1 2 3 4	Reuben Yeroushalmi (SBN 193981)  YEROUSHALMI & YEROUSHALMI  An Association of Independent Law Corporation 9100 Wilshire Boulevard, Suite 240W  Beverly Hills, California 90212  Telephone: 310.623.1926  Facsimile: 310.623.1930  Attorneys for Plaintiff,	ons	
5	CONSUMER ADVOCACY GROUP, INC.		
6	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
7	COUNTY OF ALAMEDA		
8	CONSUMER ADVOCACY GROUP, INC.,	CASE NO. 22CV023970	
9	in the public interest,  Plaintiff,	REVISED CONSENT JUDGMENT [PROPOSED]	
10	V. SUMMIT IMPORT CORPORATION, a New Jersey Corporation;	Health & Safety Code § 25249.5 et seq.	
11 12	WALMART, INC., a Delaware Corporation; WALMART.COM USA, LLC, a California Limited Liability Company;		
13	AMAZON.COM SERVICES, LLC, a Delaware Limited Liability Company; and DOES 1-20,		
14	Defendants.		
15 16		I	
	1. INTRODUCTION		
17	1.1 This Consent Judgment is ente	ered into by and between plaintiff, CONSUMER	
18	ADVOCACY GROUP, INC. (referred to as "CAG") acting on behalf of itself and in the interest		
19	of the public, and defendant, SUMMIT IMPORT CORPORATION, (hereinafter referred to a		
	"Defendant"), with each a Party to the action collectively referred to as "Parties."  1.2 Defendant and Products		
20			
21		1	
	REVISED CONSENT JUDGMENT [PROPOSED]		
	REVISED CONSENT J	ןעשט וטא ון דאשויוטעטי	

- 1.2.1 CAG alleges that defendant SUMMIT IMPORT CORPORATION is a New Jersey Corporation which employs ten or more persons. CAG further alleges that Defendant distribute and sell the following to consumers in California:
  - (i) Five Spice Powders including but not limited to:

"Yu Yee Brand ®"; "Five Spice Powder"; "Net Wt. 1.76 oz (50 g)"; "Packed for Summit Import Corp."; "Product of China"; "UPC 0 23452 06072 9".

- (ii) **Kelp Strips** including but not limited to, "Yuho ® From Sungiven Foods"; "Bandes De Varech"; "Kelp Strips"; "Net Wt. 227g (8 oz)"; "Imported by Summit Import Corporation"; "UPC 6 28546 00173 4".
- 1.2.2 Five Spice Powders and Kelp Strips are collectively referred to as the "Covered Products".
- 1.2.3 For purposes of this Consent Judgment only, Defendant is deemed a person in the course of doing business in California and is subject to the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.6 et seq. ("Proposition 65").

## 1.3 Chemicals of Concern

- 1.3.1 Lead and Lead Compounds (hereinafter "Lead") are known to the State of California to cause cancer and developmental and reproductive toxicity.
- 1.3.2 Inorganic Arsenic Oxides (hereinafter "Arsenic") is known to the State of California to cause cancer and/or birth defects or other reproductive harm.

## 1.4 Notices of Violation

1.4.1 On or about May 26, 2022, CAG served a "60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" (AG# 2022-01080) ("Notice 1") that provided Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead contained in Five Spice Powder sold and/or distributed by Defendant. No other public enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

1.4.2 On or about September 9, 2022, CAG served "60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" (AG# 2022-02129) ("Notice 2") that provided Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead and Arsenic contained in Kelp Strips sold and/or distributed by Defendant. No other public enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

1.4.3 Notice 1 and Notice 2 are collectively referred to as the "Notices".

# 1.5 Complaints

1.5.1 On December 15, 2022, CAG filed a complaint for civil penalties and injunctive relief (hereinafter "Complaint") in Alameda County Superior Court, Case No. 22CV023970 against several parties. The Complaint alleges, among other things, that Defendant violated Proposition 65 by failing to give clear and reasonable warnings of exposure to Lead and Arsenic from Covered Products.

