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8 Attorneys for Plaintiff,
9 CONSUMER ADVOCACY GROUP, INC.

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **COUNTY OF LOS ANGELES**

12 CONSUMER ADVOCACY GROUP, INC.,
13 in the public interest,

14 Plaintiff,

15 v.

16 WALMART, INC., a Delaware Corporation;
17 WALMART.COM USA, LLC, a California
18 Limited Liability Company;
19 KREASSIVE, INC., a California
20 Corporation;
21 KREASSIVE, LLC, a California Limited
Liability Company;
JEOLLANAM-DO LOS ANGELES TRADE
OFFICE, INC., a California Corporation;
and DOES 1-20,

Defendants.

CASE NO. 22STCV38483

CONSENT JUDGMENT [PROPOSED]

Health & Safety Code § 25249.5 *et seq.*

1 **1. INTRODUCTION**

1.1 This Consent Judgment is entered into by and between plaintiff, CONSUMER
ADVOCACY GROUP, INC. (referred to as “CAG”) acting on behalf of itself and in the interest
of the public, and defendants, KREASSIVE, INC. and KREASSIVE, LLC, (hereinafter referred

1 to collectively as “Defendants”), with each a Party to the action collectively referred to as
2 “Parties.”

3 1.2 Defendant and Products

4 1.2.1 CAG alleges that defendant KREASSIVE LLC is a California limited
5 liability company which employs ten or more persons and CAG alleges that defendant Kreassive
6 Inc is a California corporation¹. CAG further alleges that Defendants distribute and sell the
7 following to consumers in California:

8 (i) **Seaweed** including but not limited to:

9 “Chef’s Gim”; “Organic Premium Roasted Seaweed”; “JeollaNamdo”; “Net Wt.
10 0.7 oz (20 g)”; “Product of Korea”; “Best By Nov 26 2021”; “Distributed By Kreassive”; “UPC
11 8 809990 272372”;

12 “Gim’s”; “Roasted Laver”; “100 Sheets”; “Distributed By Kreassive Inc.”;
13 “Product of Korea”; “UPC 8 803807 881115”; and

14 “100 Roasted Kimbap Kim”; “[SUN IL Seafood] Nori seaweed sheets 100 pcs”;
15 “Net Wt. 250 grams”; “UPC 8 803807 88111 5”; “X002MKODKF”; “Product of Korea”.

16 (ii) **Dried Aster** including but not limited to, including but not limited to
17 “JeollaNamdo The Kitchen of Korea”; “Aster”; “Net Wt. 1.76 oz (50 g)”; “Product of Korea”;
18 “Distributed by Kreassive LLC”; “UPC 8 809684 460344”.

19 (iii) **Dried Thistle** including but not limited to

20 “JeollaNamdo The Kitchen of Korea”; “Gondrae-Edible Thistle”; “Net Wt. 1.76 oz
21 (50 g)”; “Product of Korea”; “Distributed by Kreassive LLC”; “UPC 8 809684 460320”; and

“JeollaNamdo The Kitchen of Korea”; “Dried Edible Green-Gondre”; “Net Weight:
3.52 oz (100g)”; “Product of Korea”; “Distributed By: Kreassive LLC”; “Expiry Date:
2023.08.18”; “UPC 8 809058 821658”.

¹ Kreassive Inc has dissolved and filed a termination thereof in 2022.

1 "JeollaNamdo The Kitchen of Korea"; "Damwoo"; Gondrae (Edible Thistle)";
2 "Weight: 1.76 oz (50 g)"; Korean Product (Jeonnam Goheung)"; "Product of Korea"; "Distributed
By Kreassive LLC"; "UPC 8809684460320".

3 "Dried Edible Green-Gondre"; "JeollaNamdo The Kitchen of Korea"; "Net Weight:
4 3.52 oz (100 g)"; UPC 8809058821658"; "Product of Korea".

5 (iv) **Dried Edible Green** including but not limited to "Korea Bibimbop Veggie
6 Mix"; "Dried Korean Chwinamul"; "Traditional Wild Mountain Greens Mix with Mushrooms
7 and Root Vegetables"; "Net Wt. 40 g (1.41 oz)"; "2023.05.20"; "Distributed By Kreassive LLC";
8 "Product of Korea"; "UPC 8 809058 821689".

9 (v) **Korean Veggie Mix**, including but not limited to "Korean Bibimbop Veggie
10 Mix"; "Aster Yomena"; "Net Wt. 40 g (1.41 oz)"; "2023.08.09"; "Distributed By Kreassive LLC";
"Product of Korea"; "UPC 8 809518 510351".

