

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This settlement agreement (“Settlement Agreement”) is entered into by and between Consumer Rights Advocates, LLC (“CRA”) on the one hand, and Pocas International Corp. (“POCAS”), on the other hand, with CRA, and POCAS, each individually referred to as a "Party" and collectively as the "Parties.”

1.2 Notice of Violation

On December 16, 2022, CRA served on POCAS, the California Attorney General, and the other requisite public enforcers with two (2) 60-Day Notices of Violation, NOV Nos. 2022-03006, and 2022-03007 (the "Notices”), alleging that POCAS violated Proposition 65 when they failed to warn consumers in California with a warning as required by Health and Safety Code §§ 25249.5 *et seq.* (“Proposition 65”) of the alleged exposure to lead from the sale of certain Noodles in California.

1.3 Covered Product

The products covered by this Settlement Agreement are as follows:

- Pocas Bowl Noodle Soup Spicy Beef Flavor UPC No. 8-5000674868-6
- Pocas Bowl Noodle Soup Spicy Chicken Flavor UPC No. 8-5000674867-9

1.4 No Admission

POCAS denies the material, factual and legal allegations in the Notices and maintains that all of the products they sold and/or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by POCAS or any of their officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, finding, conclusion, issue of law or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by POCAS or any of their officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by POCAS. This Section shall not, however, diminish or otherwise affect POCAS’s obligations, responsibilities, and duties under this Settlement Agreement.

1.5 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean February 28, 2023.

2. INJUNCTIVE RELIEF

Beginning thirty (30) days from the Effective Date (the “Compliance Date”), POCAS shall not manufacture for sale in the State of California, “distribute into the State of California,” or directly sell in the State of California any Covered Product which exposes a person to more than 0.5 micrograms of Lead per day based on the recommended serving size on the Covered Product’s label, unless each such unit of the Covered Product bears a warning meeting the warning requirements under Section 2.1.

For the purpose of this Agreement, the amount of Lead a person is exposed to from the Covered Product shall be calculated using the following formula: micrograms of Lead per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of servings in recommended dosage appearing on the product label), which equals micrograms of Lead exposure per day.

2.1 Clear and Reasonable Warnings

Consistent with the above, POCAS agrees, as of the Compliance Date, to only manufacture for sale, purchase for sale, import for sale, or distribute for sale in or into California (in person or online) Products that (1) expose consumers to no more than 0.5 micrograms of lead per day as calculated in the section above; or (2) contain a warning that is fully compliant with the label and warning requirements under Proposition 65.

2.2 General Warning Requirements

Consistent with Section 2.1 above, nothing in this Section requires POCAS to place any labels or warnings on the products that are otherwise in compliance with the requirements of Proposition 65. Nor does this Section broaden the obligations to POCAS under Proposition 65.

To the extent that any Product provided for sale in California exposes consumers to more than 0.5 micrograms of lead per day, POCAS agrees to provide a clear and reasonable warning in accordance with this Section pursuant to Title 27 of California Code of Regulations section 25600, et seq (the "Warning").

The Warning shall 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 and shall be provided in a manner such that it is clearly associated with the specific Product to which the warning applies. In so labeling any such Product, POCAS must use one of the following Proposition 65 compliant warning affixed to the packaging label, tag, or directly to each such Product:

1) **WARNING:** Consuming this product can expose you to 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

2) **WARNING:** [Cancer and] Reproductive Harm - www.P65Warnings.ca.gov/food

The warning shall be offset in a box with a black outline. POCAS shall use the phrase "cancer and" in the Warning if the daily lead exposure is greater than 15 micrograms of lead.

The same warning shall be posted on any website under the exclusive control of POCAS where the Product is sold to consumers located in California. The warning requirements of this section shall be satisfied if the forgoing warning appears either: (a) on the same web page on which the Product is displayed and/or described by providing a clearly marked hyperlink using the word "WARNING,"; (b) on the same page as the price for the Product, or (c) on one or more web pages, or through a pop-up, displayed to a purchaser prior to purchase during the checkout process. Alternatively, a symbol consisting of a black exclamation point in a yellow or white equilateral triangle may appear adjacent to or immediately following the display, description, price, or check-out listing of the Product, if the warning statement appears elsewhere on the same web page in a matter that clearly associates it with the product to which the warning applies. POCAS agrees to inform third-parties of the need to provide a website warning as a condition of the sale of the Product if the Product is sold on a third-party website.