## 1.6 Consent to Jurisdiction

1.6.1 For purposes of this Consent Judgment, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaints and personal jurisdiction over Defendant as to the acts alleged in the Complaints, that venue is proper in the County of Alameda and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Complaints and of all claims which were or could have been raised by any person or entity based in whole or in part, directly or indirectly, on the facts alleged therein or arising therefrom or related thereto.

## 1.7 **No Admission**

1.7.1 This Consent Judgment resolves claims that are denied and disputed. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. Nothing in this Consent Judgment shall be construed as an admission by the Parties of any material allegation of the

Complaints (each and every allegation of which Defendant denies), any fact, conclusion of law, issue of law or violation of law, including without limitation, any admission concerning any violation of Proposition 65 or any other statutory, regulatory, common law, or equitable doctrine, or the meaning of the terms "knowingly and intentionally expose" or "clear and reasonable warning" as used in Health and Safety Code section 25249.6. Nothing in this Consent Judgment, nor compliance with its terms, shall constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, or of fault, wrongdoing, or liability by any Defendant, their officers, directors, members, employees, or parent, subsidiary or affiliated corporations, or be offered or admitted as evidence in any administrative or judicial proceeding or litigation in any court, agency, or forum. Furthermore, nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument, or defense the Parties may have in any other or future legal proceeding, except as expressly provided in this Consent Judgment.

# 2. **DEFINITIONS**

- 2.1 "Covered Products" means products as defined in Paragraph 1.2.1 that are imported, sold, offered for sale, marketed, distributed, and/or supplied by Defendant.
- 2.2 "Effective Date" means the date that this Consent Judgment is approved by the Court.
  - 2.3 "Lead" means Lead and Lead Compounds.
  - 2.4 "Arsenic" means Inorganic Arsenic Oxides.
  - 2.5 "Listed Chemicals" means:
    - Lead in Five Spice Powders.
    - Lead and Arsenic in Kelp Strips.
  - 2.6 "Notices" means Notices of Violation as defined in Paragraph 1.4.3.

8

# 3. INJUNCTIVE RELIEF / REFORMULATION / CLEAR AND REASONABLE WARNINGS.

- 3.1 After the Effective Date, Defendant shall not sell in California, offer for sale in California, or ship for sale in California any Covered Products unless the level of Lead and the level of Arsenic do not exceed the levels ("reformulation level(s)") specified below unless Proposition 65 compliant warnings are displayed as set forth in the following paragraphs.
  - 3.1.1 Seaweed: Lead of 75 ppb, and Arsenic of 15 ppb
  - 3.1.2 **Five Spice Powder**: Lead of 34ppb.
- 3.2 For any Covered Products that exceed their respective reformulation levels of Listed Chemicals that are manufactured for distribution and/or sale into California after the Effective Date, Defendant must provide a Proposition 65 compliant warning for cancer and reproductive toxicity for the Covered Products as permitted by Proposition 65 and its implementing regulations. The language of the warnings and method for providing any warnings for the Covered Products shall be compliant with Title 27, California Code of Regulations, § 25600, et seg and the warnings will comply with Title 27, California Code of Regulations, § 25607.2, et seq. 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 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, enclosed in a box. Where the packaging of the Covered Product or a sign referring to 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 Defendant 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, for sales to consumers in California.

- 3.3 For any Covered Products still existing in the Defendant's physical custody as of the Effective Date, Defendant shall place a Proposition 65 compliant warning on them, unless the Covered Products do not exceed the reformulation level. Any warning provided pursuant to this section shall comply with the warning requirements under Section 3.2 above.
- 3.4 Changes in the law and regulations applicable to Proposition 65, including changes resulting from federal and/or state court rulings, occurring after this date may be incorporated into the terms of this Consent Judgment, pursuant to the modification provisions set forth in Section 7.