11 (vi) **Squid**, including but not limited to
12 "Fried Squid"; "Net Weight: 0.88 lbs (40g); "UPC 8 809389 490363"; "Product of
Korea";

13 "Roasted Squid"; "Net Weight: 0.55 lbs (25g); "UPC 8 809389 490608"; "Product
of Korea";

14 "Roasted Squid"; "King-Sized Squid Leg"; "Net Weight: 0.55 lbs (25g)"; "UPC 8
15 809389 490608"; "Product of Korea"; and

16 "Roasted Squid"; King-Sized Leg"; Net Wt. 0.055 lbs. (25g)"; "Jsn.11.2023";
"Product of Korea"; Distributed By Kreassive LLC"; "UPC 8 809389 490608".

17 (vii) **Fish & Chips Snacks**, including but not limited to "Fried Sea Fish & Chips";
18 "Net Wt 1.5 oz (42.5g)"; "Crispy! Tasty! Yummy"; "UPC 8 809389 491926"; "Product of Korea".

19 (viii) **Dried Shrimp**, including but not limited to "Delicious Dried Shrimp"; "Fried
20 Shrimp"; "Net Wight: 0.55 lbs (25g)"; "UPC 8 809389 490721"; "Product of Korea".

1 (ix) **Fried Baby Crab**, including but not limited to "Fried Baby Crab with Beer;
2 1.05 oz (30g); (100%) 40.97% Jan.31.2022; Distributed by Kreassive LLC; UPC 8809389490707;
3 Product of Korea".

4 (x) **Dried Edible Fennel**, including but not limited to "Dried Edible Green -
5 Bangpung;" "JeollaNamdo;" "Necipe;" "Distributed by: Kreassive LLC;" "Product of Korea;"
6 "Net Weight: 3.52oz(100g);" "Expiry Date: 2022.12.03;"

7 1.2.2 Seaweed, Squid, Fish & Chips Snacks, Dried Shrimp, Dried Aster, Dried
8 Thistle, Dried Edible Green, Dried Edible Fennel, Korean Veggie Mix, and Fried Baby Crab are
9 collectively referred to as the "Covered Products".

10 1.2.3 For purposes of this Consent Judgment only, Defendants are deemed
11 persons in the course of doing business in California and are subject to the provisions of the Safe
12 Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.6
13 et seq. ("Proposition 65").

14 1.3 Chemicals of Concern

15 1.3.3 Lead and Lead Compounds (hereinafter Lead) are known to the State of
16 California to cause cancer and developmental and reproductive toxicity.

17 1.3.4 Cadmium and Cadmium Compounds (hereinafter Cadmium) are known to
18 the State of California to cause ~~cancer and~~ developmental and reproductive toxicity.

19 *W.B. SEC*

20 1.4 Notices of Violation

21 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# 2022-01076)
("Notice 1") that provided Defendants with notice of alleged violations of Health & Safety Code
§ 25249.6 for failing to warn individuals in California of exposures to Cadmium contained in
Seaweed sold and/or distributed by Defendants. No other public enforcer has commenced or
diligently prosecuted the allegations set forth in the Notice.

1.4.2 On or about June 10, 2022, CAG served "60-Day Notice of Intent to Sue
for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" (AG# 2022-01234)

1 (“Notice 2”) that provided Defendants with notice of alleged violations of Health & Safety Code
2 § 25249.6 for failing to warn individuals in California of exposures to Lead and Cadmium
3 contained in Seaweed sold and/or distributed by Defendants. No other public enforcer has
4 commenced or diligently prosecuted the allegations set forth in the Notice.

5 1.4.3 On or about July 22, 2022, CAG served “60-Day Notice of Intent to Sue for
6 Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG# 2022-01661)
7 (“Notice 3”) that provided Defendants with notice of alleged violations of Health & Safety Code
8 § 25249.6 for failing to warn individuals in California of exposures to Lead and Cadmium
9 contained in Dried Aster and Dried Thistle sold and/or distributed by Defendants. No other public
10 enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

11 1.4.4 On or about July 22, 2022, CAG served “60-Day Notice of Intent to Sue for
12 Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG# 2022-01662)
13 (“Notice 4”) that provided Defendants with notice of alleged violations of Health & Safety Code
14 § 25249.6 for failing to warn individuals in California of exposures to Lead and Cadmium
15 contained in Dried Edible Greens sold and/or distributed by Defendants. No other public enforcer
16 has commenced or diligently prosecuted the allegations set forth in the Notice.

