| 1 2 3 4 5 | JAMES KAWAHITO (SBN 234851) KAWAHITO LAW GROUP APC 300 Corporate Pointe Ste 340 Culver City, CA 90230 Telephone: (310) 746-5300 Facsimile: (310) 593-2520 Email: jkawahito@kawahitolaw.com Attorneys for Plaintiff Pubic Health And Safety | Advocates, LLC |
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| 7 | SUPERIOR COURT OF TH | IE STATE OF CALIFORNIA |
| 8 | COUNTY OF LOS ANGELES | |
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| 10 | PUBLIC HEALTH AND SAFETY | Case Number: 21STCV15205 |
| 11 | ADVOCATES, LLC, | AMENDED [PROPOSED] STIPULATED CONSENT |
| 12 | Plaintiff, | JUDGMENT |
| 13 | vs. | HEALTH AND SAFETY CODE § 25249.6 |
| 14 | JFC INTERNATIONAL, INC., a California | |
| 15 | Corporation; LIAN HWA FOODS (USA) INC., a California Corporation; and DOES 1 | |
| 16 | through 50, inclusive, | |
| 17 | Defendants, | |
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1. Introduction

1.1. Public Health and Safety Advocates, LLC, JFC International, Inc., and Lian Hwa Foods (USA), Inc.

This Consent Judgment is entered into by and between plaintiff Public Health and Safety Advocates, LLC ("PHSA" or "Plaintiff"), defendant JFC International, Inc. ("JFC" or "Defendant") and Lian Hwa Foods (USA), Inc. ("Lian Hwa") (JFC and Lian Hwa collectively referred to as "Defendants", or "Releasees") with JFC, Lian Hwa, and PHSA each individually referred to as a "Party" and collectively as the "Parties."

1.2. Plaintiff

PHSA is a limited liability company duly organized and existing in the State of California, which seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products.

1.3. Defendant

JFC and/or Lian Hwa employ ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code section 25249.6 et seq. ("Proposition 65").

1.4. General Allegation

PHSA alleges that Defendants manufactured, sold, and/or distributed for sale in California, certain products described more specifically below containing lead, a chemical listed by the State of California under Proposition 65, without providing a required Proposition 65 warning. Lead and Lead Compounds shall be referred to hereinafter as the "Listed Chemical."

1.5. Product Description

The Defendants' products that are the subject of this Consent Judgment are the WEL-PAC Saki Ika-Prepared Shredded Squid (Hot), UPC # 011152063188 and Dashi Kombu (Dried Kelp), UPC #011152142715, which were sold and/or distributed for sale in California by Defendants ("Covered Products").

1.6. Notice of Violation

On April 2, 2020 and April 27, 2020, PHSA served JFC and the requisite public enforcement agencies with two 60-Day Notices of Violation ("Notices") alleging that JFC violated Proposition 65. The Notices alleged that JFC failed to warn its customers and consumers in California that the Covered Products contain lead.

On August 2, 2022, PHSA served JFC, Lian Hwa, and the requisite public enforcement agencies with two 60-Day Notices of Violation ("Amended Notices"), which added Lian Hwa as the noticed party.

1.7. Complaint

On April 22, 2021, Plaintiff, who was and is acting in the interest of the general public in California, filed a complaint ("Complaint")in the Superior Court in and for the County of Los Angeles against JFC and Does 1 through 50, alleging violations of Health & Safety Code §25249.6 based on the alleged exposures to lead contained in the Covered Products. On October 3, 2022, Plaintiff filed a First Amended Complaint ("First Amended Complaint") adding Lian Hwa as a party.