# 4. SETTLEMENT PAYMENT

- 4.1 **Payment and Due Date**: Within thirty (30) days of the Effective date, after receipt of a current W-9 from Plaintiff and its counsel, Defendant Summit Import Corporation shall pay a total of one hundred and fifty thousand dollars (\$150,000) in full and complete settlement of all monetary claims by CAG related to the Notices, as follows:
- 4.1.1 **Civil Penalty**: Defendant Summit Import Corporation shall issue separate checks totaling seventeen thousand one hundred and fifty-two dollars (\$17,152.00) as penalties pursuant to Health & Safety Code § 25249.12:
- (a) Defendant will issue a check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of twelve thousand eight hundred and sixty-four dollars (\$12,864.00) representing 75% of the total penalty and Defendant will issue a separate check to CAG in the amount of four thousand two hundred and eighty-eight dollars (\$4,288.00) representing 25% of the total penalty; and
- (b) Separate 1099s shall be issued for each of the above payments: Defendant will issue a 1099 to OEHHA, P.O. Box 4010, Sacramento, CA 95812-4010 (EIN: 68-0284486). Defendant will also issue a 1099 to CAG c/o Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.

9

7

10

12

11

13

14

15

16

18

17

19

20

21

Additional Settlement Payments: Defendant shall make a separate payment, in the amount of twelve thousand eight hundred and forty-eight dollars (\$12,848.00) as an additional settlement payment to "Consumer Advocacy Group, Inc." pursuant to Health & Safety Code § 25249.7(b) and California Code of Regulations, Title 11 § 3203(d). Defendant will issue a separate check to CAG for the Additional Settlement Payment. CAG will use this payment as follows, eighty percent (80%) for fees of investigation, purchasing and testing for Proposition 65 listed chemicals in various products, and for expert fees for evaluating exposures through various mediums, including but not limited to consumer product, occupational, and environmental exposures to Proposition 65 listed chemicals, and the cost of hiring consulting and retaining experts who assist with the extensive scientific analysis necessary for those files in litigation and to offset the costs of future litigation enforcing Proposition 65 but excluding attorney fees; twenty percent (20%) for administrative costs incurred during investigation and litigation to reduce the public's exposure to Proposition 65 listed chemicals by notifying those persons and/or entities believed to be responsible for such exposures and attempting to persuade those persons and/or entities to reformulate their products or the source of exposure to completely eliminate or lower the level of Proposition 65 listed chemicals including but not limited to costs of documentation and tracking of products investigated, storage of products, website enhancement and maintenance, computer and software maintenance, investigative equipment, CAG's member's time for work done on investigations, office supplies, mailing supplies and postage. Within 30 days of a request from the Attorney General, CAG shall provide to the Attorney General copies of documentation demonstrating how the above funds have been spent. CAG shall be solely responsible for ensuring the proper expenditure of such additional settlement payment.

4.1.3 **Reimbursement of Attorney's Fees and Costs:** Defendant shall pay one hundred and twenty thousand dollars (\$120,000.00) to "Yeroushalmi & Yeroushalmi" as reimbursement for reasonable investigation fees and costs, attorneys' fees, and any other costs

8

10

12

13

14

15

1617

18

19

20

21

incurred as a result of investigating, bringing this matter to Defendant's attention, litigating, and negotiating a settlement in the public interest.

4.2 Other than the payment to OEHHA described above, all payments referenced in paragraphs 4.1.1, 4.1.2, and 4.1.3 above, shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Blvd., Suite 240W, Beverly Hills, CA 90212. The payment to OEHHA shall be delivered to Office of Environmental Health Hazard Assessment, Attn: Mike Gyurics, 1001 I Street, Mail Stop 12-B, Sacramento, California 95812. Concurrently with payment to OEHHA, Defendant shall provide CAG with written confirmation that the payment to OEHHA was delivered.