17 1.4.5 On or about September 1, 2022, CAG served “60-Day Notice of Intent to
18 Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG# 2022-
19 02029) (“Notice 5”) that provided Defendants with notice of alleged violations of Health & Safety
20 Code § 25249.6 for failing to warn individuals in California of exposures to Lead contained in
21 Korean Veggie Mix sold and/or distributed by Defendants. No other public enforcer has
commenced or diligently prosecuted the allegations set forth in the Notice.

1.4.6 On or about September 20, 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-
02229) (“Notice 6”) that provided Defendants with notice of alleged violations of Health & Safety
Code § 25249.6 for failing to warn individuals in California of exposures to Lead contained in

1 Dried Thistle sold and/or distributed by Defendants. No other public enforcer has commenced or
2 diligently prosecuted the allegations set forth in the Notice.

3 1.4.7 On or about June 16, 2021, CAG served “60-Day Notice of Intent to Sue
4 for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG# 2021-01465)
5 (“Notice 7”) that provided Defendants with notice of alleged violations of Health & Safety Code
6 § 25249.6 for failing to warn individuals in California of exposures to Lead and Cadmium
7 contained in Squid sold and/or distributed by Defendants. No other public enforcer has
8 commenced or diligently prosecuted the allegations set forth in the Notice.

9 1.4.8 On or about July 2, 2021, CAG served “60-Day Notice of Intent to Sue for
10 Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG# 2021-01622)
11 (“Notice 8”) that provided Defendants with notice of alleged violations of Health & Safety Code
12 § 25249.6 for failing to warn individuals in California of exposures to Lead contained in Fish &
13 Chips Snacks sold and/or distributed by Defendants. No other public enforcer has commenced or
14 diligently prosecuted the allegations set forth in the Notice.

15 1.4.9 On or about August 2, 2021, CAG served “60-Day Notice of Intent to Sue
16 for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG# 2021-01867)
17 (“Notice 9”) that provided Defendants with notice of alleged violations of Health & Safety Code
18 § 25249.6 for failing to warn individuals in California of exposures to Lead and Cadmium
19 contained in Seaweed sold and/or distributed by Defendants. No other public enforcer has
20 commenced or diligently prosecuted the allegations set forth in the Notice.

21 1.4.10 On or about August 20, 2021, CAG served “60-Day Notice of Intent
to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG# 2021-
02087) (“Notice 10”) that provided Defendants with notice of alleged violations of Health &
Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead contained
in Dried Shrimp sold and/or distributed by Defendants. No other public enforcer has commenced
or diligently prosecuted the allegations set forth in the Notice.

1 1.4.11 On or about November 19, 2021, CAG served “60-Day Notice of
2 Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG#
3 2021-02896) (“Notice 11”) that provided Defendants with notice of alleged violations of Health
4 & Safety Code § 25249.6 for failing to warn individuals in California of exposures to Cadmium
5 contained in Squid sold and/or distributed by Defendants. No other public enforcer has
6 commenced or diligently prosecuted the allegations set forth in the Notice.

7 1.4.12 On or about December 23, 2021, CAG served “60-Day Notice of
8 Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG#
9 2021-03155) (“Notice 12”) that provided Defendants with notice of alleged violations of Health
10 & Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead
11 contained in Fried Baby Crab sold and/or distributed by Defendants. No other public enforcer has
12 commenced or diligently prosecuted the allegations set forth in the Notice.

13 1.4.13 On or about January 12, 2022, CAG served “60-Day Notice of Intent
14 to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG# 2022-
15 00093) (“Notice 13”) that provided Defendants with notice of alleged violations of Health &
16 Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead contained
17 in Dried Edible Green Fennel sold and/or distributed by Defendants. No other public enforcer has
18 commenced or diligently prosecuted the allegations set forth in the Notice.

19 1.4.14 On or about November 3, 2022, CAG served “60-Day Notice of
20 Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG#
21 2022-02650) (“Notice 14”) that provided Defendants with notice of alleged violations of Health
& Safety Code § 25249.6 for failing to warn individuals in California of exposures to Cadmium
contained in Squid sold and/or distributed by Defendants. No other public enforcer has
commenced or diligently prosecuted the allegations set forth in the Notice.

 1.4.15 On or about February 10, 2022, CAG served “60-Day Notice of
Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG#

1 2022-00276) (“Notice 15”) that provided Defendants with notice of alleged violations of Health
2 & Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead
3 contained in Dried Thistle sold and/or distributed by Defendants. No other public enforcer has
4 commenced or diligently prosecuted the allegations set forth in the Notice.