2.3 Compliance with Warning Regulations

POCAS's compliance with the terms of this Settlement Agreement shall be deemed to be compliance with Proposition 65 as to exposure to lead in the Product.

2.4 Changes in Warning Regulations or Statutes

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 applicable to the Product and chemical at issue here different than those set forth above, POCAS shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. If regulations, legislation, or judicial rulings are enacted or issued, providing that a Proposition 65 warning for the Product is no longer required, a lack of warning will not thereafter be a breach of this Agreement and Section 2 shall not apply to POCAS as to the Product.

2.5 Grace Period for Existing Inventory of Products

The injunctive requirements of Section 2 shall not apply to Products that have been manufactured and placed into the stream of commerce before the Compliance Date, which Products are expressly subject to the releases provided in Section 4.1.

3. MONETARY SETTLEMENT TERMS

3.1 Total Settlement Amount

In full satisfaction of all consideration, potential civil penalties, attorneys' fees, and costs in connection with the Notices and Products, and in exchange for CRA's release of all liability in connection with the Products as set forth in Sections 4.1 and 4.3 below, POCAS shall make a total settlement payment of Twenty-Three Thousand Seven Hundred Fifty Dollars (\$23,750) ("Total Settlement Amount") within two (2) weeks of the date this Settlement Agreement is fully executed by the Parties. The Total Settlement Amount shall be apportioned into a Civil Penalty, and Attorney's Fees and Costs, as set forth in Sections 3.2, 3.3, 3.4, and 3.5 below. No other payments are required by POCAS under this Agreement.

3.2 Civil Penalty Payment

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims alleged in the Notices or referred to in this Settlement Agreement and in consideration of the releases provided in Section 4, POCAS agrees to pay Two Thousand Five Hundred Dollars (\$2,500) in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code §§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty amount to CRA. Within two (2) weeks of the date this Settlement Agreement is fully executed by the Parties, POCAS shall issue two separate checks for the civil penalty payment to:

- a) "OEHHA" in the amount of One Thousand Eight Hundred Seventy-Five Dollars (\$1,875), representing 75% of the civil penalties, and
- b) CRA in the amount of Six Hundred Twenty-Five Dollars (\$625), representing 25% of the civil penalties.

All payments owed to OEHHA (EIN: 68-0284486) pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Delivery Service:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010, MS 19B
Sacramento, CA 95812-4010

For Non-United States Postal Delivery Service:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street MS #19B
Sacramento, CA 95814

All penalty payments owed to CRA shall be sent to:

Cornerstone Law Firm, PC
357 S. Robertson Blvd. 2ND FL
Beverly Hills, CA 90211

3.3 Attorney Fees and Costs

In consideration of the releases provided by Section 4, and as part of the release to POCAS of any Proposition 65 liability in relation to the Notices issued by CRA to POCAS, the Parties reached an accord on the compensation due to CRA's counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, POCAS agrees to pay Twenty-One Thousand Two Hundred Fifty Dollars (\$21,250) to Cornerstone Law Firm, PC for all fees and costs incurred in investigating and bringing this matter to POCAS's attention.

3.4 Payment Address

All payments required under this section to Cornerstone Law Firm, PC shall be delivered to:

Cornerstone Law Firm, PC
357 S. Robertson Blvd. 2nd FL
Beverly Hills, CA 90211

3.5 Tax Documentation

POCAS agrees to provide a completed IRS 1099 form for its payments to, and CRA and Cornerstone Law Firm, PC agrees to provide IRS W-9 forms to POCAS. The Parties acknowledge that POCAS cannot issue any settlement payments pursuant to Section 3 above until after POCAS receives the requisite W-9 forms from CRA's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 CRA's Release of POCAS