1.8. No Admission

The Parties enter into this Consent Judgment as a full and final settlement of all claims that were raised or that could have been raised in the Notices or Amended Notices, arising out of the facts and/or conduct alleged therein. Defendants deny the material, factual and legal allegations contained in PHSA's Notices, Amended Notices, and the First Amended Complaint, and maintains that all products, including but not limited to the Covered Products, that they have sold and distributed in California have been and are in compliance with all applicable laws, and are completely safe for their intended use. Nothing in this Consent Judgment shall be construed as an admission by Defendants of any fact, finding, conclusion, issue of law, or violation of law, nor

shall compliance with this Consent Judgment constitute or be construed as an admission by

Defendants of any fact, finding, conclusion, issue of law, or violation of law, such being
specifically denied by Defendants. However, this section shall not diminish or otherwise affect
Defendants' obligations, responsibilities, and duties hereunder.

1.9. Consent to Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that: (1) this Court has jurisdiction over Defendants as to the allegations contained in the First Amended Complaint; 2) that venue is proper in the County of Los Angeles; and 3) that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

1.10. Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date on which the Court approves and signs an order approving this Consent Judgment.

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS AND WARNINGS

2.1. Reformulation Standard and Schedule

Commencing after the Effective Date, Defendants shall not manufacture for consumer sale into the State of California any Covered Product that subsequently exposes a person to a Daily Serving of more than 0.5 micrograms of lead, as calculated in Section 2.2, without providing a warning as set forth in Sections 2.4 and 2.5. A reformulated Covered Product ("Reformulated Product") is one for which the Daily Serving contains no more than 0.5 micrograms of lead ("Reformulation Standard").

Covered Products that comply with the Reformulation Standard shall not require any warnings. For any Covered Products manufactured after the Effective Date, Defendants shall provide the warning set forth in Section 2.4.

As long as Defendants comply and remain in compliance with the requirements of Section 2.1 – 2.4 for each of the Covered Products, the Parties agree that such Products shall be deemed to comply with Proposition 65 with respect to lead, and that compliance with this Consent Judgment

shall fully and completely satisfy Defendants' obligations under Proposition 65 to provide warnings for such Covered Products with respect to the presence of lead, regardless of when manufactured, distributed or sold.

Covered Products currently in the channels of distribution may continue to be sold through by Defendants and Releasees. However, as of the Effective Date, Defendants and the Releasees, as defined in Section 5.1, may not sell into California newly manufactured Covered Products that are not Reformulated Products or do not contain the warnings set forth in Paragraph 2.5.

2.2. Daily Serving

A Daily Serving (for purposes of determining Proposition 65 compliance for chemicals present in the Covered Products) shall be defined as the serving size set forth on the "Nutritional Facts" or "Supplemental Facts".

2.3. Warning Option

Covered Products that do not meet the standard of Reformulated Products set forth in Section 2.1 above shall be accompanied by a warning as described in Section 2.4 below. This warning shall only be required as to Covered Products that Defendants manufacture, sell or ship to consumers, retailers, or distributors in California after the Effective Date. No Proposition 65 warning for lead shall be required as to any Covered Products that are already in the stream of commerce as of the Effective Date.

2.4. Warning Language

Covered Products manufactured after the Effective Date for sale in California that do not qualify as Reformulated Products shall contain a Proposition 65 warning affixed to the packaging, labeling, or directly on each Covered Product. The warning shall state either:

WARNING: Consuming this product can expose you to chemicals including lead, 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.

Where the warning is provided on the food product label, it must be set off from other surrounding information, enclosed in a box. The warning shall be prominently displayed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user is reasonably likely to understand the Covered Products the warning applies to, so as to minimize the risk of consumer confusion. In the event that the 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 above, Defendants shall be entitled to use, at its discretion, such other warning text and/or methods of transmission without being deemed in breach of this Consent Judgment, as long as such warning text and methods of transmission comply with OEHHA regulations.

2.5. Internet Sales

For any Covered Products sold by Defendants through the internet, the relevant warnings shall comply with the requirements of 27 Cal. Code Regs. § 25602(b), effective August 30, 2018.

2.6. Warnings By Notice To Businesses Who Are Selling Or Receive The Covered Products

For purposes of this Consent Judgment, Defendants may also satisfy the warning requirement by providing the required information in compliance with 27 Cal. Code Regs. §25600.2 to any business or retailer that is subject to Proposition 65, to which it sells or transfers the Covered Products.