4 1.4.16 On or about June 13, 2023, CAG served “60-Day Notice of Intent
5 to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG# 2023-
6 01686) (“Notice 16”) that provided Defendants with notice of alleged violations of Health &
7 Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead and
8 Cadmium contained in Dried Thistle sold and/or distributed by Defendants. No other public
9 enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

9 1.4.17. On or about March 14, 2024, CAG served “60-Day Notice of Intent
10 to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986” (AG# 2024-
11 01110 (“Notice 17”) that provided Defendants with notice of alleged violations of Health & Safety
12 Code § 25249.6 for failing to warn individuals in California of exposures to Lead and Cadmium
13 contained in Dried Thistle sold and/or distributed by Defendants. No other public enforcer has
14 commenced or diligently prosecuted the allegations set forth in the Notice.

13 1.4.18 Notice 1 through Notice 17 are collectively referred to as the “Notices”.

14 1.5 **Complaints**

15 1.5.1 On December 9, 2023, CAG filed a complaint for civil penalties and
16 injunctive relief (“Complaint 1”) in Los Angeles Superior Court, Case No. 22STCV38483 against
17 Defendants, Walmart.com USA, LLC. and Walmart Inc. The Complaint alleges, among other
18 things, that Defendants, Walmart.com USA, and Walmart Inc., violated Proposition 65 by failing
19 to give clear and reasonable warnings of exposure to Listed Chemicals from Covered Products.

19 1.5.2 On December 23, 2022, CAG filed a complaint for civil penalties and
20 injunctive relief (“Complaint 2”) in Alameda Superior Court, Case No. 22CV024552 against
21 Defendants and Amazon.com Services, LLC. The Complaint alleges, among other things, that

1 Defendants and Amazon.com Services, LLC violated Proposition 65 by failing to give clear and
2 reasonable warnings of exposure to Listed Chemicals from Covered Products.

3 1.5.3 On July 26, 2023, CAG filed a complaint for civil penalties and injunctive
4 relief (“Complaint 3”) in Alameda Superior Court, Case No. 23CV039473 against Defendants,
5 Amazon.com Services, LLC, and Amazon.com Services, Inc. The Complaint alleges, among other
6 things, that Defendants, Amazon.com Services, LLC and Amazon.com Services, Inc., violated
7 Proposition 65 by failing to give clear and reasonable warnings of exposure to Listed Chemicals
8 from Covered Products.

9 1.5.4 Complaint 1, Complaint 2, and Complaint 3 are referred to collectively as
10 the “Complaints”.

11 1.6 **Consent to Jurisdiction**

12 1.6.1 For purposes of this Consent Judgment, the Parties stipulate that this Court
13 has jurisdiction over the allegations of violations contained in the Complaints and personal
14 jurisdiction over Defendants as to the acts alleged in the Complaints, that venue is proper in the
15 County of Los Angeles and that this Court has jurisdiction to enter this Consent Judgment as a full
16 settlement and resolution of the allegations contained in the Complaints and of all claims which
17 were or could have been raised by any person or entity based in whole or in part, directly or
18 indirectly, on the facts alleged therein or arising therefrom or related thereto.

19 1.7 **No Admission**

20 1.7.1 This Consent Judgment resolves claims that are denied and disputed. The
21 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 Defendants deny), 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,

1 or the meaning of the terms “knowingly and intentionally expose” or “clear and reasonable
2 warning” as used in Health and Safety Code section 25249.6. Nothing in this Consent Judgment,
3 nor compliance with its terms, shall constitute or be construed as an admission by the Parties of
4 any fact, conclusion of law, issue of law, or violation of law, or of fault, wrongdoing, or liability
5 by any Defendants, their officers, directors, members, employees, or parent, subsidiary or affiliated
6 corporations, or be offered or admitted as evidence in any administrative or judicial proceeding or
7 litigation in any court, agency, or forum. Furthermore, nothing in this Consent Judgment shall
8 prejudice, waive or impair any right, remedy, argument, or defense the Parties may have in any
9 other or future legal proceeding, except as expressly provided in this Consent Judgment.

8 **2. DEFINITIONS**

9 2.1 “Covered Products” means products as defined in Paragraph 1.2 that are sold,
10 offered for sale, marketed, distributed, and/or supplied by Defendants.

11 2.2 “Effective Date” means the date that this Consent Judgment is approved by the
12 Court.