# 5. MATTERS COVERED BY THIS CONSENT JUDGMENT

5.1 This Consent Judgment is a full, final, and binding resolution between CAG on behalf of itself and in the public interest and Defendant for alleged failure to provide Proposition 65 warning of exposure to Listed Chemicals from the Covered Products as set forth in the Notices, and Complaint, and fully resolves all claims that have been or could have been asserted against Defendant in this action up through the Effective Date for failure to provide Proposition 65 warnings for the Covered Products regarding Listed Chemicals. CAG, on behalf of itself and in the public interest, hereby discharges Defendant, and their respective past, present, and future owners, officers, directors, members, managers, directors, insurers, beneficiaries, employees, parents, shareholders, customers, distributors, wholesalers, licensees, divisions, subdivisions, subsidiaries, affiliates, agents, attorneys, representatives, and their predecessors, successors and assigns ("Defendant Releasees") and all distributors, customers, retailers, owners and operators of online marketplaces and e-commerce platforms, and downstream entities in the distribution chain of the Covered Products to whom Defendant directly or indirectly provided, distributed, listed, sold, or offered to sell, marketed, and/or has sold Covered Products, including but not limited to Wal-Mart.com USA, LLC; Walmart, Inc.; Amazon.com Services, LLC and their respective owners, parents, direct and indirect subsidiaries, affiliates, sister and related companies, as well as

their past, present, and future owners, employees, agents, representatives, shareholders, members, managers, officers, directors, insurers, beneficiaries, attorneys, predecessors, successors, assigns, distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees, only as to Covered Products sold, distributed, or marketed by the Defendant (collectively, "Downstream Releasees"), for all Covered Products placed into the stream of commerce up through the Effective Date for alleged violations of Proposition 65 based on exposure to Listed Chemicals from the Covered Products. Defendant Releasees and Downstream Releasees are sometimes collectively referred to herein as the "Released Parties." Defendant's compliance with the terms of this Consent Judgment shall be deemed to constitute compliance with Proposition 65 regarding alleged exposures to Listed Chemicals from the Covered Products. Nothing in this Section affects CAG's right to commence or prosecute an action under Proposition 65 against any person other than Defendant Releasees or Downstream Releasees after the Effective Date. The Settlement Agreement shall inure to the benefit of Downstream Releasees identified in this section, but is not binding on them.

5.2 CAG on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, 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) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against Defendant Releasees and/or Downstream Releasees arising from any violation of Proposition 65 or any other statutory or common law regarding the alleged exposure of persons to the Listed Chemicals contained in the Covered Products or any failure to warn about exposure to Listed Chemicals from the Covered Products. In furtherance of the foregoing, as to alleged exposures to Listed Chemicals from the Covered Products, CAG on behalf of itself only, hereby waives any and all rights and benefits which it now has, or in the future

may have, conferred upon it with respect to Claims arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure and any alleged exposure of persons to Listed Chemicals from the Covered Products by virtue of the provisions of section 1542 of the California 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 understands and acknowledges that the significance and consequence of this waiver of California Civil Code section 1542 is that even if CAG 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 failure to warn about exposure to Listed Chemicals from the Covered Products, including but not limited to any exposure to, or failure to warn with respect to exposure to Listed Chemicals from the Covered Products, CAG will not be able to make any claim for those damages against Released Parties. Furthermore, CAG 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 Listed Chemicals from Covered Products as may exist as of the date of this release but which CAG does not suspect to exist, and which, if known, would materially affect its decision to enter into this Consent Judgment, regardless of whether its lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

#### 6. ENTRY OF CONSENT JUDGMENT

6.1 CAG shall file a motion seeking approval of this Consent Judgment pursuant to California Health & Safety Code § 25249.7(f). Upon entry of the Consent Judgment, CAG and Defendant waive their respective rights to a hearing or trial on the allegations of the Complaints. Upon entry of an order approving this Consent Judgment, the Complaint in this action shall be deemed amended to include all the claims raised in the Notices.

- 6.2 The Parties shall make all reasonable efforts possible to have the Consent Judgment approved by the Court.
- 6.3. In exchange for payment, as described in Section 4, CAG shall dismiss all of the Complaints against all defendants without prejudice within five (5) business days after the payments identified in Section 4 have cleared.
- 6.4 If this Consent Judgment is not approved in full by the Court, (a) this Consent Judgment and any and all prior agreements between the Parties merged herein shall terminate and become null and void, and the actions shall revert to the status that existed prior to the execution date of this Consent Judgment; (b) no term of this Consent Judgment or any draft thereof, or of the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall have any effect, nor shall any such matter be admissible in evidence for any purpose in this Action, or in any other proceeding; and (c) the Parties agree to meet and confer to determine whether to modify the terms of the Consent Judgment and to resubmit it for approval.