3. MONETARY PAYMENTS

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3.1. Payments Pursuant to Health & Safety Code § 25249.7(b)

Defendants shall pay a total civil penalty of \$4,000, to be apportioned in accordance with California Health & Safety Code §§25249.12(c) & (d), with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA"") and the remaining 25% of the penalty remitted to PHSA. JFC International, Inc. is responsible for twothirds of the \$4,000 payment and Lian Hwa Foods (USA), Inc. is responsible for one-third of the \$4,000 payment. JFC International, Inc. and Lian Hwa Foods (USA), Inc. shall directly remit their portion of the payment to PHSA. The payment by JFC International, Inc. is applicable to the Dashi Kombu Covered Product whereas the payment by Lian Hwa Foods (USA), Inc. is applicable to the Shredded Squid Covered Product. JFC and Lian Hwa shall issue two separate checks for the penalty payment: (a) one check made payable to the Kawahito Law Group in Trust for the State of California's Office of Environmental Health Hazard Assessment ("in Trust for OEHHA") in the amount of \$3,000, representing 75% of the total civil penalty; and (b) one check to "Kawahito Law Group in Trust for PHSA" in the amount of \$1,000, representing 25% of the total civil penalty. Two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486). The second 1099 shall be issued to Kawahito Law Group APC, who shall furnish a W-9 at least five calendar days before payment is due.

The payments shall be delivered to PHSA's counsel at the following address within ten days of the Effective Date of this Consent Judgment:

James Kawahito, Esq. Kawahito Law Group APC 300 Corporate Pointe., Suite 340 Culver City, CA 90230

Payment may also be made by wire or ACH or wire transfer. Instructions will be provided separately upon request.

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4. REIMBURSEMENT OF ATTORNEYS' FEES AND COSTS

The Parties acknowledge that PHSA and its counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving any fee reimbursement issue to be resolved after the material terms of the Consent Judgment had been settled. The Parties reached an accord on the compensation due to PHSA and its counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure (CCP) § 1021.5, for all work performed through the mutual execution of this Consent Judgment. Defendants shall reimburse PHSA and its counsel in the total amount of \$31,000 for all attorney's fees, investigative and consulting costs, and all other expenses of any kind incurred by PHSA as a result of investigating, bringing this matter to the attention of Defendants, negotiating this Consent Judgment, drafting the pleadings, and preparing the necessary briefing to obtain Court approval of the Consent Judgment. JFC International, Inc. is responsible for two-thirds of the \$31,000 payment and Lian Hwa Foods (USA), Inc. is responsible for one-third of the \$31,000 payment. The payment by JFC International, Inc. is applicable to the Dashi Kombu Covered Product whereas the payment by Lian Hwa Foods (USA), Inc. is applicable to the Shredded Squid Covered Product. JFC International, Inc. and Lian Hwa Foods (USA), Inc. shall directly remit their portion of the payment to PHSA. JFC and Lian Hwa shall make payment by check or by ACH or wire transfer within ten days of the Effective Date. The check shall be made payable to "Kawahito Law Group APC" and delivered to the address below. Wire or ACH Instructions will be provided separately upon request.

James Kawahito, Esq. Kawahito Law Group APC 300 Corporate Pointe., Suite 340 Culver City, CA 90230

To allow for the issuance of a timely payment pursuant to the above, PHSA shall provide Defendants with a completed IRS Form W-9 for the Kawahito Law Group APC upon request.

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PHSA further agrees that it shall indemnify, defend and hold harmless JFC International, Inc., Lian Hwa, and, Releasees, their respective officials, directors, employees, members and agents (collectively, the "Indemnitees"), from and against any and all liabilities relating to any claims by PHSA's previous attorneys at Law Offices of Danialpour & Associates for attorney's fees related to its representation of PHSA relating to the Covered Products.