13 2.3 “Lead” means Lead and Lead Compounds.

14 2.4 “Cadmium” means Cadmium and Cadmium Compounds.

15 2.5 “Listed Chemicals” means:

- 16 • Lead and Cadmium in Squid, Seaweed, Dried Aster, Dried Thistle, and Dried
17 Edible Green, Dried Edible Fennel.
- 18 • Lead in Fish & Chips Snacks, Dried Shrimp, Fried Baby Crab, and Korean Veggie
19 Mix.

20 2.6 “Notices” means Notices of Violation as defined in Paragraph 1.4.18.

21 **3. INJUNCTIVE RELIEF / REFORMULATION / CLEAR AND REASONABLE WARNINGS.**

3.1 After the Effective Date, Defendants 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

1 level of Cadmium do not exceed the levels (“reformulation level(s)”) specified below unless
2 Proposition 65 compliant warnings are displayed as set forth in the following paragraphs.

3 3.1.1 **Lead**: an exposure of no more than 0.5 micrograms of Lead based on a single serving
4 per day. For purposes of assessing compliance with this reformulation level, the exposure shall be
5 calculated by multiplying the recommended serving size of the Covered Products by the
6 concentration of Lead in the Covered Products.

7 3.1.2 **Cadmium**: an exposure of no more than 4.1 micrograms of Cadmium based on a
8 single serving per day. For purposes of assessing compliance with this reformulation level, the
9 exposure shall be calculated by multiplying the recommended serving size of the Covered Products
10 by the concentration of Cadmium in the Covered Products.

11 3.2 For any Covered Products that exceeds their respective reformulation levels of
12 Listed Chemicals that are manufactured for distribution and/or sale into California after the
13 Effective Date, Defendants must provide a Proposition 65 compliant warning for the Covered
14 Products as permitted by Proposition 65 and its implementing regulations or as set forth below.
15 This obligation shall not apply for any Covered Products for which labels were ordered or placed
16 prior to the Effective Date. For determination of the reformulation level, the detections shall not
17 be averaged. Any warning provided pursuant to this section shall be affixed to the packaging of,
18 or directly on, the Covered Products, and be prominently placed with such conspicuousness as
19 compared with other words, statements, designs, or devices as to render it likely to be read and
20 understood by an ordinary individual under customary conditions before purchase or use. The
21 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. The Parties
agree that the following warning language shall constitute compliance with Proposition 65 with

1 respect to the alleged Lead and Cadmium in the Covered Products placed into the stream of
2 commerce by Defendant after the Effective Date:

3 For Covered Products that contain Lead:

4 **WARNING:** Consuming this product can expose you to Lead, a chemical known
5 to the State of California to cause cancer and birth defects or other reproductive
6 harm. For more information go to www.P65Warnings.ca.gov/food.

7 For Covered Products that contain Cadmium:

8 **WARNING:** Consuming this product can expose you to Cadmium, a chemical
9 known to the State of California to cause ~~cancer~~ and birth defects or other
10 reproductive harm. For more information go to www.P65Warnings.ca.gov/food

11 3.3 For any Covered Products still existing in the Defendants' physical custody as of
12 the Effective Date, Defendants shall place a Proposition 65 compliant warning on them, unless the
13 Covered Products do not exceed the reformulation level. Any warning provided pursuant to this
14 section shall comply with the warning requirements under Section 3.2 above.

15 3.4 Changes in the law and regulations applicable to Proposition 65, including changes
16 resulting from federal and/or state court rulings, occurring after this date may be incorporated into
17 the terms of this Consent Judgment, pursuant to the modification provisions set forth in Section 7.

14 **4. SETTLEMENT PAYMENT**

15 4.1 **Payment and Due Date:** By December 15, 2024, or within five (5) days of the
16 Effective date, whichever is later after receipt of a current W-9 from Plaintiff and its counsel,
17 Defendant Kreassive LLC shall pay a total of one hundred and eighty thousand dollars (\$180,000)
18 in full and complete settlement of all monetary claims by CAG related to the Notices, as follows:

19 4.1.1 **Civil Penalty:** Defendant Kreassive LLC shall issue separate checks
20 totaling eleven thousand four hundred and forty dollars (\$11,440.00) as penalties pursuant to
21 Health & Safety Code § 25249.12:

(a) Defendant Kreassive LLC will issue a check made payable to the State
of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of

1 eight thousand five hundred and eighty dollars (\$8,580.00) representing 75% of the total penalty
2 and Defendant will issue a separate check to CAG in the amount of two thousand eight hundred
3 and sixty dollars (\$2,860.00) representing 25% of the total penalty; and

4 (b) Separate 1099s shall be issued for each of the above payments:
5 Defendant Kreassive LLC will issue a 1099 to OEHHA, P.O. Box 4010, Sacramento, CA 95812-
6 4010 (EIN: 68-0284486). Defendant Kreassive LLC will also issue a 1099 to CAG c/o
7 Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California
8 90212.

