the "Releasees") and (c) all entities and persons to whom Releasees directly or indirectly provide, distribute, or sell the Covered Products, including but not limited to, distributors, wholesalers, customers, retailers (including Ross Stores, Inc., its parents, subsidiaries, and affiliates), franchisees, cooperative members, marketplace hosts and platforms, and licensees (collectively, "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/or Downstream Releasees regarding exposing persons to any of the Listed Chemicals and the failure to warn about exposure to any of 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 Covered Products are limited to those sold by Forever Link.

CAG, on behalf of itself and 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 claims, 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"), whether known or unknown, suspected or unsuspected, 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 any of the Listed Chemicals contained in the Covered Products or any failure by Releasees and/or Downstream Releasees to warn about exposures to any of 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, on behalf of itself and its past and current agents, representatives, attorneys, successors, and assignees, hereby expressly waives and relinquishes any and all rights and benefits which any of them 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 Forever Link's Duties

3.1 Forever Link agrees, promises, and represents that after the Effective Date Forever Link shall reformulate any Covered Products manufactured after the Effective Date and offered for sale in California by Forever Link to a point where the level of DEHP and/or DBP in the Covered Products does not exceed 0.1% by weight.

3.2 Forever Link agrees, promises, and represents that, as of the Effective Date, to the extent it ships or sells any Covered Products in existing inventory that have not been reformulated, 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:** This product can expose you to chemicals including Di(2-ethylhexyl) phthalate (DEHP), 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.

Or

⚠ **WARNING:** This product can expose you to chemicals including Di-n-Butyl Phthalate (DBP), 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.

shall constitute compliance with Proposition 65 with respect to the Listed Chemicals in the Covered Products for any Covered Products in existing inventory that had not been reformulated and were distributed and/or sold by Releasees or Downstream Releasees after the Effective Date. Notwithstanding anything to the contrary in this Settlement Agreement, in the event that the state of California or any of its agencies, offices, or departments, including but not limited to, Office of Environmental Health Hazard Assessment, promulgates one or more regulations requiring or permitting warning text and/or methods of transmission different than those set forth in this Settlement Agreement, Forever Link shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Settlement Agreement.

4.0 Payments

4.1 Provided that no attorney general, district attorney, or any city attorney of a city with a population exceeding 750,000 takes any action with respect to the Sixty-Day Notice described in Section 1.6 above and/or with respect to any of the Listed Chemicals in the Covered Products, Forever Link agrees to pay a total of ninety-five thousand dollars (\$95,000.00) on September 26, 2022 by separate checks apportioned as follows:

4.1.1 Penalty: Forever Link 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 deposited in the mail or with a courier by the aforementioned date for delivery to Office of Environmental Health Hazard Assessment, P.O. Box 4010 Sacramento, CA 95812-4010, Attn: Mike Gyurics or, for non-USPS delivery, to Office of Environmental Health Hazard Assessment, 1001 I Street, Sacramento, CA 95814, Attn: Mike Gyurics. CAG's check shall be deposited in the mail or with a courier by the aforementioned date for delivery 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 \$15,000.00. The second 1099 shall be issued in the amount of \$5,000.00 to CAG and delivered to Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212. By the Effective Date, CAG shall provide Forever Link with its Employer Identification Number.

4.1.2 Attorneys' Fees and Costs: Seventy-five thousand dollars (\$75,000.00) 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 Forever Link's attention. The check shall be deposited in the mail or with a courier by the aforementioned date for delivery to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. By the Effective Date, Yeroushalmi & Yeroushalmi shall provide Forever Link 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 Forever Link represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Forever Link 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 Effective Date.

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 Modification of Settlement Agreement

8.1 Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

9.0 Application of Settlement Agreement

9.1 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.

10.0 Enforcement of Settlement Agreement

10.1 Notwithstanding the above, a Party may bring an action to enforce any breach of the monetary terms in Sections 4.0 above, upon five (5) days' prior written notice by such Party to the other Party of the alleged breach in accordance with the notification requirements set forth in Section 11.0, below. In case of any enforcement action, the prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

11.0 Notification Requirements

11.1 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 Forever Link:

Forever Link International, Inc.
Attn: Charles Cui
888 S. Azusa Ave.
City of Industry, CA 91748

Any party may change its designee(s) for purposes of notification by providing written notice of such change pursuant to this section.

12.0 SEVERABILITY

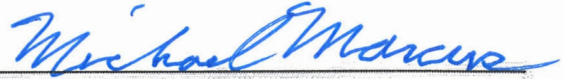
12.1 If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

13.0 GOVERNING LAW


13.1 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 any of the Listed Chemicals and/or the Covered

Products, then Forever Link 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: 9/16/22 By: 
Printed Name: Michael Marcus
Title: Director

FOREVER LINK INTERNATIONAL, INC.

Dated: 9/15/22 By: 
Printed Name: Charles Cui
Title: CEO