5. RELEASE OF CLAIMS

5.1. Release of JFC and Lian Hwa Foods (USA), Inc.

This Consent Judgment is a full, final and binding resolution between PHSA, on behalf of itself and the public interest, and its past and current agents, representatives, attorneys, successors and/or assignees (the "Releasors"), on the one hand, and JFC and Lian Hwa, their respective parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, licensors, licensees, and each entity to whom JFC or Lian Hwa directly or indirectly distributes or sells the Covered Products, including but not limited to downstream retailers such as Walmart, Inc., Walmart Stores, Inc., Walmart.com USA, LLC, and Costco Wholesale Corp., distributors such as Asian 101 Market and Hiroyuki Shibata, wholesalers, customers, marketplace hosts, franchisers, cooperative members, licensors, licensees, and the successors and assigns of any of them ("Releasees"), on the other hand, of any violation of Proposition 65 that was or could have been asserted by PHSA against Defendants or the Releasees based on the alleged failure to warn about alleged Proposition 65 exposures to lead caused by the Covered Products that were manufactured by Defendants (either directly or through any of the Releasees) as of the Effective Date. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 by Defendant with respect to the alleged or actual failure to warn about exposures to lead from Covered Products.

5.2 PHSA's Individual Release of Claims

PHSA acknowledges it is familiar' with section 1542 of California's Civil Code, which provides that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOTKNOW OR SUSPECT TO EXIST IN HIR OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

PHSA understands and acknowledges that the significance and consequence of this waiver of California Civil Code section 1542 is that even if PHSA suffers future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, Claims arising from any violation of Proposition 65 or any other statutory or common law regarding the Covered Products manufactured, distributed or sold by the Releasors through the Effective Date regarding the failure to warn about actual or alleged exposure to the Listed Chemical from the Covered Products, PHSA will not be able to make any claim for those damages, penalties or other relief against the Releasors. Furthermore, PHSA acknowledges that it intends these consequences for any such Claims arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to the Listed Chemical from the Covered Products as may exist as of the date of this release but which PHSA does not know exist, and which, if known, would materially affect their decision to enter into this Consent Judgment, regardless of whether their lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause

5.3 Defendants Release of PHSA

Defendants on behalf of themselves, their past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against PHSA, its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by PHSA and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the Covered Products.

5.4 Waiver of Statute of Limitations

This agreement is intended to be the final and binding resolution between the parties without relation to time. To the extent permitted by applicable law, the Releasees hereby expressly waive and release their right to plead any statute of limitations as a defense to any claim relating to the Covered Products or any matter covered under the Parties' agreement and Stipulated Consent Judgment.

6. COURT APPROVAL

This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered by the Court.

7. SEVERABILITY

If, subsequent to the execution of this Consent Judgment, any provision of this Consent Judgment is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

8. GOVERNING LAW

The terms of this Consent Judgment 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 Products, then Defendants may provide Plaintiff with written notice of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment, with respect to, and to the extent that, the Covered Products are so affected.

9. JOINT PREPARATION

The Parties have jointly participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against

the drafting Party should not be employed in the interpretation of this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code § 1654.

10. Entire Agreement

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein. No supplementation, modification, waiver, or termination of this Consent Judgment shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver unless set forth in writing between the Parties.

11. NOTICES

Unless specified herein, all correspondence and notice required to be provided pursuant to this Consent Judgment shall be in writing and, with courtesy copies to counsel delivered by email, sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

| For JFC: | Steve Teraoka, Esq. |
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| | Teraoka & Partners LLP |
| | San Francisco Office |
| | Four Embarcadero Center |
| | Suite 1400 |
| | San Francisco, CA 94111. |
| | steve@teraokalaw.com |
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| For Lian Hwa: | Danning Jiang, Esq. |
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| | Law Offices of Danning Jiang |
| | 271 North First Street |
| | San Jose, CA 95113. |
| | djiang@jianglawgroup.com |

Shabnam Elyaszadeh For PHSA: Public Health And Safety Advocates, LLC

10429 Eastborne St. Los Angeles, CA 90049

With a Copy to:

James K. Kawahito
Kawahito Law Group APC
Attn. PHSA v. VENUS
222 N. Pacific Coast Hwy., Suite 2222
El Segundo, CA 90245
jkawahito@kawahitolaw.com

Any Party may, from time to time, specify in writing to the other a change of address to which all notices and other communications shall be sent.