9 **4.1.2 Additional Settlement Payments:** Defendant Kreassive LLC shall make
10 a separate payment, in the amount of eight thousand five hundred and sixty dollars (\$8,560.00) as
11 an additional settlement payment to “Consumer Advocacy Group, Inc.” pursuant to Health &
12 Safety Code § 25249.7(b) and California Code of Regulations, Title 11 § 3203(d). Defendant
13 Kreassive LLC will issue a separate check to CAG for the Additional Settlement Payment. CAG
14 will use this payment as follows, eighty percent (80%) for fees of investigation, purchasing and
15 testing for Proposition 65 listed chemicals in various products, and for expert fees for evaluating
16 exposures through various mediums, including but not limited to consumer product, occupational,
17 and environmental exposures to Proposition 65 listed chemicals, and the cost of hiring consulting
18 and retaining experts who assist with the extensive scientific analysis necessary for those files in
19 litigation and to offset the costs of future litigation enforcing Proposition 65 but excluding attorney
20 fees; twenty percent (20%) for administrative costs incurred during investigation and litigation to
21 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

1 time for work done on investigations, office supplies, mailing supplies and postage. Within 30
2 days of a request from the Attorney General, CAG shall provide to the Attorney General copies of
3 documentation demonstrating how the above funds have been spent. CAG shall be solely
4 responsible for ensuring the proper expenditure of such additional settlement payment.

4 **4.1.3 Reimbursement of Attorney’s Fees and Costs:** Defendant Kreassive
5 LLC shall pay one hundred and sixty thousand dollars (\$160,000.00) to “Yeroushalmi &
6 Yeroushalmi” as reimbursement for reasonable investigation fees and costs, attorneys’ fees, and
7 any other costs incurred as a result of investigating, bringing this matter to Defendant’s attention,
8 litigating, and negotiating a settlement in the public interest.

8 **4.2** Other than the payment to OEHHA described above, all payments referenced in
9 paragraphs 4.1.1, 4.1.2, and 4.1.3 above, shall be delivered to: Reuben Yeroushalmi, Yeroushalmi
10 & Yeroushalmi, 9100 Wilshire Blvd., Suite 240W, Beverly Hills, CA 90212. The payment to
11 OEHHA shall be delivered to Office of Environmental Health Hazard Assessment, Attn: Mike
12 Gyurics, 1001 I Street, Mail Stop 12-B, Sacramento, California 95812. Concurrently with
13 payment to OEHHA, Defendant shall provide CAG with written confirmation that the payment to
14 OEHHA was delivered.

13 **5. MATTERS COVERED BY THIS CONSENT JUDGMENT**

14 **5.1** This Consent Judgment is a full, final, and binding resolution between CAG on behalf
15 of itself and in the public interest and Defendants for alleged failure to provide Proposition 65
16 warning of exposure to Listed Chemicals from the Covered Products as set forth in the Notices,
17 and Complaints, and fully resolves all claims that have been or could have been asserted against
18 Defendants in this action up through the Effective Date for failure to provide Proposition 65
19 warnings for the Covered Products regarding Listed Chemicals. CAG, on behalf of itself and in
20 the public interest, hereby discharges Defendants, and their respective past, present, and future
21 owners, officers, directors, members, managers, directors, insurers, beneficiaries, employees,
parents, shareholders, customers, distributors, wholesalers, licensees, divisions, subdivisions,