This Agreement is a full, final, and binding resolution with respect to the Products (including as set forth in the Notices) between CRA, including its past and current agents, representatives, successors, and/or assignees, parents, subsidiaries, affiliated entities, attorneys, directors, officers, and employees (the "CRA Releasing Parties"), acting on CRA's own behalf and not on behalf of the public, and POCAS of any violation of Proposition 65 that were or could have been asserted as of the Effective Date by CRA and the CRA Releasing Parties in connection with the Products (including as set forth in the Notices), against POCAS' past and current officers, directors, shareholders, employees, agents, representatives, attorneys, successors, and/or assignees, their parents, subsidiaries, affiliated entities, directors, officers, employees, attorneys, and each entity to whom POCAS directly or indirectly procures the Products from or distributes or sells the Products to (the "POCAS Released Parties"). CRA, acting on its own behalf and not on behalf of the public interest, and the CRA Releasing Parties fully release and discharge POCAS and their past and present parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, partnerships, joint ventures, commonly- controlled entities, successors, heirs, predecessors in interest, and assigns, and each of their respective past and present employees, representatives, officers, directors, shareholders, principals, attorneys, accountants, insurers, receivers, advisors, consultants, partners, owners, members, agents, independent contractors, landlords, tenants, successors, heirs, customers, suppliers, and distributors, and any other entity or individual acting or purporting to act on any POCAS from all claims for violations of Proposition 65 and related liability or obligation of any nature (including injunctive relief, damages or other monetary relief, costs, fines, penalties, losses, or expenses, including investigation fees, expert fees, and attorney's fees) up through the Compliance Date relating to the Products or the Notices. The release does not apply to third-party websites that do not comply with the instruction to provide the warning, however, POCAS does not assume any duty to monitor third-party websites.

4.2 POCAS's Release of CRA

POCAS, on behalf of their past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against CRA and its attorneys and other representatives for any and all actions taken or statements made by CRA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Covered Products.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties, arising out of the Notice or relating to the Products, will develop or be discovered. CRA, including its past and current agents, representatives, successors, and/or assignees, parents, subsidiaries, affiliated entities, attorneys, directors, officers, and employees, on behalf of itself only and not acting in the public interest, and POCAS on behalf of themselves only, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefore. CRA and the CRA Releasing Parties, on the one hand, and POCAS, on the other, acknowledge that the claims released in Sections 4.1 and 4.2 above may include unknown claims and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads 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 SHOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

5. SEVERABILITY

In the event that any of the provisions of this Settlement Agreement are held by a court of competent jurisdiction to be unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.

6. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California without regard to its conflicts of law principles.

7. NOTICE

When any Party is entitled to receive any notice under this Settlement Agreement, the notice shall be sent by first class mail or electronic mail to the address set forth in this paragraph. Any party may modify the person and address to whom the notice is to be sent by sending the other Party notice by certified mail, return receipt requested. Said change shall take effect on the date the return receipt is signed by the Party receiving the change. Notices shall be sent to:

For CRA
David Danialpour
Cornerstone Law Firm PC
357 S. Robertson Blvd., 2ND FL
Beverly Hills, CA 90211

For Pocas International Corp.
J.J. Kim, Esq.
ACI Law Group, PC
6 Centerpointe Drive, Suite 630
La Palma, CA 90623

8. PREVAILING PARTY PROVISION

In the event a dispute arises under this Agreement or regarding its interpretation, the prevailing party in any such dispute or action shall be entitled to receive its reasonable attorney's fees and expenses.

9. COUNTERPARTS: FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature or electronically, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document. Signatures by scanned and emailed image, electronic, or facsimile transmission shall have the same force and effect as an original signature and as an electronic record adopted and executed by a Party with the intent to sign the electronic record pursuant to Civil Code §§ 1633.1 *et seq.*

10. COMPLIANCE WITH HEALTH AND SAFETY CODE §25249.7(f)

CRA and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code §25249.7(I).

11. MODIFICATION

The Settlement Agreement may be modified only by written agreement of the Parties.

12. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties, and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Agreement have been made by or relied on by any Party.

13. INTERPRETATION

No inference, assumption, or presumption shall be drawn, and no provision of this Agreement shall be construed against any Party, based upon the fact that one of the Parties and/or their counsel prepared or drafted any portion of this Agreement. The Parties waive the provisions of Civil Code § 1654. It is conclusively presumed that the Parties participated equally in the drafting of this Agreement.

14. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this Settlement Agreement.

AGREED TO:

Date: 03/02/2023

By: Faraz Adjnasian

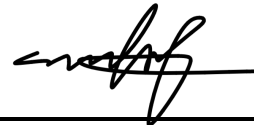


Signature
Consumer Rights Advocates, LLC

AGREED TO:

Date: 3/1/2023

By: Andrew Lee



Signature
for Pocas International Corp.