# 7. MODIFICATION OF JUDGMENT

- 7.1 This Consent Judgment may be modified only upon written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any party as provided by law and upon entry of a modified Consent Judgment by the Court.
- 7.2 Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with the other Party prior to filing a motion to modify the Consent Judgment.

## 8. RETENTION OF JURISDICTION

- 8.1 This Court shall retain jurisdiction of this matter to implement and enforce the terms of this Consent Judgment under Code of Civil Procedure § 664.6. The parties also agree that Downstream Releases are intended third-party beneficiaries of this Consent Judgment and may enforce its terms.
- 8.2 In any proceeding brought by either Party to enforce this Consent Judgment, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

# 10. DUTIES LIMITED TO CALIFORNIA

9.1 This Consent Judgment shall have no effect on Covered Products sold by Defendant outside the State of California.

# 10. SERVICE ON THE ATTORNEY GENERAL

10.1 CAG shall serve a copy of this Consent Judgment, signed by the Parties, on the California Attorney General so that the Attorney General may review this Consent Judgment prior to its approval by the Court. No sooner than forty-five (45) days after the Attorney General has received the aforementioned copy of this Consent Judgment, and in the absence of any written objection by the Attorney General to the terms of this Consent Judgment, may the Court approve this Consent Judgment.

## 11. ATTORNEY FEES

11.1 Except as specifically provided in Section 4.1.3 and 8.2, each Party shall bear its own costs and attorney fees in connection with this action.

## 12. GOVERNING LAW

- 12.1 The validity, construction and performance of this Consent Judgment shall be governed by the laws of the State of California, without reference to any conflicts of law provisions of California law.
- 12.2 The terms of this Consent Judgment shall be governed by the laws of the State of California. In the event that Proposition 65 is amended, repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Consent Judgment are rendered inapplicable or are no longer required as a result of any such amendment, repeal or preemption, or rendered inapplicable by reason of law generally as to the Covered Products, then Parties may modify the Consent Judgment in accordance with modification requirements of Section 7 with respect to, and to the extent that, the Covered Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve a Defendant from any obligation to comply with any pertinent state or federal law or regulation.

9

10

12

11

13

14

15

16

17

18

19

1)

20

21

12.3 The Parties, including their counsel, have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. 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.

## 13. EXECUTION AND COUNTERPARTS

13.1 This Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document and have the same force and effect as original signatures.

# 14. 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 all related prior discussions, negotiations, commitments, and understandings. No other agreements, oral or otherwise, exist to bind any of the Parties.

# 15. NOTICES

15.1 Any notice under this Consent Judgment shall be by First-Class Mail or E-mail.

If to CAG:

Reuben Yeroushalmi YEROUSHALMI & YEROUSHALMI 9100 Wilshire Boulevard, Suite 240W Beverly Hills, CA 90212 (310) 623-1926 Email: lawfirm@yeroushalmi.com

 $\bigcirc$ 3

If to Defendant:

1	Gary C. Cooper LAW OFFICES OF GARY C. COOPER	₹	
2	247 Yale Avenue Kensington, CA 94708 Telephone: 510-697-5140		
3	Facsimile: 510-665-5555 E-mail: gcc@gcooperlaw.com		
4	16. AUTHORITY TO STIPULATE		
5	16.1 Each signatory to this Consent Ju	adgment certifies that he or she is fully authorized	
6	by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of		
7	the party represented and legally to bind that party.		
8	AGREED TO:	AGREED TO:	
9	Date: 27 Feb , 2025	Date: 27 Feb , 2025	
10	Willand Bayer	Mutinglla	
11	Name: Willard Bayer	Name: WHITING WU	
12	Title: President	Title: PRESIDENT	
13	CONSUMER ADVOCACY GROUP, INC.	SUMMIT IMPORT CORPORATION	
14	IT IS SO ORDERED.		
15			
16	Date:		
17	JUDGE OF THE SUPERIOR COURT		
18			
19			
20			
21			
	14		
	CONSENT JUDGMENT [PROPOSED]		