1 subsidiaries, affiliates (including Bo & Sam Holders, Inc.), agents, attorneys, representatives, and
2 their predecessors, successors and assigns (“Defendant Releasees”) and all distributors, customers,
3 retailers, owners and operators of online marketplaces and e-commerce platforms, and downstream
4 entities in the distribution chain of the Covered Products to whom Defendants directly or indirectly
5 provide, distribute, list, sell, or offer to sell, market, and/or have sold Covered Products, including
6 but not limited to Wal-Mart.com USA, LLC; Walmart Inc.; Wal-Mart Stores East, Inc.; Wal-Mart
7 Stores East, L.P. Walmart Apollo, LLC; Amazon.com, Inc.; Amazon.com Services, LLC and their
8 respective owners, parents, direct and indirect subsidiaries, affiliates, sister and related companies,
9 as well as their past, present, and future owners, employees, agents, representatives, shareholders,
10 members, managers, officers, directors, insurers, beneficiaries, attorneys, predecessors,
11 successors, assigns, distributors, wholesalers, customers, retailers, franchisees, cooperative
12 members, and licensees, only as to Covered Products sold, distributed, or marketed by the
13 Defendants (collectively, “Downstream Releasees”), for all Covered Products placed into the
14 stream of commerce up through the Effective Date for alleged violations of Proposition 65 based
15 on exposure to Listed Chemicals from the Covered Products. Defendant Releasees and
16 Downstream Releasees are sometimes collectively referred to herein as the “Released Parties.”
17 Defendants’ compliance with the terms of this Consent Judgment shall be deemed to constitute
18 compliance with Proposition 65 regarding alleged exposures to Listed Chemicals from the
19 Covered Products. Nothing in this Section affects CAG’s right to commence or prosecute an action
20 under Proposition 65 against any person other than Defendant Releasees or Downstream Releasees
21 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.

18 5.2 CAG on behalf of itself, its past and current agents, representatives, attorneys,
19 successors, and/or assignees, hereby waives all rights to institute or participate in, directly or
20 indirectly, any form of legal action and releases all claims, including, without limitation, all
21 actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages,

1 costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert
2 fees, and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or
3 contingent (collectively "Claims"), against Defendant Releasees and/or Downstream Releasees
4 arising from any violation of Proposition 65 or any other statutory or common law regarding the
5 alleged exposure of persons to the Listed Chemicals contained in the Covered Products or any
6 failure to warn about exposure to Listed Chemicals from the Covered Products. In furtherance of
7 the foregoing, as to alleged exposures to Listed Chemicals from the Covered Products, CAG on
8 behalf of itself only, hereby waives any and all rights and benefits which it now has, or in the future
9 may have, conferred upon it with respect to Claims arising from any violation of Proposition 65
10 or any other statutory or common law regarding the failure to warn about exposure and any alleged
11 exposure of persons to Listed Chemicals from the Covered Products by virtue of the provisions of
12 section 1542 of the California Civil Code, which provides as follows:

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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.

13 CAG understands and acknowledges that the significance and consequence of this waiver of
14 California Civil Code section 1542 is that even if CAG suffers future damages arising out of or
15 resulting from, or related directly or indirectly to, in whole or in part, claims arising from any
16 violation of Proposition 65 or any other statutory or common law regarding the failure to warn
17 about exposure to Listed Chemicals from the Covered Products, including but not limited to any
18 exposure to, or failure to warn with respect to exposure to Listed Chemicals from the Covered
19 Products, CAG will not be able to make any claim for those damages against Released Parties.
20 Furthermore, CAG acknowledges that it intends these consequences for any such claims arising
21 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

1 its decision to enter into this Consent Judgment, regardless of whether its lack of knowledge is the
2 result of ignorance, oversight, error, negligence, or any other cause.

3 5.3 Within five (5) days of receipt of payment outlined in Section 4.1 of the Consent
4 Judgment, CAG shall serve and file in the superior court an abandonment of First District Court
5 of Appeal Case No. A170460 (the "Appeal"), if the record has not yet been filed in the Appeal at
6 that time. However, if the record has been filed in the Appeal at that time, then within five (5)
7 days of the Effective Date of the Consent Judgment entered in Case No. 22CV024552, CAG shall
8 file serve and file in the First District Court of Appeal a request to dismiss the appeal.

9 **6. ENTRY OF CONSENT JUDGMENT**

10 6.1 CAG shall file a motion seeking approval of this Consent Judgment pursuant to
11 California Health & Safety Code § 25249.7(f). Upon entry of the Consent Judgment, CAG and
12 Defendants waive their respective rights to a hearing or trial on the allegations of the Complaints.
13 Upon entry of an order approving this Consent Judgment, the Complaint in this action shall be
14 deemed amended to include all the claims raised in the Notices.

15 6.2 The Parties shall make all reasonable efforts possible to have the Consent Judgment
16 approved by the Court.

17 6.3. In exchange for payment, as described in Section 4, CAG shall dismiss all of the
18 Complaints against all defendants without prejudice within five (5) business days after the
19 payments identified in Section 4 have cleared.