12. COUNTERPARTS; FACSIMILE SIGNATURES

This Consent Judgment may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

13. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7

PHSA and his attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code Section 25249.7(f).

14. Additional Post Execution Activities

The Parties acknowledge that, pursuant to Health & Safety Code §25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment. In furtherance of obtaining such approval, PHSA shall be responsible for preparing the motion to approve the Consent Judgment. Defendants and their respective counsel agree to mutually employ their best efforts to support the entry of this agreement as a Consent Judgment and obtain approval of the Consent Judgment by the Court in a timely manner. For purposes of this paragraph, best efforts shall include at a minimum, cooperating in Plaintiff's drafting and filing of any papers in support of the required motion for judicial approval.

15. MODIFICATION

This Consent Judgment may be modified only: (1) by written agreement of the parties and

upon entry of a modified consent judgment by the Court thereon; or (2) upon a successful motion of any party and entry of a modified consent judgment by the Court. The Attorney General shall be served with notice of any proposed modification to this Consent Judgment at least fifteen days in advance of its consideration by the Court. To the extent either party alleges a breach of this Consent Judgment, written notice shall be provided to the party in alleged breach and the Parties shall thereafter meet and confer for at least 30 days to try to informally resolve the dispute before either Party files a motion to enforce.

16. AUTHORIZATION

The undersigned are authorized to stipulate to, enter into, and execute this Consent Judgment on behalf of their respective parties, and have read, understood, and agree to all of the terms and conditions of this Consent Judgment.

| AGREED TO: | AGREED TO: | |
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| Date: November 16, 2022 | Date: November 16, 2022 | |
| By: Public Health And Safety Advocates, LLC | By: JFC International, Inc. | |
| AGREED TO: | | |
| Date: November 16 2022 | | |

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| 3 | upon entry of a modified consent judgment by the Court thereon; or (2) upon a successful motion | | |
| 4 | of any party and entry of a modified consent judgment by the Court. The Attorney General shall | | |
| 5 | be served with notice of any proposed modification to this Consent Judgment at least fifteen days | | |
| 6 | in advance of its consideration by the Court. To the extent either party alleges a breach of this | | |
| 7 | Consent Judgment, written notice shall be provided to the party in alleged breach and the Parties | | |
| 8 | shall thereafter meet and confer for at least 30 days to try to informally resolve the dispute before | | |
| 9 | either Party files a motion to enforce. | | |
| 10 | 16. Authorization | | |
| 11 | The undersigned are authorized to stipulate to, enter into, and execute this Consent | | |
| 12 | Judgment on behalf of their respective parties, and have read, understood, and agree to all of the | | |
| 13 | terms and conditions of this Consent Judgment. | | |
| 14 | AGREED TO: | AGREED TO: | |
| 15 | Date: November 16, 2022 | Date: November 16, 2022 | |
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| 17 | By: | By:Yoshiyuki Ishigaki (Nov 16, 2022 09:41 PST) | |
| 18 | Public Health And Safety Advocates, LLC | JFC International, Inc. | |
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| 20 | AGREED TO: | | |
| 21 | AGREED TO. | | |
| 22 | Date: November 16, 2022 | | |
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| 24 | By: Lian Hwa Foods (USA), Inc. | | |
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| 10 | IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to Health & Safety |
| 11 | Code § 25249.7(f)(4) and Code of Civil Procedure § 664.6, judgment is hereby entered. |
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| 13 | Dated: |
| 14 | JUDGE OF THE SUPERIOR COURT |
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