20 6.4 If this Consent Judgment is not approved in full by the Court, (a) this Consent
21 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,

1 or in any other proceeding; and (c) the Parties agree to meet and confer to determine whether to
2 modify the terms of the Consent Judgment and to resubmit it for approval.

3 **7. MODIFICATION OF JUDGMENT**

4 7.1 This Consent Judgment may be modified only upon written agreement of the
5 Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of
6 any party as provided by law and upon entry of a modified Consent Judgment by the Court.

7 7.2 Any Party seeking to modify this Consent Judgment shall attempt in good faith to
8 meet and confer with the other Party prior to filing a motion to modify the Consent Judgment.

9 **8. RETENTION OF JURISDICTION**

10 8.1 This Court shall retain jurisdiction of this matter to implement and enforce the terms
11 of this Consent Judgment under Code of Civil Procedure § 664.6. The parties also agree that
12 Downstream Releases are intended third-party beneficiaries of this Consent Judgment and may
13 enforce its terms.

14 8.2 In any proceeding brought by either Party to enforce this Consent Judgment, the
15 prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

16 **10. DUTIES LIMITED TO CALIFORNIA**

17 9.1 This Consent Judgment shall have no effect on Covered Products sold by Defendant
18 outside the State of California.

19 **10. SERVICE ON THE ATTORNEY GENERAL**

20 10.1 CAG shall serve a copy of this Consent Judgment, signed by the Parties, on the
21 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

1 11.1 Except as specifically provided in Section 4.1.3 and 8.2, each Party shall bear its
2 own costs and attorney fees in connection with this action.

3 **12. GOVERNING LAW**

4 12.1 The validity, construction and performance of this Consent Judgment shall be
5 governed by the laws of the State of California, without reference to any conflicts of law provisions
6 of California law.

7 12.2 The terms of this Consent Judgment shall be governed by the laws of the State of
8 California. In the event that Proposition 65 is amended, repealed, preempted, or is otherwise
9 rendered inapplicable by reason of law generally, or if any of the provisions of this Consent
10 Judgment are rendered inapplicable or are no longer required as a result of any such amendment,
11 repeal or preemption, or rendered inapplicable by reason of law generally as to the Covered
12 Products, then any Defendant subject to this Consent Judgment may provide written notice to CAG
13 of any asserted change in the law, and shall have no further obligations pursuant to this Consent
14 Judgment with respect to, and to the extent that, the Covered Products are so affected. Nothing in
15 this Consent Judgment shall be interpreted to relieve a Defendant from any obligation to comply
16 with any pertinent state or federal law or regulation.

17 12.3 The Parties, including their counsel, have participated in the preparation of this
18 Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This
19 Consent Judgment was subject to revision and modification by the Parties and has been accepted
20 and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or
21 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

1 13.1 This Consent Judgment may be executed in counterparts and by means of facsimile
2 or portable document format (pdf), which taken together shall be deemed to constitute one
3 document and have the same force and effect as original signatures.

4 **14. ENTIRE AGREEMENT**

5 This Consent Judgment contains the sole and entire agreement and understanding of the
6 Parties with respect to the entire subject matter hereof, and all related prior discussions,
7 negotiations, commitments, and understandings. No other agreements, oral or otherwise, exist to
8 bind any of the Parties.

9 **15. NOTICES**

10 15.1 Any notice under this Consent Judgment shall be by First-Class Mail or E-mail.

11 If to CAG:

12 Reuben Yeroushalmi
13 YEROUSHALMI & YEROUSHALMI
14 9100 Wilshire Boulevard, Suite 240W
15 Beverly Hills, CA 90212
16 (310) 623-1926
17 Email: lawfirm@yeroushalmi.com

18 If to Defendants:

19 HO-EL PARK (State Bar No. 235473)
20 LAW OFFICE OF HO-EL PARK, P.C.
21 3230 E. Imperial Hwy. Suite 300
 Brea, CA 92821
 Telephone: 714-523-2466
 Facsimile: 714-503-0788
 E-mail: hpark@hparklaw.com

16. AUTHORITY TO STIPULATE

 16.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized
by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of
the party represented and legally to bind that party.

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AGREED TO:	AGREED TO:
Date: <u>10-03</u> , 2024	Date: <u>10-02</u> , 2024
	
Name: <u>Willard Bayer</u>	Name: <u>Sean Chang</u>
Title: <u>President</u>	Title: <u>CEO</u>
CONSUMER ADVOCACY GROUP, INC.	KREASSIVE INC., AND KRESSIVE LLC

IT IS SO ORDERED.

Date: _____

JUDGE OF THE SUPERIOR COURT